



The Mauritius Commercial Bank Limited
Consolidated and Separate Financial Statements
Year ended 30 June 2024

Statement of Management's Responsibility for Financial Reporting

The consolidated and separate financial statements of the Group's and the Bank's operations, presented in this annual report have been prepared by Management, which is responsible for their integrity, consistency, objectivity and reliability. IFRS Accounting Standards issued by IASB as well as the requirements of the Banking Act 2004 and the guidelines issued thereunder have been applied for the year ended 30 June 2024 and Management has exercised its judgement and made best estimates where deemed necessary.

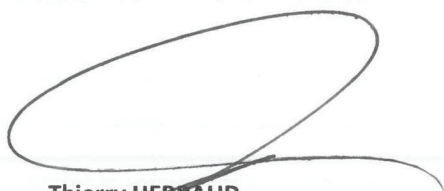
The Bank has designed and maintained its accounting systems, related internal controls and supporting procedures to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorised use or disposal. These supporting procedures include careful selection and training of qualified staff, the implementation of organisation and governance structures providing a well-defined division of responsibilities, authorisation levels and accountability for performance, and the communication of the Bank's policies, procedures manuals and guidelines of the Bank of Mauritius throughout the Bank.

The Bank's Board of Directors, acting in part through the Audit Committee and Risk Monitoring Committee, which comprise, principally, independent directors, oversees Management's responsibility for financial reporting, internal controls, assessment and control of major risk areas, and assessment of significant and related party transactions.

The Bank's Internal Auditor, who has full and free access to the Audit Committee, conducts a well-designed programme of internal audits. In addition, the Bank's compliance function maintains policies, procedures and programmes directed at ensuring compliance with regulatory requirements.

Pursuant to the provisions of the Banking Act 2004, the Bank of Mauritius makes such examination and inquiry into the operations and affairs of the Bank as it deems necessary.

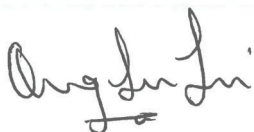
The Bank's external auditor, Deloitte, has full and free access to the Board of Directors and its committees to discuss the audit and matters arising therefrom, such as their observations on the fairness of financial reporting and the adequacy of internal controls.



Thierry HEBRAUD
Director
Chief Executive Officer



Jean-François DESVAUX DE MARIGNY
Director
Chairperson



Su Lin ONG
Director
Chairperson - Audit Committee

Independent auditor's report to the Shareholder of The Mauritius Commercial Bank Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of **The Mauritius Commercial Bank Limited** (the "Bank" and the "Public Interest Entity") and its subsidiaries (the "Group") as set out on pages 6 to 127, which comprise the consolidated and separate statements of financial position as at 30 June 2024, and the consolidated and separate statements of profit or loss, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Bank as at 30 June 2024, and of their financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting standards Board ("IASB"), and comply with the requirements of the Mauritius Companies Act 2001, the Banking Act 2004 and the Financial Reporting Act 2004.

Basis for opinion

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

Other matter

The Group's consolidated financial statements for the years ended 30 June 2022 and 30 June 2023 (from which the consolidated statement of financial position as at 1 July 2023 has been derived) were not audited.

As part of our audit of the consolidated financial statements as at and for the year ended 30 June 2024, we have performed procedures on the opening balances as at 1 July 2021. Consolidated financial statements were not prepared and presented for the years ended 30 June 2023 or 30 June 2022 and accordingly, we do not express an opinion or any other form of assurance on the consolidated financial statements for the years ended 30 June 2023 and 30 June 2022 taken as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Provision for expected credit losses - Financial assets which are not credit impaired	
<p>IFRS 9 <i>Financial Instruments</i> ("IFRS 9") requires the Group and the Bank to recognise expected credit losses ("ECL") on financial assets, which involves significant judgements and estimates. The key areas where we identified greater levels of management judgements and estimates and therefore increased levels of audit focus in the application of IFRS 9 are:</p> <ul style="list-style-type: none"> • Model estimations – The Group and the Bank have used the Run-off triangle model to estimate ECL for the retail portfolio, which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). For the wholesale portfolio, statistical models were employed for estimating the PD and LGD. The PD and LGD models used are the key drivers of the ECL results and are therefore the most significant areas of judgements and estimates used in the ECL modelling approach. • Significant Increase in Credit Risk ("SICR") – Determining the criteria for SICR and identifying SICR– This can impact the ECL materially where facilities have maturity of greater than 12 months. • Macro-economic forecasts – IFRS 9 requires the measurement of ECL on a forward-looking basis using the most appropriate macro-economic forecasts. The macroeconomic forecasts are estimates of future economic conditions. Variables that were used to estimate future changes in the macro-economic environment are the credit index, the real gross domestic product and the consumer price index. Management has also used different forward-looking scenarios which were probability-weighted to determine the ECL. 	<p>Our audit procedures included amongst others:</p> <ul style="list-style-type: none"> • Inspecting the minutes of the Risk Monitoring Committee, Audit Committee and the Board of Directors to ensure that there are governance controls in place in relation to assessment of the ECL; • Involving a team of specialists to validate the model, including: <ul style="list-style-type: none"> ✓ Evaluating the appropriateness of the impairment methodologies applied by the Group and the Bank against the requirements of IFRS 9; ✓ Assessing the appropriateness of macro-economic forecasts used; and ✓ Independently assessing assumptions underlying the PD, LGD and EAD. • Reviewing a sample of the rating reports derived from the internal rating system; • Reviewing the criteria for staging of credit exposures and ensuring these are in line with the requirements of IFRS 9 including any backstops used in the methodology; • Testing the accuracy and completeness of ECL by reperformance; and • Assessing whether the disclosures are in accordance with the requirements of IFRS 9.

Independent auditor's report to the Shareholder of The Mauritius Commercial Bank Limited (Continued)

Key audit matters (Continued)

Key audit matter	How our audit addressed the key audit matter
Provision for expected credit losses - Financial assets which are not credit impaired (Continued)	
<ul style="list-style-type: none"> • Qualitative adjustments – Adjustments to the model-driven ECL results are raised by management to address known impairment model limitations or emerging trends. Such adjustments are inherently uncertain which involve significant management judgement. <p>Due to the significance of the judgements and estimated involved in the overall determination of the allowances for ECL, this item is considered as a key audit matter.</p> <p>The details of the policies and processes for the determination of the allowances for ECL are disclosed in Notes 1(j) and 3(b) to the consolidated and separate financial statements.</p>	
Provision for expected credit losses – Loans and advances to customers which are credit impaired	
<p>Provision for expected credit losses on credit-impaired loans and advances to customers involve the use of assumptions which are subjective due to the level of judgement applied by Management.</p> <p>Changes in the assumptions and the methodology applied may have a major impact on the measurement of the provision for expected credit losses on credit-impaired loans and advances to customers.</p> <p>For impaired credits, the most significant judgements are whether impairment events have occurred and the valuation of any underlying collaterals, along with the determination of the corresponding PD and LGD.</p> <p>The details of the provisions for expected credit losses on credit-impaired loans and advances to customers are disclosed in Note 6(b)(iv) to the consolidated and separate financial statements.</p> <p>Due to the significance of the judgements applied in the identification of credit-impaired facilities and determination of the provision for expected credit losses, this item is considered as a key audit matter.</p>	<p>Our audit procedures included amongst others:</p> <ul style="list-style-type: none"> • Obtaining audit evidence in respect of key controls over the processes for impairment events identification of impaired assets and impairment assessment; • Inspecting the minutes of the Risk Monitoring Committee, Audit Committee and Board of Directors to ensure that there are governance controls in place in relation to assessment of allowance for credit impairment; • Challenging the methodologies applied by using our industry knowledge and experience; • Obtaining audit evidence of management judgements and assumptions; • Independently recalculating the ECL, on a sample basis, based on our assessment of the expected cash flows and recoverability of collateral at an individual counterparty level. Where collaterals were used, we assessed, on a sample basis, the reasonableness of the time taken into account to realise those collaterals and the objectivity and qualifications of the respective independent appraisers; • Performing a risk-based test of loans and advances to customers to ensure timely identification of impairment and for impaired loans to ensure appropriate allowance for credit impairment; and • Assessing whether the disclosures are in accordance with the requirements of IFRS 9.

Other information

The directors are responsible for the other information. The other information comprises the below sections:

- MCB at a glance;
- Financial highlights;
- Non-financial highlights;
- Reflections from the Chairperson;
- Board of Directors; Committees of the Board and Leadership Team;
- About this report;
- Our corporate profile;
- Value creation for our stakeholders;
- Delivering on our strategic objectives;
- Financial performance;
- Corporate governance report, including the statement of directors' responsibilities and statement of compliance;
- Company Secretary's certificate;
- Risk and capital management report;
- Sustainability report;
- Materiality report;
- Statement of management's responsibility for financial reporting and
- Administrative information

The other information does not include the consolidated and separate financial statements and our auditor's report thereon. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent auditor's report to the Shareholder of The Mauritius Commercial Bank Limited (Continued)

Other information (Continued)

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

Responsibilities of directors for the consolidated and separate financial statements

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

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

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless laws or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

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

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

**Independent auditor's report to the Shareholder of
The Mauritius Commercial Bank Limited (Continued)**

Report on other legal and regulatory requirements (Continued)

Financial Reporting Act 2004

Corporate Governance Report

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

Banking Act 2004

- 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 provisions of the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius; and
- the explanations or information called for or given to us by the officers or agents of the Bank were satisfactory.

Use of this report

This report is made solely to the Bank's shareholder, 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 shareholder those matters we are required to state to the shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte.

Deloitte

Chartered Accountants

24 September 2024

Vishal Agrawal.

Vishal Agrawal, FCA


Licensed by FRC



Consolidated and Separate Statements of financial position as at 30 June 2024

	Notes	GROUP			BANK		
		2024	2023	2022	2024	2023	2022
		Rs'M	Rs'M	Rs'M	RS'M	RS'M	RS'M
ASSETS							
Cash and cash equivalents	4	91,907	114,065	65,268	90,669	113,609	64,594
Derivative financial instruments	5	2,071	1,214	438	2,071	1,214	438
Loans to and placements with banks	6(a)	12,623	13,909	23,534	13,582	14,092	23,934
Loans and advances to customers	6(b)	382,533	336,512	312,045	375,404	329,650	306,648
Investment securities	7	324,562	248,891	223,675	322,210	247,405	222,823
Investments in subsidiaries	8(a)	-	-	-	121	118	118
Investments in associates	8(b)	5,495	6,084	5,569	5,495	6,084	5,569
Intangible assets	9	2,593	2,263	1,971	2,551	2,211	1,896
Property, plant and equipment	10	5,461	5,410	5,423	5,028	5,003	4,951
Deferred tax assets	11	3,740	2,729	1,825	3,719	2,710	1,804
Post employment benefit asset	17	754	455	-	754	455	-
Other assets	12	45,337	40,256	33,281	43,848	39,061	31,742
Total assets		877,076	771,788	673,029	865,452	761,612	664,517
LIABILITIES AND SHAREHOLDER'S EQUITY							
Liabilities							
Deposits from banks	13(a)	41,001	14,943	10,560	41,021	15,752	11,318
Deposits from customers	13(b)	641,637	555,089	488,390	634,292	547,586	481,103
Derivative financial instruments	5	1,990	1,216	497	1,990	1,216	497
Other borrowed funds	14	65,355	86,517	93,376	62,529	84,422	92,755
Debt securities	15	14,314	13,759	-	14,314	13,759	-
Subordinated liabilities	16	7,057	7,059	684	7,057	7,059	684
Current tax liabilities		2,706	2,914	1,183	2,697	2,872	1,148
Post employment benefit liability	17	-	-	460	-	-	460
Other liabilities	18	16,117	14,190	10,451	15,437	13,552	9,799
Total liabilities		790,177	695,687	605,601	779,337	686,218	597,764
Shareholder's equity							
Stated capital	19	8,880	8,880	8,880	8,880	8,880	8,880
Retained earnings		67,843	57,468	48,919	66,975	56,625	48,161
Other components of equity		9,997	9,589	9,470	10,260	9,889	9,712
Equity attributable to the equity holders of the parent		86,720	75,937	67,269	86,115	75,394	66,753
Non-controlling interest		179	164	159	-	-	-
Total equity		86,899	76,101	67,428	86,115	75,394	66,753
Total equity and liabilities		877,076	771,788	673,029	865,452	761,612	664,517
CONTINGENT LIABILITIES (NET)	20	189,087	122,977	123,570	187,311	121,559	120,441

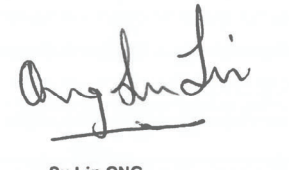
These financial statements were approved by the Board of Directors and authorised for issue on the 24 September 2024.



Thierry HEBRAUD
Director
Chief Executive Officer



Jean-François DESVAUX DE MARIGNY
Director
Chairperson - Board of Directors



Su Lin ONG
Director
Chairperson - Audit Committee

The notes on pages 17 to 127 form part of these financial statements.
Auditor's report on pages 2 to 5.



Consolidated and Separate Statements of profit or loss for the year ended 30 June 2024

	Notes	GROUP			BANK		
		2024	2023	2022	2024	2023	2022
		RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Interest income using the effective interest method	21	43,791	32,388	17,013	42,936	31,739	16,470
Interest expense	22	(20,908)	(13,593)	(2,809)	(20,515)	(13,259)	(2,537)
Net interest income		22,883	18,795	14,204	22,421	18,480	13,933
Fee and commission income	23	9,917	8,615	7,398	9,728	8,414	7,233
Fee and commission expense	24	(3,183)	(2,675)	(2,133)	(3,051)	(2,570)	(2,057)
Net fee and commission income		6,734	5,940	5,265	6,677	5,844	5,176
Net trading income	25	3,682	3,154	1,924	3,599	3,049	1,880
Net gain/(loss) from equity financial instruments carried at fair value through profit or loss		476	564	(291)	476	564	(291)
Dividend income	26	65	71	36	106	102	79
Other operating income		107	89	71	112	79	77
Loss on disposal of associate		(241)	-	-	(241)	-	-
		4,089	3,878	1,740	4,052	3,794	1,745
Operating income		33,706	28,613	21,209	33,150	28,118	20,854
Non-interest expense							
Salaries and human resource costs	27(a)	(6,369)	(5,028)	(4,209)	(6,269)	(4,950)	(4,143)
Depreciation of property, plant and equipment	10	(541)	(571)	(572)	(492)	(523)	(527)
Amortisation of intangible assets	9	(663)	(627)	(471)	(641)	(593)	(430)
Other	27(b)	(3,897)	(3,304)	(2,378)	(3,733)	(3,176)	(2,243)
		(11,470)	(9,530)	(7,630)	(11,135)	(9,242)	(7,343)
Operating profit before impairment		22,236	19,083	13,579	22,015	18,876	13,511
Net impairment of financial assets	28	(3,485)	(3,582)	(3,422)	(3,329)	(3,520)	(3,392)
Operating profit		18,751	15,501	10,157	18,686	15,356	10,119
Share of profit of associates	8(b)	306	544	475	306	544	475
Profit before tax		19,057	16,045	10,632	18,992	15,900	10,594
Income tax expense	29	(3,570)	(2,975)	(1,663)	(3,546)	(2,941)	(1,646)
Profit for the year		15,487	13,070	8,969	15,446	12,959	8,948
Profit for the year attributable to:							
Ordinary equity holders of the parent		15,471	13,044	8,956	15,446	12,959	8,948
Non-controlling interest		16	26	13	-	-	-
		15,487	13,070	8,969	15,446	12,959	8,948
Earnings per share (Rs)	31	17.42	14.69	10.09	17.39	14.59	10.08

The notes on pages 17 to 127 form part of these financial statements.
Auditor's report on pages 2 to 5.



Consolidated and Separate Statements of comprehensive income for the year ended 30 June 2024

	GROUP			BANK		
	2024	2023	2022	2024	2023	2022
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Notes						
Profit for the year	15,487	13,070	8,969	15,446	12,959	8,948
Other comprehensive income:						
Items that will not be reclassified to profit or loss:						
Net fair value gain/(loss) on equity instruments	31	(38)	124	31	(38)	124
Share of other comprehensive income of associates	12	54	24	12	54	24
Remeasurement of defined benefit pension plan, net of deferred tax	117	(224)	(1,529)	117	(224)	(1,529)
29(b)	160	(208)	(1,381)	160	(208)	(1,381)
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations	198	221	(360)	152	294	(360)
Reclassification adjustments on disposal of debt investments at fair value	-	-	7	-	-	7
Reclassification adjustment on disposal of associate	192	-	-	192	-	-
Net fair value loss on debt instruments	(29)	(79)	(23)	(29)	(79)	(23)
	361	142	(376)	315	215	(376)
Other comprehensive income for the year	521	(66)	(1,757)	475	7	(1,757)
Total comprehensive income for the year	16,008	13,004	7,212	15,921	12,966	7,191
Total comprehensive income attributable to:						
Ordinary equity holders of the parent	15,983	12,993	7,199	15,921	12,966	7,191
Non-controlling interest	25	11	13	-	-	-
	16,008	13,004	7,212	15,921	12,966	7,191

The notes on pages 17 to 127 form part of these financial statements.
Auditor's report on pages 2 to 5.



Consolidated Statement of changes in equity for the year ended 30 June 2024

GROUP	Notes	Attributable to equity holders of the parent					Total	Non-controlling interest	Total Equity
		Stated Capital	Retained Earnings	Capital Reserve	Translation Reserve	Statutory Reserve			
		Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	Rs'M	
At 1 July 2021		8,880	46,093	51	791	7,989	63,804	157	63,961
Profit for the year		-	8,956	-	-	-	8,956	13	8,969
Other comprehensive income for the year		-	(1,505)	108	(360)	-	(1,757)	-	(1,757)
Total comprehensive income for the year		-	7,451	108	(360)	-	7,199	13	7,212
Dividends	30	-	(3,734)	-	-	-	(3,734)	(11)	(3,745)
Transactions with owner		-	(3,734)	-	-	-	(3,734)	(11)	(3,745)
Transfer to statutory reserve		-	(891)	-	-	891	-	-	-
At 30 June 2022		8,880	48,919	159	431	8,880	67,269	159	67,428
Profit for the year		-	13,044	-	-	-	13,044	26	13,070
Other comprehensive income for the year		-	(170)	(117)	236	-	(51)	(15)	(66)
Total comprehensive income for the year		-	12,874	(117)	236	-	12,993	11	13,004
Dividends	30	-	(4,325)	-	-	-	(4,325)	(6)	(4,331)
Transactions with owner		-	(4,325)	-	-	-	(4,325)	(6)	(4,331)
At 30 June 2023		8,880	57,468	42	667	8,880	75,937	164	76,101
Profit for the year		-	15,471	-	-	-	15,471	16	15,487
Other comprehensive income for the year		-	129	2	381	-	512	9	521
Total comprehensive income for the year		-	15,600	2	381	-	15,983	25	16,008
Dividends	30	-	(5,200)	-	-	-	(5,200)	(10)	(5,210)
Transactions with owner		-	(5,200)	-	-	-	(5,200)	(10)	(5,210)
Transfer		-	(25)	-	25	-	-	-	-
At 30 June 2024		8,880	67,843	44	1,073	8,880	86,720	179	86,899

The notes on pages 17 to 127 form part of these financial statements.
Auditor's report on pages 2 to 5.



Separate Statement of changes in equity for the year ended 30 June 2024

BANK

At 1 July 2021

Profit for the year
 Other comprehensive income for the year
 Total comprehensive income for the year
 Dividends
 Transactions with owner
 Transfer to statutory reserve

At 30 June 2022

Profit for the year
 Other comprehensive income for the year
 Total comprehensive income for the year
 Dividends
 Transactions with owner

At 30 June 2023

Profit for the year
 Other comprehensive income for the year
 Total comprehensive income for the year
 Dividends
 Transactions with owner
 Transfer

At 30 June 2024

Notes	Stated Capital RS'M	Retained Earnings RS'M	Capital Reserve RS'M	Translation Reserve RS'M	Statutory Reserve RS'M	Total Equity RS'M
	8,880	45,343	51	1,033	7,989	63,296
	-	8,948	-	-	-	8,948
	-	(1,505)	108	(360)	-	(1,757)
	-	7,443	108	(360)	-	7,191
30	-	(3,734)	-	-	-	(3,734)
	-	(3,734)	-	-	-	(3,734)
	-	(891)	-	-	891	-
	8,880	48,161	159	673	8,880	66,753
	-	12,959	-	-	-	12,959
	-	(170)	(117)	294	-	7
	-	12,789	(117)	294	-	12,966
30	-	(4,325)	-	-	-	(4,325)
	-	(4,325)	-	-	-	(4,325)
	8,880	56,625	42	967	8,880	75,394
	-	15,446	-	-	-	15,446
	-	129	2	344	-	475
	-	15,575	2	344	-	15,921
30	-	(5,200)	-	-	-	(5,200)
	-	(5,200)	-	-	-	(5,200)
	-	(25)	-	25	-	-
	8,880	66,975	44	1,336	8,880	86,115

The notes on pages 17 to 127 form part of these financial statements.
 Auditor's report on pages 2 to 5.

	Notes	GROUP			BANK		
		2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
Cash flows from operating activities							
Operating profit		18,751	15,501	10,157	18,686	15,356	10,119
Adjustments for:							
Depreciation of property, plant and equipment		541	571	572	492	523	527
Amortisation of intangible assets		663	627	471	641	593	430
Profit on disposal of property, plant and equipment		(3)	(4)	(3)	(3)	(5)	(3)
Loss on scrapped assets		11	1	1	11	1	1
Loss on disposal of debt investment securities fair valued through other comprehensive income		-	-	337	-	-	337
Loss on disposal of associate		241	-	-	241	-	-
Exchange profit/(loss)		974	193	(65)	1,024	108	(88)
Release in provision for employee benefits		(113)	(104)	(94)	(113)	(104)	(94)
(Release)/additional provision for residual retirement gratuities		(45)	48	14	(45)	48	14
Charge/(release) for credit impairment:							
Loans and advances		4,206	4,037	3,690	4,057	3,992	3,665
Investment securities		464	65	1	461	58	(1)
Cash and cash equivalents		(5)	(1)	(17)	(1)	(6)	(17)
Off balance sheet		(159)	(19)	97	(167)	(25)	95
Investments fair valued through other comprehensive income		-	(2)	76	-	(1)	76
		25,526	20,913	15,237	25,284	20,538	15,061
Changes in:							
Other assets		(4,665)	(8,071)	(3,407)	(4,394)	(8,234)	(3,369)
Other liabilities		1,822	3,059	270	1,810	2,957	374
Derivative financial instruments		(83)	(57)	(312)	(83)	(57)	(312)
Investment securities at fair value through profit or loss		(2,417)	(1,387)	17,612	(2,417)	(1,387)	17,612
Deposits		112,198	71,691	18,074	111,975	70,917	16,937
Loans and advances		(48,573)	(19,384)	(37,669)	(49,301)	(17,152)	(36,628)
		58,282	45,851	(5,432)	57,590	47,044	(5,386)
Purchase of investments at fair value through other comprehensive income		(759)	(237)	(5,523)	(759)	(237)	(5,523)
Proceeds from sale of investments at fair value through other comprehensive income		561	1,781	9,725	561	1,781	9,725
Dividends received from associates	8(b)	420	410	383	420	410	383
Dividends paid	30	(5,000)	(3,559)	(4,200)	(5,000)	(3,559)	(4,200)
Dividends paid to non-controlling interest in subsidiary		(10)	(6)	(11)	-	-	-
Income tax paid		(4,795)	(2,107)	(1,915)	(4,731)	(2,084)	(1,906)
		(9,583)	(3,718)	(1,541)	(9,509)	(3,689)	(1,521)
Net cash flows from operating activities		74,225	63,046	8,264	73,365	63,893	8,154
Investing activities							
Purchase of property, plant and equipment		(477)	(506)	(539)	(450)	(485)	(378)
Purchase of intangible assets		(1,002)	(925)	(971)	(992)	(908)	(939)
Proceeds from sale of property, plant and equipment		14	12	4	6	7	4
Net subordinated loan granted to associate	8(b)	-	-	(40)	-	-	(40)
Investment in subsidiary	8(a)	-	-	-	(3)	-	-
Net increase in investment securities at amortised cost		(73,352)	(25,629)	(61,214)	(72,619)	(24,884)	(61,221)
Net cash flows from investing activities		(74,817)	(27,048)	(62,760)	(74,058)	(26,270)	(62,574)
Financing activities							
Repayment of lease liabilities		(84)	(98)	(88)	(84)	(72)	(61)
Net (decrease)/increase in other borrowed funds		(21,168)	(4,783)	16,183	(21,899)	(6,258)	16,056
Issue of debt securities	15	-	13,506	-	-	13,506	-
(Refund)/issue of subordinated liabilities	16	(271)	6,285	(225)	(271)	6,285	(225)
Net cash flows from financing activities		(21,523)	14,910	15,870	(22,254)	13,461	15,770
(Decrease)/increase in cash and cash equivalents		(22,115)	50,908	(38,626)	(22,947)	51,084	(38,650)
Net cash and cash equivalents at 1 July		114,104	63,233	101,860	113,643	62,559	101,209
Effect of foreign exchange rate changes		(54)	(37)	(1)	-	-	-
Net cash and cash equivalents at 30 June	4	91,935	114,104	63,233	90,696	113,643	62,559

The notes on pages 17 to 127 form part of these financial statements.
Auditor's report on pages 2 to 5.

The Mauritius Commercial Bank Limited ("The Bank") is a public company incorporated by Royal Charter in 1838 and registered as a limited liability company on 18 August 1955. Its registered office is situated at 9-15, Sir William Newton Street, Port Louis, Mauritius. The Bank's debt instrument is listed on the International Securities Market of the London Stock Exchange since October 2022.

The main activities of the Bank and those of its subsidiaries (collectively referred to as "The Group") consist of providing a whole range of banking and financial services. The Bank is wholly owned by MCB Investment Holding Limited.

The ultimate holding company is MCB Group Limited which is listed on the Official Market of The Stock Exchange of Mauritius Ltd.

NOTES	PAGES	
1	Material accounting policy information	17-30
(a)	Basis of preparation	17
(b)	Basis of consolidation and equity accounting	18
(c)	Foreign currency translation	20
(d)	Derivative financial instruments	21
(e)	Offsetting financial instruments	
(f)	Interest income	
(g)	Fees and commissions	
(h)	Sale and repurchase agreements	
(i)	Investments, other financial assets and other financial liabilities	21-25
(j)	Impairment of financial assets	25-26
(k)	Property, plant and equipment	27
(l)	Intangible assets	
(m)	Cash and cash equivalents	
(n)	Provisions	
(o)	Deposits from banks and customers	28
(p)	Employee benefits	
(q)	Current and deferred income tax	29
(r)	Borrowings	
(s)	Dividend declared and unpaid	
(t)	Acceptances	
(u)	Stated capital	
(v)	Borrowing costs	
(w)	Leases	30
(x)	Impairment of non-financial assets	
(y)	Earnings per share	
(z)	Operating segments	
2	Critical accounting estimates and judgements	31-32
(a)	Business model assessment	31
(b)	Significant increase in credit risk	
(c)	Pension benefits	
(d)	Fair value measurement	
(e)	Asset lives and residual values	
(f)	Deferred tax	
(g)	Provisions and Contingencies	32
(h)	Measurement of expected credit loss	
(i)	Significant influence in Banque Française Commerciale Ocean Indien	
(j)	Leases	
3	Financial risk management	33
(a)	Financial risk management	
(b)	Credit risk	33-44
(c)	Market risk	45
(i)	Investment price risk	
(ii)	Currency risk	46-53
(iii)	Interest rate risk	54-59
(iv)	Liquidity risk	60-65
(d)	Fair value estimation	66
(e)	Capital risk management	
(f)	Financial instruments by category	67-69
(g)	Financial instruments not measured at fair value	70

NOTES	PAGES	
4	Cash and cash equivalents	71
5	Derivative financial instruments	72
6	Loans	73
(a)	(i) Loans to and placements with banks	
	(ii) Remaining term to maturity	
	(iii) Reconciliation of gross carrying amount	
	(iv) Allowances for credit impairment	74
(b)	(i) Loans and advances to customers	
	(ii) Remaining term to maturity	
	(iii) Reconciliation of gross carrying amount	75-76
	(iv) Allowances for credit impairment	77-78
	(v) Allowances for credit impairment by industry sectors	79-80
7	Investment securities	81-84
(a)	Investment securities	81
(b)	(i) Investment in debt securities at amortised cost	
	(ii) Remaining term to maturity	82
	(iii) Reconciliation of gross carrying amount of investment in debt securities at amortised cost	83
	(iv) Allowances for credit impairment on investment in debt securities at amortised cost	
(c)	(i) Investment in debt and equity securities at fair value through other comprehensive income by levels	84
	(ii) Reconciliation of Level 3 fair value measurements	
(d)	Investment in debt and equity securities at fair value through profit or loss by levels	
8	Investments in subsidiaries and associates	85-86
(a)	Investments in subsidiaries	
(b)	Investments in associates	
9	Intangible assets	87
10	Property, plant and equipment	88-89
11	Deferred tax assets	90-91
12	Other assets	92
13	Deposits	93
(a)	Deposits from banks	
(b)	Deposits from customers	
	(i) Retail customers	
	(ii) Corporate customers	
	(iii) Government	
14	Other borrowed funds	94
(a)	Other borrowed funds	
(b)	Remaining term to maturity	

NOTES		PAGES
15	Debt securities	95
16	Subordinated liabilities	95
17	Post employee benefit (asset)/liability	96-99
18	Other liabilities	100
19	Stated capital and reserves	101
(a)	Stated capital	
(b)	Reserves	
20	Contingent liabilities	
(a)	Instruments	
(b)	Commitments	
(c)	Tax assessments	
21	Interest income using the effective interest method	102
22	Interest expense	
23	Fee and commission income	
24	Fee and commission expense	
25	Net trading income	
26	Dividend income	103
27	Non-interest expense	
(a)	Salaries and human resource costs	
(b)	Other non-interest expense	
28	Net impairment of financial assets	
29	Income tax expense	104
30	Dividends	105
31	Earnings per share	
32	Commitments	106
(a)	Capital commitments	
(b)	Securities pledged	
33	Related party transactions	107-108
34	Operating segments	109

NOTES	PAGES
35	110-127
Additional disclosures as required by the Bank of Mauritius	
Statement of financial position	110
Statement of profit or loss	111
Statement of comprehensive income	112
(a) Derivative financial instruments	113
(i) Fair value assets	
(ii) Fair value liabilities	
(b) (i) Loans to and placements with banks	
(ii) Remaining term to maturity	
(iii) Allowances for credit impairment	
(c) Loans and advances to customers	114
(i) Remaining term to maturity	
(ii) Credit concentration of risk by industry sectors	
(iii) Allowances for credit impairment	115
(iv) Allowances for credit impairment by industry sectors	116-118
(d) Investment securities	119
(i) Investment in debt securities at amortised cost	
(ii) Investment in debt and equity securities at fair value through other comprehensive income by levels	
(iii) Investment in debt and equity securities at fair value through profit or loss by levels	
(e) Investments in subsidiaries and associates	120
(i) Investments in subsidiaries	
(ii) Investments in associates	
(f) Intangible assets	121
(g) Property, plant and equipment	122
(h) Other assets	123
(i) Deposits from banks	124
(j) Deposits from customers	
(k) Other borrowed funds	125
(l) Debt securities	
(m) Subordinated liability	
(n) Other liabilities	
(o) Contingent liabilities	
(i) Instruments	
(ii) Commitments	
(iii) Tax assessments	
(p) Interest income using the effective interest method	126
(q) Interest expense	
(r) Fee and commission income	
(s) Fee and commission expense	
(t) Net trading income	
(u) Dividend income	
(v) Salaries and human resource costs	127
(w) Other non-interest expense	
(x) Net impairment of financial assets	
(y) Income tax expense	

1. MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Basis of preparation

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

The Group at the time of approving the financial statements is not aware of any uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis. The directors further have a reasonable expectation that the Group has adequate resources to continue in operational existence in the foreseeable future.

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

The financial statements include the consolidated financial statements of the parent company The Mauritius Commercial Bank Limited ("The Company" or "The Bank") and its subsidiary companies ("The Group") and the separate financial statements of the parent company.

The financial statements have been prepared under the historical cost convention except for investment securities at fair value through other comprehensive income, financial assets and liabilities held at fair value through profit or loss, derivative contracts and defined benefit plan which are stated at fair value. 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 Group 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 share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36 Impairment of Assets.

New and amended standards adopted by the Group

A number of amendments to standards and interpretations are effective for annual periods beginning on 1 July 2023, and have not been applied in preparing these financial statements. None of these is expected to have a significant and material effect on the financial statements of the Group in the current reporting period. For this financial year, the following has been adopted:

Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

Amendments to IAS 8 - Definition of Accounting Estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, whilst changes in accounting policies are generally applied retrospectively to past transactions and other past events. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Amendments to IAS 12 - Deferred Tax related to assets and liabilities arising from a single transaction

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

Amendments to IAS 12 International Tax Reform - Pillar Two model

These amendments give entities temporary relief from accounting for deferred taxes arising from the international tax reform. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**(a) Basis of preparation (continued)****New and revised standards in issue but not yet effective****Amendments to IFRS 16 sale and leaseback transaction with variable payments that do not depend on an index or rate**

The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that related to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments are effective for reporting periods beginning on or after 1 January 2024.

Amendments to IAS 1 - Non-current liabilities with covenants

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The amendments are effective for reporting periods beginning on or after 1 January 2024.

Amendments to IAS 7 and IFRS 7 - Supplier finance

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The amendments are effective for reporting periods beginning on or after 1 January 2024.

Amendments to IAS 21 - Lack of exchangeability

These amendments will apply when an entity has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The amendments are effective for reporting periods beginning on or after 1 January 2025.

These amendments will be applied in the financial statements for the annual periods beginning on the respective dates.

The Group has not yet considered the potential impact of the application of these amendments on the Group's financial statements.

(b) Basis of consolidation and equity accounting**(1) Subsidiaries****(i) Subsidiaries**

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

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

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**(b) Basis of consolidation and equity accounting (continued)**

(1) Subsidiaries (continued)

(i) Subsidiaries (continued)

The excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over (b) the net of the acquisition date amounts of identifiable assets acquired and the liabilities and contingent liabilities assumed measured in accordance with IFRS 3 is recorded as goodwill. In the case of a bargain purchase (excess of (b) over (a)), the resulting gain is recognised in profit or loss.

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

(ii) Separate financial statements of the Company

In the separate financial statements of the Company, investments in subsidiary companies are carried at cost. In subsequent years, the carrying amount is reduced to recognise any impairment in the value of individual investments.

(iii) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests without loss of control are also recorded in equity.

Disposal of subsidiaries

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

(2) Associates and joint venture

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

Investments in associates or joint venture are accounted for using the equity method except when classified as held-for-sale. Investments in associates or joint venture are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate or joint venture less any impairment in the value of individual investments.

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

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

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

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**(b) Basis of consolidation and equity accounting (continued)****(2) Associates and joint venture (continued)**

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the Group transacts with an associate or joint venture, profits and losses resulting from the transactions are recognised in the financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, appropriate adjustments are made to the financial statements of associates or joint venture to bring the accounting policies used in line with those adopted by the Group. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

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

In the separate financial statements of the Company, the investments in associates or joint venture are equity accounted. In subsequent years, the carrying amount is reduced to recognise any impairment in the value of the company.

(c) Foreign currency translation

The foreign subsidiaries' statements of financial position are translated to Mauritian Rupees at the closing rate at the end of the reporting period. Their statements of profit or loss, comprehensive income and cash flows are translated at the average rate for the period unless the average is not a reasonable approximation of the cumulative effects of the rates prevailing at the transaction dates, in which case income and expenses are translated at the rates prevailing on the dates of the transactions. Any resulting exchange differences are recognised in other comprehensive income. On disposal of a foreign entity, such exchange differences are recognised in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("functional currency"). The consolidated and separate financial statements are presented in Mauritian Rupees ("Rs"), which is the Company's functional currency. All amounts are in million except as otherwise stated.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation when the items are remeasured.

Trading transactions denominated in foreign currencies are accounted for at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities expressed in foreign currencies are reported at the rate of exchange ruling at the end of the reporting date. Differences arising from reporting monetary items are dealt with through profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction and are not subsequently retranslated.

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

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(d) Derivative financial instruments

Derivatives are financial instruments that derive their value from the price of underlying items such as equities, interest rates, commodities or other indices. Derivatives are recognised initially at fair value and measured at fair value through profit or loss. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative.

(e) Offsetting financial instruments

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

(f) Interest income

Interest income is calculated by applying the effective interest rate to gross carrying amount of financial assets, except for:

(i) Purchased or originated credit-impaired ('POCI') financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.

(ii) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

The Effective Interest Rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability.

(g) Fees and commissions

Fees and Commission income and expense include fees that are not integral part of the Effective Interest Rate.

The Group recognises fee and commission income charged for services provided by the Group as and when performance obligations are satisfied, for example, on completion of the underlying transaction. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight-line basis.

A contract with a customer that results in a recognised financial instrument in the Group's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measures the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Commission and fees arising from negotiation of transactions with third parties, or participating in the negotiation of a transaction for a third party is recognised on completion of the underlying transaction.

(h) Sale and repurchase agreements

Securities sold subject to linked repurchase agreements ("repos") are retained in the statement of financial position as Government securities and Treasury bills and the counterparty liability is included in amount due to other banks or deposits, as appropriate.

Securities purchased under agreements to resell ("reverse repos") are recorded as amount due from other banks or loans and advances, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the repos agreements using the effective interest method.

(i) Investments, other financial assets and financial liabilities

Recognition and measurement

Financial assets and financial liabilities are recognised when the entity 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 Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss (FVPL), transaction costs that are incremental and directly attributable to the acquisition of the financial asset or financial liability. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. An expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and in debt instruments measured at fair value through other comprehensive income (FVOCI), which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Investments, other financial assets and financial liabilities (continued)

Recognition and measurement (continued)

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Group recognises the differences as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Classification and subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Business model: the business model reflects how the Group manages the assets in order to generate cash flows, that is, whether the Group'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 FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the "other" business model and measured at FVPL.

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

For assets measured at fair value, all gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held-for-trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group 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 year.

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

- those to be measured at amortised cost and
- those to be measured subsequently at fair value (either through OCI or through profit or loss).

Amortised cost and effective interest rate

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

For purchased or originated credit-impaired ('POCI') financial assets - assets that are credit-impaired at initial recognition, the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in net trading income. Impairment losses are presented as separate line item in the statement of profit or loss.

Loans originated by the Group by providing money directly to the borrower (at draw-down) are categorised as loans by the Group and are carried at amortised cost, which is defined as the fair value of cash consideration given to originate these loans as is determinable by reference to market prices at origination date. Third party expenses, such as legal fees, incurred in securing a loan are treated as part of the cost of the transaction.

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Investments, other financial assets and financial liabilities (continued)

FVOCI

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the fair value are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses 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 net trading income. Interest income from these financial assets is included in interest income using the effective interest rate method. Foreign exchange gains and losses are presented in net trading income in the statement of profit or loss and impairment expenses are presented as a separate line item in profit or loss.

FVPL

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. The Group may also irrevocably designate financial assets that would otherwise meet the requirements to be measured at amortised cost or at fair value through other comprehensive income, as at fair value through profit or loss, if doing so would eliminate or significantly reduce an accounting mismatch that would otherwise arise. These will be subsequently measured at fair value through profit or loss with gains and losses recognised in profit or loss. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented in net trading income in the year in which it arises. A gain or loss on an equity investment elected to be measured at FVPL is presented in net gain from equity financial instruments carried at fair value through profit or loss.

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. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at FVPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Group's policy is to designate equity instruments 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 OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as dividend income when the Group's right to receive payments is established.

Gains or losses on equity investments at FVPL are included in the 'Net gain/(loss) from equity financial instruments carried at fair value through profit or loss' line in the profit or loss.

Modification of loans

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

- i. 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.
- ii. Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- iii. Significant extension of the loan term when the borrower is not in financial difficulty.
- iv. Significant change in the interest rate.
- v. Change in the currency the loan is denominated in.
- vi. 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 Group derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the assets. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss in net impairment of financial assets.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

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

Where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. If a forbore loan is credit impaired due to the existence of evidence of credit impairment, the Group performs an ongoing assessment to ascertain if the problems of the exposure are cured, to determine if the loan is no longer credit-impaired. The loss allowance on forbore loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

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 (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership nor the Group has retained control.

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Investments, other financial assets and financial liabilities (continued)

Derecognition other than on a modification (continued)

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

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

Collateral (shares and bonds) furnished by the Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Group retains a subordinated residual interest.

Financial Liabilities

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

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

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

-Financial guarantee contracts and loan commitments.

(ii) Derecognition

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

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

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; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Group are measured as the amount of the loss allowance (calculated as described in note 20). The Group 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 instruments.

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Investments, other financial assets and financial liabilities (continued)

Financial guarantee contracts and loan commitments (continued)

For loan commitments and financial guarantee contracts, the ECL is computed as follows:

- For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down.

- For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For contracts that include both a loan and an undrawn commitment and the Group 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.

(j) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ('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 Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

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

Definition of Default

The definition of default is critical to the determination of the ECL. It is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- The borrower is past due more than 90 days on any material credit obligation to the Group; or
- The borrower is unlikely to pay its credit obligations in full to the Group.

The definition of default is appropriately tailored to reflect different characteristics of different type of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or accounts are overdrawn for more than 90 days. When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators such as breach of covenants and financial performance. The Group uses a variety of sources of information to assess default which are either developed internally or obtained from external sources such as Guideline on Credit Impairment Measurement and Income Recognition.

Credit impaired

A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. It is credit impaired and is in Stage 3 when contractual payments or accounts in excess are past due by more than 90 days and/or other quantitative and qualitative factors indicate that the obligator is unlikely to honour its credit obligations.

Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

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

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default.

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(j) Impairment of financial assets (continued)

Significant increase in credit risk

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result the Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information.

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Group employs experts who use external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data and forecasts published by governmental bodies and monetary authorities.

Measurement of ECL

The key inputs used for measuring ECL are:

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

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

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

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

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities. The Group's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortisation profiles, early repayment or overpayment, changes in utilisation of undrawn commitments and credit mitigation actions taken before default. The Group uses EAD models that reflect the characteristics of the portfolios.

Write off Policy

Financial Assets are written off either partially or in its entirety when the Group has no reasonable expectations of recovering them. This occurs when the Group determines that the customer does not have the capacity to repay the amount due or the collateral given by the customer is not sufficient to cover the exposure. The write off does not mean that the Group has forfeited its legal right to claim the sums due. The Group retains the right to proceed with enforcement actions under the Group's recovery procedure and any recovery will be recognised in the statement of profit or loss under 'Net impairment of financial assets' as recoveries of advances written off.

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**(k) Property, plant and equipment**

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

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

Buildings	50 years
Computer and other equipment	5-10 years
Furniture, fittings and vehicles	5-15 years

Land and work in progress are not depreciated.

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

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

Gains or losses on disposal of property, plant and equipment are determined by reference to their disposal proceeds and their carrying amounts and are recognised as income or expense in profit or loss. Repairs and renewals are charged to profit or loss when the expenditure is incurred.

(l) Intangible assets

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

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

Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

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

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

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

(m) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise unrestricted cash and balances with Central Bank, treasury bills and amounts due to and from other banks which are short term, highly liquid with original maturities of 90 days or less, and borrowings of original maturities of 90 days or less that can fluctuate in value changing from an asset to a liability and vice versa across periods.

(n) Provisions

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

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

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**(o) Deposits from banks and customers**

Deposits from banks and customers are classified as financial liabilities at amortised cost. They are initially measured at fair value and subsequently carried at amortised cost.

(p) Employee benefits

The Group operates a number of defined benefit and defined contribution plans and provides for the requirements under the Workers' Rights Act (WRA) 2019. The defined benefit plan is fully funded. The assets of the funded plan are held independently and administered by The Mauritius Commercial Bank Limited Superannuation Fund.

(i) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the notes.

Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitle them to the contributions.

As from 1 July 2015, the Group has introduced a Defined Contribution Cash Balanced scheme (DCCB) for its employees.

With the introduction of DCCB, new employees automatically join the DCCB scheme, whilst existing employees had a one-time opportunity to choose from one of the options listed below:

Option A: To stay in the Defined Benefit (DB) scheme for all service.

Option B: To keep the accrued past pension benefits until 30 June 2015 in the DB scheme and join the DCCB scheme as from 1 July 2015.

Option C: To join the DCCB scheme as from 1 July 2015 and transfer the total accrued benefits as at 30 June 2015 from the DB scheme into the DCCB scheme.

(ii) 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. The main assumptions made in the actuarial valuation of the pension fund are listed in note 17 to the financial statements.

The Group 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 benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense/(income) is recognised in profit or loss.

Service costs comprising current service cost, past service cost, as well as gains and losses on curtailments and settlements are recognised immediately in profit or loss.

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.

(iii) Gratuity on retirement

For employees who are not covered (or who are insufficiently covered by the above pension plans), the net present value of gratuity on retirement payable under the Workers' Rights Act (WRA) 2019 is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

(iv) Termination Benefits

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

(v) Vacation leave

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

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**(q) Current and deferred income tax**

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

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

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

(ii) Deferred income tax

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

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

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

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

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

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

(r) Borrowings

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

(s) Dividend declared and unpaid

Dividend declared and unpaid to the Bank's shareholder at reporting date is recognised as a liability in the period in which dividend is declared.

(t) Acceptances

Acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers. Acceptances are disclosed as liabilities with corresponding contra-assets.

(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) Borrowing costs

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

Other borrowing costs are expensed.

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**(w) Leases**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee except or short term leases (leases with a lease term of 12 month or less) and low value leases (leases of less than MUR 250,000). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses the Key rate.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'Property, plant and equipment' in the Statement of Financial Position and further elaborated in Note 10. The lease liability is recorded under 'Other liabilities' in the Statement of Financial Position.

The interest on lease liabilities is recorded under Interest expense while the expense related to short term and low value leases are included in 'Other Non-Interest expense' line in the Statement of Profit or loss. The depreciation charge for leases are included in depreciation of property plant and equipment under Non-interest expense.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(x) Impairment of non-financial assets

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

(y) Earnings per share

Earnings per share are determined by dividing the profit or loss attributable to owners of the Group by the weighted average number of shares outstanding during the reporting year.

(z) Operating segments

The Group's segmental reporting is in accordance with IFRS 8 Operating segment. Operating segments are reported in a manner consistent with internal reporting provided to Chief Executive Officer and management who are responsible for allocating resources and assessing performance of the operating segment. The Chief Operating Decision Maker (CODM) is the CEO and ultimately the Board. Information provided for resource allocation and assessment of performance can be split into three segment namely the Domestic segment, Global Business and Foreign segment.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

As part of the process of preparing the financial statements of the Group, management is called upon to make judgement, estimates and assumptions. This affects the reported amount of revenues, expenses, assets, liabilities and the disclosures. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates, assumptions and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(b) Significant increase in credit risk

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

(c) Pension benefits

The cost of the defined benefit pension plan and other post-employment benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(d) Fair value measurement

The 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. Fair values should be first calculated with reference to observable inputs where these are available. Only where these are unavailable that the Group employs less observable inputs. Unobservable inputs are used where observable or less observable input are unavailable.

The fair value of securities not quoted in an active market may be determined by the Group using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Group would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(e) Asset lives and residual values

Property, plant and equipment are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extent of current profits and losses on the disposal of similar assets.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

(f) Deferred Tax

Deferred Tax are recognized to the extent that it is probable that future taxable income will be available against which unused tax losses can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Recognition of deferred tax assets depends on management's intention of the Group to generate future taxable profits which will be used against temporary differences and to obtain tax benefit thereon. The outcome of their actual utilization may be different.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(g) Provision and Contingencies

Provision is recognised in the financial statements when the Group has a present obligation as a result of a past event and it is probable that a transfer of economic benefits will be required to settle the obligation. A reliable estimate is required to be made. Management makes various assumptions in order to determine whether to recognise a provision and its amount thereafter. For potential litigation and claims, management relies on the advice of the Group's legal Strategic Business Unit (SBU) and counsel.

(h) Measurement of expected credit loss

The measurement of expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g the likelihood of customers defaulting and the resulting losses). Explanations of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in the Risk and Capital Management report, which also sets out the key sensitivities of the ECL to changes in those elements. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk
- Choosing appropriate models and assumptions for the measurement of ECL
- Establishing the number and relative weightings of forward looking scenarios for each type of market and associated ECL
- Establishing groups of similar financial assets for the purposes of measuring ECL

Detailed information about the judgements and estimates made by the Bank in above areas is set out in the Risk and Capital Management report.

(i) Significant influence in Banque Française Commerciale Ocean Indien

The Group holds 49.99% of Banque Française Commerciale Ocean Indien (BFCOI) and it is considered as an associate. The directors consider that the Group only has significant influence over BFCOI since it does not have the practical ability to control the relevant activities of BFCOI.

(j) Leases

The adoption of IFRS 16 requires significant judgement and estimate. Critical judgement like the determination of whether an extension or termination option will be exercised. Other key assumption and estimate are:

- Determination of the appropriate rate to discount the lease payments
- Estimating the lease term
- Assessing whether the right of use is impaired

3. FINANCIAL RISK MANAGEMENT

(a) Financial risk management

The Group is actively engaged in delivery of financial services, which includes retail and commercial banking, treasury services, custody and credit card. Managing financial risk is a fundamental part of its business activity. The main sources of financial risk that the Group faces arise from financial instruments, which are fundamental to the Group's business and constitute the core of its operations.

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

- (i) Credit Risk
- (ii) Liquidity Risk
- (iii) Market risk (including interest rate and foreign currency risk)

The Group devotes considerable resources to measure, manage, mitigate and control each of these risks and ensures that its risk management systems and procedures are fitted to meet the needs of the business. The Group's risk management policies and processes are designed to identify and analyse these risks; set appropriate risk appetites; limits and controls; and to constantly monitor the risks and adherence to limits.

Given that the Bank comprises a significant portion of the Group, the details provided relate mainly to the Bank, unless otherwise stated.

(b) Credit risk

Credit risk arises when customers or counterparties are not able to fulfill their contractual obligations. Credit Risk Management at the Bank is under the responsibility of the Credit Risk Business Unit (CRBU). The CRBU has the task of reviewing the Bank's credit policies and guidelines to ensure that best lending practices are upheld at all times. Risk assessments are carried out to assist in portfolio management decisions including exposure levels and the constitution of required provisions.

Credit related commitments

The main purpose of credit related commitments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Group to pay a third party, on behalf of its customers up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing.

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 Group 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 since most commitments to extend credit are contingent upon customers maintaining specific credit standards.

The Group monitors the term to maturity of credit commitments because longer term commitments generally have a greater degree of credit risk than shorter term commitments.

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)
Credit quality

The following tables set out the credit quality of exposures by different segments for the year ended 30 June 2024.

At 30 June 2024	Performing			Under performing			Non performing			
	Gross exposure	Expected credit loss	Net exposure	Gross exposure	Expected credit loss	Net exposure	Gross exposure	Lifetime expected credit loss (credit impaired)	Interest in suspense	Net exposure
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Portfolio										
Retail	62,506	837	61,669	170	23	147	1,137	431	124	706
Wholesale	916,582	3,572	913,010	9,363	2,172	7,191	11,100	8,554	1,885	2,546
Total	979,088	4,409	974,679	9,533	2,195	7,338	12,237	8,985	2,009	3,252
Retail										
Housing loans	40,740	498	40,242	84	7	77	441	158	23	283
SME	10,127	136	9,991	31	3	28	284	134	24	150
Unsecured and revolving	7,189	144	7,045	42	12	30	149	102	14	47
Other secured loans	4,450	59	4,391	13	1	12	263	37	63	226
Total Retail	62,506	837	61,669	170	23	147	1,137	431	124	706
Wholesale										
Sovereign	336,382	139	336,243	-	-	-	296	30	60	266
Financial institutions	94,559	356	94,203	-	-	-	-	-	-	-
Project finance	3,420	57	3,363	-	-	-	24	12	-	12
Energy & commodities	256,090	796	255,294	3,078	549	2,529	1,755	1,755	-	-
Corporate	226,131	2,224	223,907	6,285	1,623	4,662	9,025	6,757	1,825	2,268
Total Wholesale	916,582	3,572	913,010	9,363	2,172	7,191	11,100	8,554	1,885	2,546

The Bank allocates each exposure to credit risk grade based on a variety of data that is determined to be predictive of risk of default and applying experienced credit judgement. For the wholesale portfolio, credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of the borrower. It involves assigning a rating to each counterparty according to an internal scale of 1 to 20. The following table presents the Bank's internal rating scale and the corresponding scale of Moody's Investors Service.

Internal Rating	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Moody's Equivalent Rating	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	D

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

An analysis of credit exposures using the Bank's grading system is as follows.

At 30 June 2024	Gross exposure			Expected credit loss			Net exposure		
	12 months	Lifetime not credit impaired	Lifetime credit impaired	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	12 months	Lifetime not credit impaired	Lifetime credit impaired
Total Wholesale									
2	74,034	-	-	3	-	-	74,031	-	-
3	1,101	-	-	-	-	-	1,101	-	-
4	9,902	-	-	1	-	-	9,901	-	-
5	20,022	-	-	5	-	-	20,017	-	-
6	6,392	-	-	1	-	-	6,391	-	-
7	19,894	-	-	5	-	-	19,889	-	-
8	13,799	-	-	2	-	-	13,797	-	-
9	478	-	-	-	-	-	478	-	-
10	272,808	16	-	84	3	-	272,724	13	-
11	37,111	-	-	120	-	-	36,991	-	-
12	90,515	105	-	287	22	-	90,228	83	-
13	105,580	375	-	476	87	-	105,104	288	-
14	157,040	2,504	-	825	513	-	156,215	1,991	-
15	38,449	2,267	-	396	557	-	38,053	1,710	-
16	51,910	1,841	-	395	183	-	51,515	1,658	-
17	15,455	1,203	-	725	440	-	14,730	763	-
18	283	449	-	14	247	-	269	202	-
19	1,809	603	-	233	120	-	1,576	483	-
20	-	-	11,100	-	-	8,554	-	-	2,546
Total	916,582	9,363	11,100	3,572	2,172	8,554	913,010	7,191	2,546
Sovereign									
2	74,034	-	-	3	-	-	74,031	-	-
4	8,003	-	-	1	-	-	8,002	-	-
10	253,474	-	-	84	-	-	253,390	-	-
13	204	-	-	-	-	-	204	-	-
19	667	-	-	51	-	-	616	-	-
20	-	-	296	-	-	30	-	-	266
Total	336,382	-	296	139	-	30	336,243	-	266
Financial Institutions									
3	1,101	-	-	-	-	-	1,101	-	-
4	1,899	-	-	-	-	-	1,899	-	-
5	20,022	-	-	5	-	-	20,017	-	-
6	6,392	-	-	1	-	-	6,391	-	-
7	19,423	-	-	5	-	-	19,418	-	-
8	13,799	-	-	2	-	-	13,797	-	-
9	478	-	-	-	-	-	478	-	-
10	15,956	-	-	-	-	-	15,956	-	-
11	2,214	-	-	1	-	-	2,213	-	-
12	262	-	-	1	-	-	261	-	-
13	953	-	-	2	-	-	951	-	-
14	3,430	-	-	11	-	-	3,419	-	-
15	356	-	-	3	-	-	353	-	-
16	1,805	-	-	60	-	-	1,745	-	-
17	6,461	-	-	264	-	-	6,197	-	-
19	8	-	-	1	-	-	7	-	-
Total	94,559	-	-	356	-	-	94,203	-	-

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

At 30 June 2024	Gross exposure			Expected credit loss			Net exposure		
	12 months	Lifetime not credit impaired	Lifetime credit impaired	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	12 months	Lifetime not credit impaired	Lifetime credit impaired
Project Finance									
13	2,264	-	-	8	-	-	2,256	-	-
14	55	-	-	1	-	-	54	-	-
15	498	-	-	8	-	-	490	-	-
16	115	-	-	3	-	-	112	-	-
17	306	-	-	26	-	-	280	-	-
18	182	-	-	11	-	-	171	-	-
20	-	-	24	-	-	12	-	-	12
Total	3,420	-	24	57	-	12	3,363	-	12

Energy & Commodities

11	1,257	-	-	2	-	-	1,255	-	-
12	30,837	-	-	66	-	-	30,771	-	-
13	43,059	-	-	81	-	-	42,978	-	-
14	105,577	-	-	290	-	-	105,287	-	-
15	24,750	1,340	-	73	287	-	24,677	1,053	-
16	47,312	1,289	-	251	15	-	47,061	1,274	-
17	3,197	-	-	30	-	-	3,167	-	-
18	101	449	-	3	247	-	98	202	-
20	-	-	1,755	-	-	1,755	-	-	-
Total	256,090	3,078	1,755	796	549	1,755	255,294	2,529	-

Corporate

7	471	-	-	-	-	-	471	-	-
10	3,378	16	-	-	3	-	3,378	13	-
11	33,640	-	-	117	-	-	33,523	-	-
12	59,416	105	-	220	22	-	59,196	83	-
13	59,100	375	-	385	87	-	58,715	288	-
14	47,978	2,504	-	523	513	-	47,455	1,991	-
15	12,845	927	-	312	270	-	12,533	657	-
16	2,678	552	-	81	168	-	2,597	384	-
17	5,491	1,203	-	405	440	-	5,086	763	-
19	1,134	603	-	181	120	-	953	483	-
20	-	-	9,025	-	-	6,757	-	-	2,268
Total	226,131	6,285	9,025	2,224	1,623	6,757	223,907	4,662	2,268

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)
Credit quality (continued)

The following tables set out the credit quality of exposures by different segments for the year ended 30 June 2023.

At 30 June 2023	Performing			Under performing			Non performing			
	Gross exposure	Expected credit loss	Net exposure	Gross exposure	Expected credit loss	Net exposure	Gross exposure	Lifetime expected credit loss (credit impaired)	Interest in suspense	Net exposure
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Portfolio										
Retail	56,177	174	56,003	807	609	198	1,027	308	120	719
Wholesale	762,525	3,972	758,553	18,464	3,289	15,175	10,767	7,517	1,995	3,250
Total	818,702	4,146	814,556	19,271	3,898	15,373	11,794	7,825	2,115	3,969
Retail										
Housing loans	36,852	48	36,804	437	314	123	511	153	26	358
SME	9,445	33	9,412	118	84	34	200	55	25	145
Unsecured and revolving	5,557	88	5,469	126	121	5	98	74	12	24
Other secured loans	4,323	5	4,318	126	90	36	218	26	57	192
Total Retail	56,177	174	56,003	807	609	198	1,027	308	120	719
Wholesale										
Sovereign	288,634	110	288,524	-	-	-	285	28	26	257
Financial institutions	85,668	847	84,821	-	-	-	-	-	-	-
Project finance	5,618	93	5,525	70	35	35	410	408	17	2
Energy & commodities	179,799	532	179,267	4,848	911	3,937	890	733	13	157
Corporate	202,806	2,390	200,416	13,546	2,343	11,203	9,182	6,348	1,939	2,834
Total Wholesale	762,525	3,972	758,553	18,464	3,289	15,175	10,767	7,517	1,995	3,250

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

An analysis of credit exposures using the Bank's grading system is as follows.

At 30 June 2023	Gross exposure			Expected credit loss			Net exposure		
	12 months	Lifetime not credit impaired	Lifetime credit impaired	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	12 months	Lifetime not credit impaired	Lifetime credit impaired
Total Wholesale									
2	73,352	-	-	1	-	-	73,351	-	-
3	1,505	-	-	-	-	-	1,505	-	-
4	19,540	-	-	1	-	-	19,539	-	-
5	32,164	-	-	7	-	-	32,157	-	-
6	3,978	-	-	1	-	-	3,977	-	-
7	17,975	-	-	8	-	-	17,967	-	-
8	202,687	-	-	28	-	-	202,659	-	-
9	35	-	-	-	-	-	35	-	-
10	6,470	-	-	-	-	-	6,470	-	-
11	29,548	121	-	63	-	-	29,485	121	-
12	58,873	564	-	231	88	-	58,642	476	-
13	118,331	1,780	-	611	88	-	117,720	1,692	-
14	58,986	3,074	-	578	278	-	58,408	2,796	-
15	114,788	2,935	-	1,259	368	-	113,529	2,567	-
16	12,594	4,562	-	430	1,117	-	12,164	3,445	-
17	7,589	3,505	-	475	744	-	7,114	2,761	-
18	2,042	1,386	-	102	513	-	1,940	873	-
19	2,068	537	-	177	93	-	1,891	444	-
20	-	-	10,767	-	-	7,517	-	-	3,250
Total	762,525	18,464	10,767	3,972	3,289	7,517	758,553	15,175	3,250
Sovereign									
2	73,352	-	-	1	-	-	73,351	-	-
4	15,546	-	-	1	-	-	15,545	-	-
8	198,648	-	-	28	-	-	198,620	-	-
13	213	-	-	-	-	-	213	-	-
19	875	-	-	80	-	-	795	-	-
20	-	-	285	-	-	28	-	-	257
Total	288,634	-	285	110	-	28	288,524	-	257
Financial Institutions									
3	1,505	-	-	-	-	-	1,505	-	-
4	105	-	-	-	-	-	105	-	-
5	32,164	-	-	7	-	-	32,157	-	-
6	2,044	-	-	1	-	-	2,043	-	-
7	17,975	-	-	8	-	-	17,967	-	-
8	4,039	-	-	-	-	-	4,039	-	-
9	35	-	-	-	-	-	35	-	-
10	6,344	-	-	-	-	-	6,344	-	-
11	2,391	-	-	7	-	-	2,384	-	-
12	262	-	-	1	-	-	261	-	-
13	1,419	-	-	10	-	-	1,409	-	-
15	3,708	-	-	36	-	-	3,672	-	-
16	4,675	-	-	244	-	-	4,431	-	-
17	7,143	-	-	440	-	-	6,703	-	-
18	1,859	-	-	93	-	-	1,766	-	-
Total	85,668	-	-	847	-	-	84,821	-	-

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

At 30 June 2023	Gross exposure			Expected credit loss			Net exposure		
	12 months	Lifetime not credit impaired	Lifetime credit impaired	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	12 months	Lifetime not credit impaired	Lifetime credit impaired
Project Finance									
13	4,193	-	-	34	-	-	4,159	-	-
14	113	-	-	1	-	-	112	-	-
15	507	70	-	11	35	-	496	35	-
16	236	-	-	6	-	-	230	-	-
17	386	-	-	32	-	-	354	-	-
18	183	-	-	9	-	-	174	-	-
20	-	-	410	-	-	408	-	-	2
Total	5,618	70	410	93	35	408	5,525	35	2
Energy & Commodities									
4	3,889	-	-	-	-	-	3,889	-	-
6	1,934	-	-	-	-	-	1,934	-	-
11	3,383	-	-	2	-	-	3,381	-	-
12	10,009	-	-	10	-	-	9,999	-	-
13	44,741	1,367	-	81	68	-	44,660	1,299	-
14	29,564	-	-	60	-	-	29,504	-	-
15	81,885	888	-	291	99	-	81,594	789	-
16	4,394	-	-	88	-	-	4,306	-	-
17	-	1,569	-	-	358	-	-	1,211	-
18	-	1,024	-	-	386	-	-	638	-
20	-	-	890	-	-	733	-	-	157
Total	179,799	4,848	890	532	911	733	179,267	3,937	157
Corporate									
10	126	-	-	-	-	-	126	-	-
11	23,774	121	-	54	-	-	23,720	121	-
12	48,602	564	-	220	88	-	48,382	476	-
13	67,765	413	-	486	20	-	67,279	393	-
14	29,309	3,074	-	517	278	-	28,792	2,796	-
15	28,688	1,977	-	921	234	-	27,767	1,743	-
16	3,289	4,562	-	92	1,117	-	3,197	3,445	-
17	60	1,936	-	3	386	-	57	1,550	-
18	-	362	-	-	127	-	-	235	-
19	1,193	537	-	97	93	-	1,096	444	-
20	-	-	9,182	-	-	6,348	-	-	2,834
Total	202,806	13,546	9,182	2,390	2,343	6,348	200,416	11,203	2,834

3. FINANCIAL RISK MANAGEMENT (continued)
(b) Credit risk (continued)
Credit quality (continued)

The following tables set out the credit quality of exposures by different segments for the year ended 30 June 2022.

At 30 June 2022	Performing			Under performing			Non performing				
	Gross exposure	Expected credit loss	Net exposure	Gross exposure	Expected credit loss	Net exposure	Gross exposure	Lifetime expected credit loss (credit impaired)	Interest in suspense	Net exposure	
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	
Portfolio											
Retail	51,316	319	50,997	843	395	448	1,211	358	143	853	
Wholesale	684,284	4,283	680,001	16,384	2,644	13,740	11,173	3,964	1,120	7,209	
Total	735,600	4,602	730,998	17,227	3,039	14,188	12,384	4,322	1,263	8,062	
Retail											
Housing loans	33,522	96	33,426	582	248	334	643	179	35	464	
SME	8,668	80	8,588	78	38	40	296	75	33	221	
Unsecured and revolving	4,477	91	4,386	86	62	24	124	79	14	45	
Other secured loans	4,649	52	4,597	97	47	50	148	25	61	123	
Total Retail	51,316	319	50,997	843	395	448	1,211	358	143	853	
Wholesale											
Sovereign	262,503	102	262,401	-	-	-	71	7	3	64	
Financial institutions	48,985	515	48,470	-	-	-	-	-	-	-	
Project finance	8,537	172	8,365	421	85	336	-	-	-	-	
Energy & commodities	193,208	358	192,850	3,974	357	3,617	1,647	754	67	893	
Corporate	171,051	3,136	167,915	11,989	2,202	9,787	9,455	3,203	1,050	6,252	
Total Wholesale	684,284	4,283	680,001	16,384	2,644	13,740	11,173	3,964	1,120	7,209	

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

An analysis of credit exposures using the Bank's grading system is as follows.

At 30 June 2022	Gross exposure			Expected credit loss			Net exposure		
	12 months	Lifetime not credit impaired	Lifetime credit impaired	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	12 months	Lifetime not credit impaired	Lifetime credit impaired
Total Wholesale									
2	48,490	-	-	1	-	-	48,489	-	-
3	13,684	-	-	-	-	-	13,684	-	-
4	9,140	-	-	-	-	-	9,140	-	-
5	9,680	-	-	4	-	-	9,676	-	-
6	2,492	-	-	2	-	-	2,490	-	-
7	4,731	-	-	8	-	-	4,723	-	-
8	206,315	-	-	45	-	-	206,270	-	-
9	309	-	-	1	-	-	308	-	-
10	11,626	-	-	2	-	-	11,624	-	-
11	10,182	66	-	84	1	-	10,098	65	-
12	77,477	81	-	379	2	-	77,098	79	-
13	62,705	35	-	358	1	-	62,347	34	-
14	145,611	3,188	-	1,371	224	-	144,240	2,964	-
15	63,219	3,567	-	1,299	315	-	61,920	3,252	-
16	14,649	3,610	-	622	922	-	14,027	2,688	-
17	2,320	3,989	-	73	680	-	2,247	3,309	-
18	1,649	907	-	34	197	-	1,615	710	-
19	5	941	-	-	302	-	5	639	-
20	-	-	11,173	-	-	3,964	-	-	7,209
Total	684,284	16,384	11,173	4,283	2,644	3,964	680,001	13,740	7,209
Sovereign									
2	48,490	-	-	1	-	-	48,489	-	-
3	8,377	-	-	-	-	-	8,377	-	-
4	1,355	-	-	-	-	-	1,355	-	-
8	202,632	-	-	43	-	-	202,589	-	-
14	223	-	-	1	-	-	222	-	-
17	1,426	-	-	57	-	-	1,369	-	-
20	-	-	71	-	-	7	-	-	64
Total	262,503	-	71	102	-	7	262,401	-	64
Financial Institutions									
3	388	-	-	-	-	-	388	-	-
4	23	-	-	-	-	-	23	-	-
5	3,405	-	-	3	-	-	3,402	-	-
6	2,492	-	-	2	-	-	2,490	-	-
7	4,731	-	-	8	-	-	4,723	-	-
8	3,683	-	-	2	-	-	3,681	-	-
9	309	-	-	1	-	-	308	-	-
10	11,486	-	-	1	-	-	11,485	-	-
11	1,402	-	-	3	-	-	1,399	-	-
12	478	-	-	3	-	-	475	-	-
13	2,822	-	-	31	-	-	2,791	-	-
14	3	-	-	-	-	-	3	-	-
15	8,882	-	-	189	-	-	8,693	-	-
16	7,406	-	-	261	-	-	7,145	-	-
18	1,470	-	-	11	-	-	1,459	-	-
19	5	-	-	-	-	-	5	-	-
Total	48,985	-	-	515	-	-	48,470	-	-

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

At 30 June 2022	Gross exposure			Expected credit loss			Net exposure		
	12 months	Lifetime not credit impaired	Lifetime credit impaired	12 months expected credit loss	Lifetime expected credit loss	Lifetime expected credit loss	12 months	Lifetime not credit impaired	Lifetime credit impaired
					(not credit impaired)	(credit impaired)			
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Project Finance									
12	2,746	-	-	29	-	-	2,717	-	-
13	2,731	-	-	15	-	-	2,716	-	-
14	2,212	-	-	60	-	-	2,152	-	-
15	149	-	-	3	-	-	146	-	-
16	523	-	-	43	-	-	480	-	-
17	-	421	-	-	85	-	-	336	-
18	176	-	-	22	-	-	154	-	-
Total	8,537	421	-	172	85	-	8,365	336	-
Energy & Commodities									
3	4,919	-	-	-	-	-	4,919	-	-
4	7,762	-	-	-	-	-	7,762	-	-
5	6,275	-	-	1	-	-	6,274	-	-
12	29,790	-	-	54	-	-	29,736	-	-
13	31,630	-	-	24	-	-	31,606	-	-
14	80,781	1,756	-	165	88	-	80,616	1,668	-
15	28,731	-	-	49	-	-	28,682	-	-
16	2,426	-	-	49	-	-	2,377	-	-
17	894	2,218	-	16	269	-	878	1,949	-
20	-	-	1,647	-	-	754	-	-	893
Total	193,208	3,974	1,647	358	357	754	192,850	3,617	893
Corporate									
10	140	-	-	1	-	-	139	-	-
11	8,780	66	-	81	1	-	8,699	65	-
12	44,463	81	-	293	2	-	44,170	79	-
13	25,522	35	-	288	1	-	25,234	34	-
14	62,392	1,432	-	1,145	136	-	61,247	1,296	-
15	25,457	3,567	-	1,058	315	-	24,399	3,252	-
16	4,294	3,610	-	269	922	-	4,025	2,688	-
17	-	1,350	-	-	326	-	-	1,024	-
18	3	907	-	1	197	-	2	710	-
19	-	941	-	-	302	-	-	639	-
20	-	-	9,455	-	-	3,203	-	-	6,252
Total	171,051	11,989	9,455	3,136	2,202	3,203	167,915	9,787	6,252

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)
Credit quality (continued)

Restructured financial assets

The Group defines "rescheduling" as any amendments to restructuring or rescheduling of any exposure and includes concession, relaxation, forgiveness or postponement of any material term or condition of the original sanction. The underlying allowance for credit loss is realised wherever there is a material economic loss.

The following table provides information on financial assets which were restructured while they had a loss allowance measured at an amount equal to lifetime ECL.

	2024 RS 'M	2023 RS 'M	2022 RS 'M
Amortised cost before restructure	95	12	24
Net modification gain or loss	2	8	3
Gross carrying amount at the end of the reporting year when the loss allowance was measured at an amount equal to lifetime ECL and for which the loss allowance has changed during the year to an amount of 12 months ECL	1	4	7

Assets obtained by taking possession of collateral

Details of assets obtained by the Group during the year by taking possession of collateral held as security against loans and advances held at 30 June are shown below:

	2024 RS 'M	2023 RS 'M	2022 RS 'M
Property	105	104	101

Maximum exposure to credit risk - Financial instruments measured at fair value through profit or loss

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e fair value through profit or loss)

	2024 RS 'M	2023 RS 'M	2022 RS 'M
Derivative financial instruments	2,071	1,214	438
Investment securities	3,485	1,521	698

Collateral held and other credit enhancements

The Group's potential credit losses are mitigated through a range of instruments including collaterals and credit protection such as cash, real estate, marketable securities, inventories, standby letters of credit and other physical and/or financial collateral.

Credit risk policies are in place to determine the eligibility of collateral to mitigate the credit risk assumed and appropriate haircuts are applied to the market value of collateral, reflecting the underlying nature, quality and liquidity of the collateral.

In the event of default, the Group has the ability to call on the different types of collaterals which in turn are driven by portfolio, product or counterparty type. The Group considers that it is sufficiently collateralised against its impaired book.

Fixed and floating charges on properties and other assets constitute the bulk of our collateral while cash and marketable securities are immaterial.

Long-term finance and lending to corporate entities are generally secured whilst revolving individual credit facilities are generally unsecured. When the borrower's credit worthiness is not sufficient to justify an extension of credit, corporate guarantees are required.

In extending credit facilities to small and medium sized enterprises, the Group often resorts to personal guarantees from principal directors to ensure their commitment to repayment. Debt securities, treasury and other eligible bills are generally unsecured with the exception of asset-backed securities.

For derivatives, repurchase agreements with financial market counterparties, collateral arrangements are covered under market-standard documentation such as International Swaps and Derivatives Association Agreements (ISDA) and Master Repurchase Agreements.

The Group did not hold any financial instrument for which no loss allowance is recognised because of collateral. There was no change in the Group's collateral policy during the year.

3. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Credit quality (continued)

As part of IFRS 9, the Group needs to convert the through the circle (TTC) PDs to Point In Time (PIT) PDs. This conversion of TTC PDs to PIT PDs entailed the inclusion of forward-looking scenarios for both wholesale and retail portfolios.

Macroeconomic variables used for the Forward-Looking PDs (Probability of Default)

Wholesale Portfolio

The variables used for the inclusion of forward-looking aspects to our PDs i.e for the conversion of TTC PDs to PIT PDs are as follows:

- Credit index (-2)*
- Credit index (-1)*
- GDP growth
- Ln (lending rate)

Retail Portfolio

The retail portfolio is broken into SME, housing, secured and unsecured. The following macroeconomic variables have been used for the respective portfolio:

- | | |
|---------------|---|
| (a) SME | Ln (GDP at basic prices)
Average Lending rate |
| (b) Housing | Ln (GDP at basic prices)
Unemployment rate for the year |
| (c) Secured | Ln (GDP at market prices)
Average lending rate |
| (d) Unsecured | Ln (GDP at basic prices)
Average CPI
Average lending rate |

Credit concentration of risk by industry sectors

Corporate notes and credit facilities extended by the Group to any closely-related customers for amounts aggregating more than 10% of its Tier 1 capital, classified by industry sectors.

	GROUP			BANK		
	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
Agriculture and fishing	298	481	715	298	481	715
Manufacturing	545	7,563	9,682	545	7,562	9,682
Tourism	3,741	12,401	18,145	3,737	12,401	18,145
Transport	1,838	2,506	236	1,835	2,504	195
Construction	8,065	6,993	6,361	8,065	6,993	6,361
Financial and business services	16,774	13,683	9,308	16,774	13,683	9,308
Traders	259,493	216,036	261,203	259,493	216,036	261,203
<i>of which Petroleum & Energy products</i>	247,907	189,045	225,849	247,907	189,045	225,849
Global Business Licence holders	435	8,144	9,626	435	8,144	9,626
Others	9,861	8,218	8,803	9,861	8,218	8,803
	301,050	276,025	324,079	301,043	276,022	324,038

Refer to the risk management report for further details on concentration risk management

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk

Market risk refers to the potential of market price fluctuations, such as those in interest rates, equity prices, foreign exchange rates, and market credit spreads, impacting a bank's income or the valuation of its financial instrument holdings. The primary objective of market risk management is to proficiently handle and regulate these exposures within acceptable benchmarks, all while optimizing returns from risk-associated endeavors.

The formulation of market risk management policies within the Bank lies under the jurisdiction of the Board Risk Monitoring Committee. The execution of these policies and the oversight of this risk category are entrusted to both the Risk Business Unit (BU) and the Asset and Liability Committee (ALCO). Central to the supervision and control of market risk activities are the Market Risk Business Unit (MRBU) and the Assets and Liabilities Management Unit (ALM Unit). These units play a pivotal role in the ongoing monitoring and regulation of market risk activities.

The MRBU is devoted to ensuring the effective adherence to market risk policies and guidelines, as well as maintaining a vigilant watch over predetermined limits. Similarly, the ALM Unit concentrates on monitoring the interest rate risk in the banking book. Their collective efforts contribute to a comprehensive approach to risk management within the Bank.

(i) Investment Price risk

Investment price risk pertains to the vulnerability of an investment's value to shifts in market prices. This risk emanates from a multitude of factors, including the interplay of supply and demand, prevailing economic conditions, geopolitical occurrences, and prevailing market sentiment. The Bank designates a portion of its investments under the categories of Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVPL).

The table below summarises the impact of increases/decreases in fair value of the investments on the Bank's equity. The analysis is based on the assumption that the fair value had increased/decreased by 5%.

	GROUP & BANK		
	2024	2023	2022
	RS 'M	RS 'M	RS 'M
Financial assets at fair value through other comprehensive income	108	97	178
Financial assets at fair value through profit or loss	346	225	156
	454	322	334

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk

Currency risk is defined as the risk that movements in foreign exchange rates adversely affect the value of the Bank's foreign currency positions. Exposure resulting from trading activities is monitored through the use of limits. Limits are given to the individual trader and monitored by the Head of Financial Markets. Such limits include daily stop-loss and position limits. Overall exposure to foreign exchange including those resulting from non-trading activities is monitored against both the regulatory guideline and an internal target validated by the ALCO.

The Bank utilizes the statistical technique "Value-at-Risk" (VaR) for estimating potential losses on risk positions as a result of adverse movements in market rates and prices over a specified time horizon and to a given level of confidence. Our VaR model is based on historical simulation and encompasses the following features and principles:

- Historical market rates and prices such as FX rates, Interest rates, Commodity prices, Bond prices and associated volatilities (risk factors) that are representative of the bank's position.
- The definition of 250 scenarios, corresponding to one-day variations in these market parameters over a sliding one-year period.
- These scenarios are updated daily with the inclusion of a new scenario and the removal of the oldest scenario.
- The application of these 250 scenarios to the daily market parameters. This approach assumes that historical changes in market values are representative of the distribution of potential outcomes in the immediate future.
- The full revaluation of daily positions, on the basis of the adjusted daily market conditions, and the incorporation of non-linear option features on the underlying exposures.
- Calculations to a 99% confidence interval for a one-day holding period on the basis of exposures outstanding at the close of business. The 99% VaR is the largest loss that would be incurred after eliminating the top 1% of most unfavorable occurrences. Over one year, or 250 scenarios, it corresponds to the average of the second and third largest losses involved.

The VaR methodology implicitly takes into account the correlation between all markets and the distribution of variations in market parameters. The nature of the model means an increase in observed market volatility will lead to an increase in VaR without any changes in underlying positions.

To capture material market risks arising from trading portfolios, comprehensive VaR calculations are performed daily for Financial Markets business lines whose activities give rise to market risk. The VaR results across those trading portfolios are aggregated at bank level and are reported as appropriate to various groups including the Bank's Senior Management and the Board Risk Committee.

As VaR is based on historical data, it is an imperfect measure of market risk exposure and potential future losses. In addition, based on their reliance on available historical data, limited time horizons, and other factors, VaR measures are inherently limited in their ability to measure certain risks and to predict losses, particularly those associated with market illiquidity and sudden or severe shifts in market conditions.

For certain products, specific risk parameters are not captured in VaR due to the lack of liquidity and availability of appropriate historical data. The bank uses proxies to estimate the VaR for these and other products when daily time series are not available.

Backtesting

The performance and adequacy of our VaR model is validated by backtesting the VaR metric against the Hypothetical P&L (HPL) daily in order to verify whether the number of days for which the negative results exceeds the VaR complies with the 99% confidence interval. The hypothetical P&L reflects the P&L that would be realized if positions were held constant from the end of one trading day to the next, and excludes items such as fees, commissions and revenue of intra-day transactions. The VaR backtesting is carried out at set levels of the Bank entity hierarchy.

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk

The Trading 1-Day 99% VaR as at 30 June 2024 is shown in the table below:

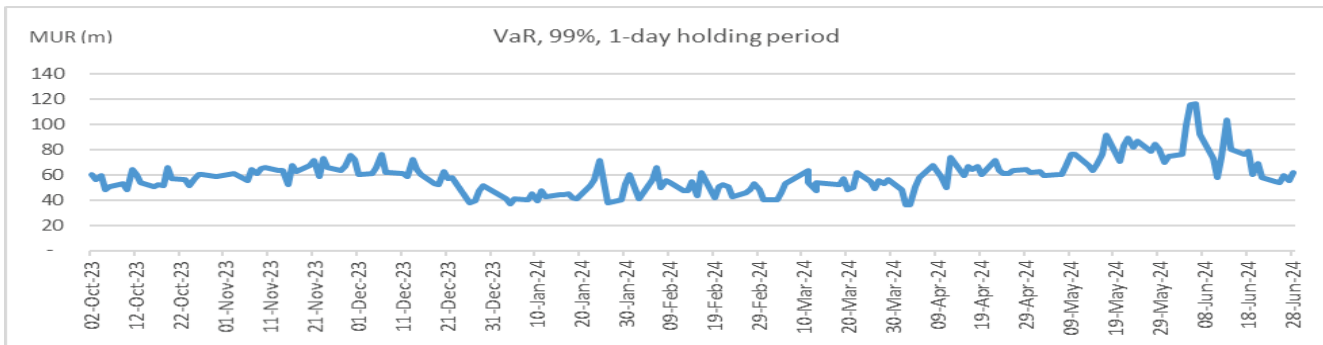
MUR (M)	30-Jun-24	Average	Maximum	Minimum
Foreign Exchange	62	57	118	36
Interest Rate	11	28	75	11
Diversification benefit	(11)	(25)	n/a	n/a
Bank VaR	62	60	117	36

(a) Diversification benefit represents the difference between the portfolio VaR and the sum of its individual components. This reflects the non-additive nature of VaR due to imperfect correlation across LOBs and risk types.

(b) A negative number represents the benefit of portfolio diversification.

(c) For maximum and minimum VaR, diversification benefit is not meaningful as the maximum and minimum VaR for each portfolio may have occurred on different trading days than the components

Evolution over the last quarters



The overall 1-day VaR remained fairly stable over the course of the last financial year, averaging MUR 60M with spikes in June 2024 marked by increased market volatilities. It impacted mainly the FX activity.

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

At 30 June 2024	GROUP					TOTAL RS 'M
	EURO RS 'M	USD RS 'M	GBP RS 'M	MUR RS 'M	OTHER RS 'M	
Financial Assets						
Cash and cash equivalents	8,655	46,587	7,879	20,210	8,610	91,941
Derivative financial instruments	258	1,484	-	329	-	2,071
Loans to and placements with banks	2,797	10,130	-	(12)	39	12,954
Loans and advances to customers	39,963	223,637	388	129,264	5,859	399,111
Investment securities	9,678	81,292	9	232,120	2,368	325,467
Other financial assets	2,957	4,688	492	30,353	1,165	39,655
	64,308	367,818	8,768	412,264	18,041	871,199
Less allowances for credit impairment						(17,848)
Total						853,351
Financial liabilities						
Deposits from banks	1,104	38,441	451	948	57	41,001
Deposits from customers	58,439	244,613	6,894	316,950	14,741	641,637
Derivative financial instruments	(85)	1,829	-	246	-	1,990
Other borrowed funds	3,309	59,173	808	(296)	2,361	65,355
Debt securities	-	14,393	-	(79)	-	14,314
Subordinated liability	-	7,057	-	-	-	7,057
Other financial liabilities	187	645	39	2,082	212	3,165
Total	62,954	366,151	8,192	319,851	17,371	774,519
Net on-balance sheet position	1,354	1,667	576	92,413	670	96,680
Less allowances for credit impairment						(17,848)
						78,832
Off balance sheet net notional position	16,681	54,992	973	-	5,214	77,860
Credit commitments	4,838	197,103	165	20,545	2,248	224,899

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

At 30 June 2024	BANK					TOTAL RS 'M
	EURO RS 'M	USD RS 'M	GBP RS 'M	MUR RS 'M	OTHER RS 'M	
Financial Assets						
Cash and cash equivalents	8,544	46,541	7,877	20,209	7,531	90,702
Derivative financial instruments	258	1,484	-	329	-	2,071
Loans to and placements with banks	2,797	11,089	-	(12)	39	13,913
Loans and advances to customers	39,214	222,230	388	129,264	360	391,456
Investment securities	9,678	81,292	9	232,120	-	323,099
Other financial assets	2,957	4,688	492	30,384	218	38,739
	63,448	367,324	8,766	412,294	8,148	859,980
Less allowances for credit impairment						(17,305)
Total						842,675
Financial liabilities						
Deposits from banks	1,104	38,441	451	948	77	41,021
Deposits from customers	57,905	244,342	6,894	316,950	8,201	634,292
Derivative financial instruments	(85)	1,829	-	246	-	1,990
Other borrowed funds	2,955	59,017	808	(296)	45	62,529
Debt securities	-	14,393	-	(79)	-	14,314
Subordinated liability	-	7,057	-	-	-	7,057
Other financial liabilities	187	645	39	2,113	29	3,013
Total	62,066	365,724	8,192	319,882	8,352	764,216
Net on-balance sheet position	1,382	1,600	574	92,412	(204)	95,764
Less allowances for credit impairment						(17,305)
						78,459
Off balance sheet net notional position	16,490	53,708	973	-	4,913	76,084
Credit commitments	4,838	197,103	165	20,545	2,248	224,899

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

At 30 June 2023	GROUP					
	EURO RS 'M	USD RS 'M	GBP RS 'M	MUR RS 'M	OTHER RS 'M	TOTAL RS 'M
Financial Assets						
Cash and cash equivalents	11,242	36,116	6,044	54,157	6,545	114,104
Derivative financial instruments	446	242	-	526	-	1,214
Loans to and placements with banks	310	14,413	-	2	(28)	14,697
Loans and advances to customers	30,759	189,025	379	127,749	5,205	353,117
Investment securities	11,988	81,314	4,247	150,269	1,500	249,318
Other financial assets	2,963	4,772	510	24,426	1,067	33,738
	57,708	325,882	11,180	357,129	14,289	766,188
Less allowances for credit impairment						(17,859)
Total						748,329
Financial liabilities						
Deposits from banks	941	12,748	449	784	21	14,943
Deposits from customers	50,023	209,024	6,621	277,689	11,732	555,089
Derivative financial instruments	456	242	-	518	-	1,216
Other borrowed funds	3,615	81,688	288	(117)	1,043	86,517
Debt securities	-	13,759	-	-	-	13,759
Subordinated liabilities	-	7,113	-	(54)	-	7,059
Other financial liabilities	243	566	55	3,006	147	4,017
Total	55,278	325,140	7,413	281,826	12,943	682,600
Net on-balance sheet position	2,430	742	3,767	75,303	1,346	83,588
Less allowances for credit impairment						(17,859)
						65,729
Off balance sheet net notional position	9,406	18,968	5,156	-	2,085	35,615
Credit commitments	4,655	108,353	153	20,370	1,542	135,073

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

At 30 June 2023	BANK					TOTAL RS 'M
	EURO RS 'M	USD RS 'M	GBP RS 'M	MUR RS 'M	OTHER RS 'M	
Financial Assets						
Cash and cash equivalents	11,215	36,869	6,038	54,156	5,365	113,643
Derivative financial instruments	446	242	-	526	-	1,214
Loans to and placements with banks	310	14,596	-	2	(28)	14,880
Loans and advances to customers	30,092	187,422	379	127,749	296	345,938
Investment securities	11,988	81,314	4,247	150,269	2	247,820
Other financial assets	2,963	4,835	510	24,426	351	33,085
	57,014	325,278	11,174	357,128	5,986	756,580
Less allowances for credit impairment						(17,525)
Total						739,055
Financial liabilities						
Deposits from banks	943	13,535	449	784	41	15,752
Deposits from customers	49,556	208,505	6,621	277,689	5,215	547,586
Derivative financial instruments	456	242	-	518	-	1,216
Other borrowed funds	3,370	80,867	288	(118)	15	84,422
Debt securities	-	13,759	-	-	-	13,759
Subordinated liabilities	-	7,113	-	(54)	-	7,059
Other financial liabilities	243	629	55	3,006	26	3,959
Total	54,568	324,650	7,413	281,825	5,297	673,753
Net on-balance sheet position	2,446	628	3,761	75,303	689	82,827
Less allowances for credit impairment						(17,525)
						65,302
Off balance sheet net notional position	9,196	18,099	5,156	-	1,746	34,197
Credit commitments	4,655	108,353	153	20,370	1,542	135,073

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

At 30 June 2022	GROUP					TOTAL RS 'M
	EURO RS 'M	USD RS 'M	GBP RS 'M	MUR RS 'M	OTHER RS 'M	
Financial Assets						
Cash and cash equivalents	12,167	13,800	4,806	32,077	2,458	65,308
Derivative financial instruments	71	-	-	367	-	438
Loans to and placements with banks	1,723	21,541	-	(29)	772	24,007
Loans and advances to customers	26,890	174,566	436	117,231	5,063	324,186
Investment securities	9,150	52,751	1,355	159,924	857	224,037
Other financial assets	1,374	2,586	228	20,800	1,291	26,279
	51,375	265,244	6,825	330,370	10,441	664,255
Less allowances for credit impairment						(13,016)
Total						651,239
Financial liabilities						
Deposits from banks	1,246	9,064	256	707	(713)	10,560
Deposits from customers	45,083	163,257	6,578	262,136	11,336	488,390
Derivative financial instruments	-	87	-	410	-	497
Other borrowed funds	1,985	90,654	-	-	737	93,376
Subordinated liability	-	684	-	-	-	684
Other financial liabilities	160	328	51	1,966	134	2,639
Total	48,474	264,074	6,885	265,219	11,494	596,146
Net on-balance sheet position	2,901	1,170	(60)	65,151	(1,053)	68,109
Less allowances for credit impairment						(13,016)
						55,093
Off balance sheet net notional position	7,217	13,998	603	-	1,342	23,160
Credit commitments	4,075	95,811	67	19,047	1,441	120,441

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

At 30 June 2022	BANK					TOTAL RS 'M
	EURO RS 'M	USD RS 'M	GBP RS 'M	MUR RS 'M	OTHER RS 'M	
Financial Assets						
Cash and cash equivalents	11,785	13,432	4,805	32,072	2,540	64,634
Derivative financial instruments	71	-	-	367	-	438
Loans to and placements with banks	1,723	21,941	-	(29)	772	24,407
Loans and advances to customers	26,512	174,088	436	117,231	253	318,520
Investment securities	9,150	52,751	1,355	159,924	-	223,180
Other financial assets	1,374	2,586	228	20,800	314	25,302
	50,615	264,798	6,824	330,365	3,879	656,481
Less allowances for credit impairment						(12,742)
Total						643,739
Financial liabilities						
Deposits from banks	1,246	9,064	256	707	45	11,318
Deposits from customers	44,522	162,839	6,578	262,134	5,030	481,103
Derivative financial instruments	-	87	-	410	-	497
Other borrowed funds	1,853	90,718	-	-	184	92,755
Subordinated liability	-	684	-	-	-	684
Other financial liabilities	160	328	51	1,966	32	2,537
Total	47,781	263,720	6,885	265,217	5,291	588,894
Net on-balance sheet position	2,834	1,078	(61)	65,148	(1,412)	67,587
Less allowances for credit impairment						(12,742)
						54,845
Off balance sheet net notional position	6,835	11,512	603	-	1,081	20,031
Credit commitments	4,075	95,811	67	19,047	1,441	120,441

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iii) Interest rate risk

Interest rate risk in the banking book encompasses the potential adverse effects on earnings resulting from fluctuations in market interest rates. This risk primarily affects non-traded assets and liabilities, specifically encompassing loans, deposits, and financial instruments held without the intent of trading. To effectively manage this risk, the Asset and Liability Management Business Unit, situated within the Finance Strategic Business Unit employs a variety of strategies.

Net interest income (NII) sensitivity stands as a key metric, evaluating the anticipated changes in net interest income across diverse interest rate scenarios, while holding all other economic factors constant. ALCO oversees the fluctuations in net interest income sensitivity.

The calculations of NII sensitivity assume uniform interest rate movements across all maturities within the 'up-shock' scenario. In contrast, the 'down-shock' scenario assumes a floor at zero for rates, except when market rates are already negative, as seen in the Euro case.

The following tables delineate the carrying amount of the Group's and Bank's financial instruments, categorized by the earlier of contractual repricing or maturity dates.

Interest Rate Risk Earnings Impact Analysis

The Group is exposed to interest rate risk (IRR), primarily manifested as repricing risk. To effectively measure and oversee this particular risk, the Group employs an interest rate risk gap analysis, illustrated below. One of the methodologies utilized involves the Bank of Mauritius (BOM) framework, which incorporates a 200 basis point parallel shift in interest rates. This framework provides insights into estimating the potential one-year earnings impact based on a static balance sheet scenario.

	BANK		
	2024	2023	2022
	RS 'M	RS 'M	RS 'M
Impact on Earnings	741	1,833	211

Interest sensitivity of assets and liabilities- repricing analysis

	GROUP							Total
	Up to	1-3	3-6	6-12	1-3	Over 3	Non-interest	
At 30 June 2024	1 month	months	months	months	years	years	bearing*	RS 'M
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial Assets								
Cash and cash equivalents	88,972	38	-	-	-	-	2,931	91,941
Derivative financial instruments	89	-	-	-	-	-	1,982	2,071
Loans to and placements with banks	2,074	7,776	865	1,372	828	-	39	12,954
Loans and advances to customers	220,942	82,646	47,617	19,695	8,093	9,426	10,692	399,111
Investment securities	21,975	34,619	26,809	51,242	112,747	68,792	9,283	325,467
Other financial assets	-	-	-	-	-	-	39,655	39,655
	334,052	125,079	75,291	72,309	121,668	78,218	64,582	871,199
Less allowances for credit impairment								(17,848)
Total								853,351
Financial liabilities								
Deposits from banks	31,194	4,138	3,641	1,753	-	-	275	41,001
Deposits from customers	354,998	24,580	11,689	20,914	9,516	1,033	218,907	641,637
Derivative financial instruments	-	-	-	153	(151)	-	1,988	1,990
Other borrowed funds	111	45,073	5,724	4,952	9,378	-	117	65,355
Debt securities	-	1,128	2,256	-	-	10,805	125	14,314
Subordinated liability	6,953	-	-	-	-	-	104	7,057
Other financial liabilities	-	-	-	-	-	-	3,165	3,165
Total	393,256	74,919	23,310	27,772	18,743	11,838	224,681	774,519
On balance sheet interest sensitivity gap	(59,204)	50,160	51,981	44,537	102,925	66,380	(160,099)	96,680
Less allowances for credit impairment								(17,848)
								78,832

* Includes interest receivable

3. FINANCIAL RISK MANAGEMENT (continued)
(c) Market risk (continued)
(iii) Interest rate risk (continued)
Interest sensitivity of assets and liabilities- repricing analysis (continued)

At 30 June 2024	BANK						Non-interest bearing*	Total RS 'M
	Up to 1 month RS 'M	1-3 months RS 'M	3-6 months RS 'M	6-12 months RS 'M	1-3 years RS 'M	Over 3 years RS 'M		
Financial Assets								
Cash and cash equivalents	88,753	38	-	-	-	-	1,911	90,702
Derivative financial instruments	89	-	-	-	-	-	1,982	2,071
Loans to and placements with banks	3,033	7,776	865	1,372	828	-	39	13,913
Loans and advances to customers	213,796	82,646	47,617	19,695	8,093	9,426	10,183	391,456
Investment securities	21,774	34,513	26,703	50,827	111,460	68,792	9,030	323,099
Other financial assets	-	-	-	-	-	-	38,739	38,739
	327,445	124,973	75,185	71,894	120,381	78,218	61,884	859,980
Less allowances for credit impairment								(17,305)
Total								842,675
Financial liabilities								
Deposits from banks	31,214	4,138	3,641	1,753	-	-	275	41,021
Deposits from customers	348,057	24,297	11,669	20,903	9,516	1,033	218,817	634,292
Derivative financial instruments	-	-	-	153	(151)	-	1,988	1,990
Other borrowed funds	882	42,605	5,724	3,826	9,378	-	114	62,529
Debt securities	-	1,128	2,256	-	-	10,805	125	14,314
Subordinated liability	6,953	-	-	-	-	-	104	7,057
Other financial liabilities	-	-	-	-	-	-	3,013	3,013
Total	387,106	72,168	23,290	26,635	18,743	11,838	224,436	764,216
On balance sheet interest sensitivity gap	(59,661)	52,805	51,895	45,259	101,638	66,380	(162,552)	95,764
Less allowances for credit impairment								(17,305)
								78,459

* Includes interest receivable

3. FINANCIAL RISK MANAGEMENT (continued)
(c) Market risk (continued)
(iii) Interest rate risk (continued)
Interest sensitivity of assets and liabilities- repricing analysis (continued)

At 30 June 2023	GROUP							Total RS 'M
	Up to 1 month RS 'M	1-3 months RS 'M	3-6 months RS 'M	6-12 months RS 'M	1-3 years RS 'M	Over 3 years RS 'M	Non-interest bearing* RS 'M	
Financial Assets								
Cash and cash equivalents	111,438	906	-	-	-	-	1,760	114,104
Derivative financial instruments	6	-	-	-	-	-	1,208	1,214
Loans to and placements with banks	1,378	9,892	3,015	-	101	311	-	14,697
Loans and advances to customers	210,904	50,507	34,247	15,026	19,993	10,948	11,492	353,117
Investment securities	27,171	14,543	23,208	38,585	72,297	66,941	6,573	249,318
Other financial assets	-	-	-	-	-	-	33,738	33,738
	350,897	75,848	60,470	53,611	92,391	78,200	54,771	766,188
Less allowances for credit impairment								(17,859)
Total								748,329
Financial liabilities								
Deposits from banks	8,837	1,064	3,938	1,104	-	-	-	14,943
Deposits from customers	291,324	13,000	9,796	17,142	9,340	634	213,853	555,089
Derivative financial instruments	-	-	-	-	2	-	1,214	1,216
Other borrowed funds	3,142	49,199	19,323	2,003	12,492	50	308	86,517
Debt securities	-	-	-	-	-	13,566	193	13,759
Subordinated liabilities	6,696	273	-	-	-	-	90	7,059
Other financial liabilities	-	-	-	-	-	-	4,017	4,017
Total	309,999	63,536	33,057	20,249	21,834	14,250	219,675	682,600
On balance sheet interest sensitivity gap	40,898	12,312	27,413	33,362	70,557	63,950	(164,904)	83,588
Less allowances for credit impairment								(17,859)
								65,729

* Includes interest receivable

3. FINANCIAL RISK MANAGEMENT (continued)
(c) Market risk (continued)
(iii) Interest rate risk (continued)
Interest sensitivity of assets and liabilities- repricing analysis (continued)

At 30 June 2023	BANK							Total RS 'M
	Up to 1 month RS 'M	1-3 months RS 'M	3-6 months RS 'M	6-12 months RS 'M	1-3 years RS 'M	Over 3 years RS 'M	Non-interest bearing* RS 'M	
Financial Assets								
Cash and cash equivalents	111,667	905	-	-	-	-	1,071	113,643
Derivative financial instruments	6	-	-	-	-	-	1,208	1,214
Loans to and placements with banks	1,560	9,893	3,015	-	101	311	-	14,880
Loans and advances to customers	204,015	50,507	34,247	15,026	19,993	10,948	11,202	345,938
Investment securities	27,171	14,343	23,158	38,439	71,298	66,941	6,470	247,820
Other financial assets	-	-	-	-	-	-	33,085	33,085
	344,419	75,648	60,420	53,465	91,392	78,200	53,036	756,580
Less allowances for credit impairment								(17,525)
Total								739,055
Financial liabilities								
Deposits from banks	9,645	1,065	3,938	1,104	-	-	-	15,752
Deposits from customers	284,367	12,545	9,785	17,136	9,340	634	213,779	547,586
Derivative financial instruments	-	-	-	-	2	-	1,214	1,216
Other borrowed funds	1,047	49,199	19,323	2,003	12,492	50	308	84,422
Debt securities	-	-	-	-	-	13,566	193	13,759
Subordinated liabilities	6,696	273	-	-	-	-	90	7,059
Other financial liabilities	-	-	-	-	-	-	3,959	3,959
Total	301,755	63,082	33,046	20,243	21,834	14,250	219,543	673,753
On balance sheet interest sensitivity gap	42,664	12,566	27,374	33,222	69,558	63,950	(166,507)	82,827
Less allowances for credit impairment								(17,525)
								65,302

* Includes interest receivable

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iii) Interest rate risk (continued)

Interest sensitivity of assets and liabilities- repricing analysis (continued)

At 30 June 2022	GROUP							Total RS 'M
	Up to 1 month RS 'M	1-3 months RS 'M	3-6 months RS 'M	6-12 months RS 'M	1-3 years RS 'M	Over 3 years RS 'M	Non-interest bearing* RS 'M	
Financial Assets								
Cash and cash equivalents	6,319	16	-	-	-	-	58,973	65,308
Derivative financial instruments	-	-	-	-	-	-	438	438
Loans to and placements with banks	4,902	11,302	2,950	4,677	74	46	56	24,007
Loans and advances to customers	206,441	31,870	26,169	17,193	15,863	13,934	12,716	324,186
Investment securities	4,071	11,518	16,335	18,598	84,231	83,882	5,402	224,037
Other financial assets	-	-	-	-	-	-	26,279	26,279
	221,733	54,706	45,454	40,468	100,168	97,862	103,864	664,255
Less allowances for credit impairment								(13,016)
Total								651,239
Financial liabilities								
Deposits from banks	3,411	3,455	-	1,796	-	-	1,898	10,560
Deposits from customers	261,180	6,826	3,984	4,818	2,230	250	209,102	488,390
Derivative financial instruments	-	1	1	2	8	(3)	488	497
Other borrowed funds	9,915	25,323	34,943	5,075	11,312	4,511	2,297	93,376
Subordinated liability	-	674	-	-	-	-	10	684
Other financial liabilities	-	-	-	-	-	-	2,639	2,639
Total	274,506	36,279	38,928	11,691	13,550	4,758	216,434	596,146
On balance sheet interest sensitivity gap	(52,773)	18,427	6,526	28,777	86,618	93,104	(112,570)	68,109
Less allowances for credit impairment								(13,016)
								55,093

* Includes interest receivable

3. FINANCIAL RISK MANAGEMENT (continued)
(c) Market risk (continued)
(iii) Interest rate risk (continued)
Interest sensitivity of assets and liabilities- repricing analysis (continued)

At 30 June 2022	BANK							Total RS 'M
	Up to 1 month RS 'M	1-3 months RS 'M	3-6 months RS 'M	6-12 months RS 'M	1-3 years RS 'M	Over 3 years RS 'M	Non-interest bearing* RS 'M	
Financial Assets								
Cash and cash equivalents	6,315	16	-	-	-	-	58,303	64,634
Derivative financial instruments	-	-	-	-	-	-	438	438
Loans to and placements with banks	5,302	11,302	2,950	4,677	74	46	56	24,407
Loans and advances to customers	200,775	31,870	26,169	17,193	15,863	13,934	12,716	318,520
Investment securities	4,071	11,408	16,131	18,598	83,688	83,882	5,402	223,180
Other financial assets	-	-	-	-	-	-	25,302	25,302
	216,463	54,596	45,250	40,468	99,625	97,862	102,217	656,481
Less allowances for credit impairment								(12,742)
Total								643,739
Financial liabilities								
Deposits from banks	4,169	3,455	-	1,796	-	-	1,898	11,318
Deposits from customers	256,189	6,125	3,064	4,143	2,230	250	209,102	481,103
Derivative financial instruments	-	1	1	2	8	(3)	488	497
Other borrowed funds	9,473	25,143	34,943	5,075	11,312	4,512	2,297	92,755
Subordinated liability	-	674	-	-	-	-	10	684
Other financial liabilities	-	-	-	-	-	-	2,537	2,537
Total	269,831	35,398	38,008	11,016	13,550	4,759	216,332	588,894
On balance sheet interest sensitivity gap	(53,368)	19,198	7,242	29,452	86,075	93,103	(114,115)	67,587
Less allowances for credit impairment								(12,742)
								54,845

* Includes interest receivable

3. FINANCIAL RISK MANAGEMENT (continued)
(c) Market risk (continued)
(iv) Liquidity risk

Liquidity risk entails the risk of being unable to procure readily available funds to satisfy immediate or near-term obligations in a cost-efficient manner. The Group recognizes the indispensable nature of skillfully managing liquidity, not only to foster market confidence but also to ensure the enduring viability of its operations.

In order to effectively navigate liquidity and funding risk, the Group has established a robust internal framework that synergizes Risk, Finance, and Treasury Management functions, all of which operate under the vigilant oversight of the Asset and Liability Committee (ALCO). The Group has implemented a series of key strategies to proficiently manage liquidity risk:

- Proactively forecast future cash flows and devise plans to address both routine operational necessities as well as diverse potential scenarios and contingencies.
- Oversee day-to-day liquidity by closely monitoring intra-day liquidity dynamics and projecting future cash flows, thereby guaranteeing the capability to meet all outgoing fund requirements.
- Uphold a reserve of liquid assets that can be promptly mobilized in situations of unanticipated cash outflows.
- Foster a diversified and stable funding foundation to fortify the Group's financial resilience.
- Rigorously monitor a set of early warning indicators that signal potential liquidity stress.
- Maintain a comprehensive Contingency Funding Plan to address liquidity emergencies.

The below table provides a breakdown of financial assets and liabilities according to their remaining contractual maturities as of the end of the reporting period. The Group also holds financial assets and financial liabilities for which the expected cash flows are significantly different from the contractual cash flows. The most common examples of such instruments are the current deposits from customers which are largely repayable on demand are not expected to be withdrawn immediately but to remain stable or increase. Similarly, retail mortgage loans might have a longer average contractual maturity but the average expected maturity could be lower since customers may take advantage of early repayment options.

The amounts disclosed in the following tables are undiscounted.

Maturities of assets and liabilities

At 30 June 2024	GROUP							Total RS 'M
	Up to 1 month RS 'M	1-3 months RS 'M	3-6 months RS 'M	6-12 months RS 'M	1-3 years RS 'M	Over 3 years RS 'M	Non-maturity items RS 'M	
Financial Assets								
Cash and cash equivalents	89,576	-	-	-	-	-	151	89,727
Derivative financial instruments	-	-	-	-	-	-	921	921
Loans to and placements with banks	7,215	177	64	5,199	479	-	-	13,134
Loans and advances to customers	93,706	56,447	26,278	28,438	101,916	143,224	16,542	466,551
Investment securities	9,018	36,208	27,666	49,765	123,618	102,207	8,081	356,563
Other financial assets	-	-	-	-	-	-	39,655	39,655
	199,515	92,832	54,008	83,402	226,013	245,431	65,350	966,551
Less allowances for credit impairment								(17,848)
Total								948,703
Financial liabilities								
Deposits from banks	31,339	4,165	3,835	1,837	-	-	-	41,176
Deposits from customers	553,563	28,050	14,334	25,577	18,531	7,522	-	647,577
Derivative financial instruments	-	1	1	2	4	-	397	405
Other borrowed funds	151	3,199	870	2,793	44,908	5,603	(287)	57,237
Debt securities	-	137	753	564	2,250	15,317	125	19,146
Subordinated liability	-	-	-	6,953	-	-	104	7,057
Other financial liabilities	-	-	-	14	92	135	2,924	3,165
<i>Lease liabilities</i>	-	-	-	14	92	135	-	241
Total	585,053	35,552	19,793	37,740	65,785	28,577	3,263	775,763
Net liquidity gap	(385,538)	57,280	34,215	45,662	160,228	216,854	62,087	190,788
Less allowances for credit impairment								(17,848)
								172,940
Off balance sheet net notional position	17,922	23,195	5,576	45,794	84,795	9,605	-	186,887
Credit commitments	11,168	19,803	4,436	2,335	5,432	432,593	-	475,767



3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iv) Liquidity risk

The amounts disclosed in the following tables are undiscounted.

Maturities of assets and liabilities

At 30 June 2024	BANK							Total RS 'M
	Up to 1 month RS 'M	1-3 months RS 'M	3-6 months RS 'M	6-12 months RS 'M	1-3 years RS 'M	Over 3 years RS 'M	Non-maturity items RS 'M	
Financial Assets								
Cash and cash equivalents	88,490	-	-	-	-	-	-	88,490
Derivative financial instruments	-	-	-	-	-	-	921	921
Loans to and placements with banks	8,175	177	64	5,199	479	-	-	14,094
Loans and advances to customers	89,630	56,019	26,099	28,360	100,905	141,946	15,936	458,895
Investment securities	8,791	36,092	27,534	49,289	122,201	102,207	8,081	354,195
Other financial assets	-	-	-	-	-	-	38,739	38,739
	195,086	92,288	53,697	82,848	223,585	244,153	63,677	955,334
Less allowances for credit impairment								(17,305)
Total								938,029
Financial liabilities								
Deposits from banks	31,359	4,165	3,835	1,837	-	-	-	41,196
Deposits from customers	548,674	27,342	13,496	24,727	18,470	7,522	-	640,231
Derivative financial instruments	-	1	1	2	4	-	397	405
Other borrowed funds	922	728	870	1,667	44,908	5,603	(287)	54,411
Debt securities	-	137	753	564	2,250	15,317	125	19,146
Subordinated liability	-	-	-	6,953	-	-	104	7,057
Other financial liabilities	-	-	-	14	52	135	2,812	3,013
<i>Lease liabilities</i>	-	-	-	14	52	135	-	201
Total	580,955	32,373	18,955	35,764	65,684	28,577	3,151	765,459
Net liquidity gap	(385,869)	59,915	34,742	47,084	157,901	215,576	60,526	189,875
Less allowances for credit impairment								(17,305)
								172,570
Off balance sheet net notional position	16,926	22,984	5,523	45,703	84,753	9,222	-	185,111
Credit commitments	11,168	19,803	4,436	2,335	5,432	432,593	-	475,767

3. FINANCIAL RISK MANAGEMENT (continued)
(c) Market risk (continued)
(iv) Liquidity risk (continued)
Maturities of assets and liabilities (continued)

At 30 June 2023	GROUP							Total RS 'M
	Up to 1 month RS 'M	1-3 months RS 'M	3-6 months RS 'M	6-12 months RS 'M	1-3 years RS 'M	Over 3 years RS 'M	Non-maturity items RS 'M	
Financial Assets								
Cash and cash equivalents	112,755	-	-	-	-	-	1,245	114,000
Derivative financial instruments	-	-	-	-	-	-	1,202	1,202
Loans to and placements with banks	1,361	7,035	2,043	87	4,125	311	-	14,962
Loans and advances to customers	105,134	32,637	30,686	22,649	87,248	133,509	12,092	423,955
Investment securities	27,002	11,963	20,383	36,746	81,495	86,949	4,836	269,374
Other financial assets	-	-	-	-	-	-	33,738	33,738
	246,252	51,635	53,112	59,482	172,868	220,769	53,113	857,231
Less allowances for credit impairment								(17,859)
Total								839,372
Financial liabilities								
Deposits from banks	9,094	808	3,949	1,159	45	-	-	15,055
Deposits from customers	489,928	14,462	11,974	20,807	17,507	4,321	-	558,999
Derivative financial instruments	-	1	1	2	5	-	1,204	1,213
Other borrowed funds	2,478	26,786	10,937	4,929	43,792	4,662	63	93,647
Debt securities	-	-	543	543	2,176	15,835	193	19,290
Subordinated liabilities	-	296	-	6,696	-	-	(63)	6,929
Other financial liabilities	-	-	-	52	75	104	3,728	3,959
Lease liabilities	-	-	-	52	75	104	-	231
Total	501,500	42,353	27,404	34,188	63,600	24,922	5,125	699,092
Net liquidity gap	(255,248)	9,282	25,708	25,294	109,268	195,847	47,988	158,139
Less allowances for credit impairment								(17,859)
								140,280
Off balance sheet net notional position	7,252	3,852	5,227	30,015	48,984	10,724	-	106,054
Credit commitments	5,425	10,808	6,359	1,678	2,799	373,184	-	400,253

3. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iv) Liquidity risk (continued)

Maturities of assets and liabilities (continued)

At 30 June 2023	BANK						Non-maturity items RS 'M	Total RS 'M
	Up to 1 month RS 'M	1-3 months RS 'M	3-6 months RS 'M	6-12 months RS 'M	1-3 years RS 'M	Over 3 years RS 'M		
Financial Assets								
Cash and cash equivalents	112,981	-	-	1	-	-	671	113,653
Derivative financial instruments	-	-	-	-	-	-	1,202	1,202
Loans to and placements with banks	1,543	7,217	2,043	87	4,125	311	-	15,326
Loans and advances to customers	101,393	28,896	30,570	22,595	86,502	131,743	11,738	413,437
Investment securities	27,002	11,963	20,319	36,595	80,441	86,949	4,836	268,105
Other financial assets	-	-	-	-	-	-	33,085	33,085
	242,919	48,076	52,932	59,278	171,068	219,003	51,532	844,808
Less allowances for credit impairment								(17,525)
Total								827,283
Financial liabilities								
Deposits from banks	9,902	808	3,949	1,159	45	-	-	15,863
Deposits from customers	483,153	13,933	11,963	20,801	17,507	4,321	-	551,678
Derivative financial instruments	-	1	1	2	5	-	1,204	1,213
Other borrowed funds	2,478	26,683	10,937	2,935	43,792	4,662	(118)	91,369
Debt securities	-	-	543	543	2,176	15,835	193	19,290
Subordinated liabilities	-	296	-	6,696	-	-	(63)	6,929
Other financial liabilities	-	-	-	52	75	73	3,759	3,959
<i>Lease liabilities</i>	-	-	-	52	75	73	-	200
Total	495,533	41,721	27,393	32,188	63,600	24,891	4,975	690,301
Net liquidity gap	(252,614)	6,355	25,539	27,090	107,468	194,112	46,557	154,507
Less allowances for credit impairment								(17,525)
								136,982
Off balance sheet net notional position	6,576	3,615	5,141	29,647	48,950	10,708	-	104,637
Credit commitments	5,425	10,808	6,359	1,678	2,799	373,184	-	400,253

3. FINANCIAL RISK MANAGEMENT (continued)
(c) Market risk (continued)
(iv) Liquidity risk (continued)
Maturities of assets and liabilities (continued)

At 30 June 2022	GROUP							Total RS 'M
	Up to 1 month RS 'M	1-3 months RS 'M	3-6 months RS 'M	6-12 months RS 'M	1-3 years RS 'M	Over 3 years RS 'M	Non-maturity items RS 'M	
Financial Assets								
Cash and cash equivalents	13,747	775	-	-	-	-	50,787	65,309
Derivative financial instruments	-	-	-	-	-	-	438	438
Loans to and placements with banks	4,029	6,092	3,443	8,642	2,069	264	(34)	24,505
Loans and advances to customers	108,504	23,686	22,628	21,296	66,105	113,230	11,875	367,324
Investment securities	4,762	12,157	22,327	15,689	90,288	93,423	4,123	242,769
Other financial assets	-	-	-	-	-	-	26,279	26,279
	131,042	42,710	48,398	45,627	158,462	206,917	93,468	726,624
Less allowances for credit impairment								(13,016)
Total								713,608
Financial liabilities								
Deposits from banks	5,302	3,426	-	1,826	45	-	-	10,599
Deposits from customers	511,951	7,750	5,111	8,304	8,594	3,523	520	545,753
Derivative financial instruments	-	1	1	2	8	8	487	507
Other borrowed funds	11,392	3,212	11,766	2,172	62,866	8,190	145	99,743
Subordinated liability	-	349	-	-	358	-	-	707
Other financial liabilities	-	-	-	31	42	140	2,324	2,537
<i>Lease liabilities</i>	-	-	-	31	42	140	-	213
Total	528,645	14,738	16,878	12,335	71,913	11,861	3,476	659,846
Net liquidity gap	(397,603)	27,972	31,520	33,292	86,549	195,056	89,992	66,778
Less allowances for credit impairment								(13,016)
								53,762
Off balance sheet net notional position	1,061	6,355	1,616	368	1,554	331,029		341,983
Credit commitments	10,428	17,844	29,273	40,677	7,337	14,882		120,441

3. FINANCIAL RISK MANAGEMENT (continued)
(c) Market risk (continued)
(iv) Liquidity risk (continued)
Maturities of assets and liabilities (continued)

At 30 June 2022	BANK							Total RS 'M
	Up to 1 month RS 'M	1-3 months RS 'M	3-6 months RS 'M	6-12 months RS 'M	1-3 years RS 'M	Over 3 years RS 'M	Non-maturity items RS 'M	
	Financial Assets							
Cash and cash equivalents	14,505	12	-	-	-	-	50,117	64,634
Derivative financial instruments	-	-	-	-	-	-	438	438
Loans to and placements with banks	4,429	6,092	3,443	8,642	2,069	264	(34)	24,905
Loans and advances to customers	105,865	23,319	22,492	21,230	65,706	111,169	11,875	361,656
Investment securities	4,762	12,047	22,123	15,689	89,745	93,423	4,123	241,912
Other financial assets	-	-	-	-	-	-	25,302	25,302
	129,561	41,470	48,058	45,561	157,520	204,856	91,821	718,847
Less allowances for credit impairment								(12,742)
Total								706,105
Financial liabilities								
Deposits from banks	6,060	3,426	-	1,826	45	-	-	11,357
Deposits from customers	507,072	7,367	4,451	6,939	8,594	3,523	520	538,466
Derivative financial instruments	-	1	1	2	8	8	487	507
Other borrowed funds	11,613	3,166	11,766	1,376	62,866	8,190	145	99,122
Subordinated liability	-	349	-	-	358	-	-	707
Other financial liabilities	-	-	-	31	42	90	2,374	2,537
<i>Lease liabilities</i>	-	-	-	31	42	90	-	163
Total	524,745	14,309	16,218	10,174	71,913	11,811	3,526	652,696
Net liquidity gap	(395,184)	27,161	31,840	35,387	85,607	193,045	88,295	66,151
Less allowances for credit impairment								(12,742)
								53,409
Off balance sheet net notional position	155	6,033	301	361	1,527	330,475	-	338,852
Credit commitments	10,428	17,844	29,273	40,677	7,337	14,882	-	120,441

3. FINANCIAL RISK MANAGEMENT (continued)
(d) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments and instruments for which a market, which is considered to be the most representative price, is readily available. These financial assets have been classified as fair value through profit or loss and fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant input required to fair value an instrument is observable, the instrument is included in level 2.

If one or more significant inputs are not based on observable market data, the instrument is included in level 3.

Specific techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest swaps is calculated as the present value of the estimated future cashflows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using foreign exchange rates at the end of the reporting period, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

(e) Capital risk management

Disclosures relating to capital risk management are available in the Risk and Capital Management Report.

(f) Financial instruments by category

	GROUP					Total RS 'M
	Amortised cost RS 'M	Fair value through profit or loss		Fair value through other comprehensive income		
		Designated RS 'M	Mandatory RS 'M	Debt instrument RS 'M	Equity instrument RS 'M	
At 30 June 2024						
Financial assets						
Cash and cash equivalents	91,907	-	-	-	-	91,907
Derivative financial instruments	-	-	2,071	-	-	2,071
Loans to and placements with banks	12,623	-	-	-	-	12,623
Loans and advances to customers	382,533	-	-	-	-	382,533
Investment securities	315,482	6,914	-	893	1,273	324,562
Other financial assets	39,655	-	-	-	-	39,655
Total	842,200	6,914	2,071	893	1,273	853,351
Financial liabilities						
Deposits from banks	41,001	-	-	-	-	41,001
Deposits from customers	641,637	-	-	-	-	641,637
Derivative financial instruments	-	-	1,990	-	-	1,990
Other borrowed funds	65,355	-	-	-	-	65,355
Debt securities	14,314	-	-	-	-	14,314
Subordinated liability	7,057	-	-	-	-	7,057
Other financial liabilities	3,165	-	-	-	-	3,165
Total	772,529	-	1,990	-	-	774,519
Net on-balance sheet position	69,671	6,914	81	893	1,273	78,832

3. FINANCIAL RISK MANAGEMENT (continued)

(f) Financial instruments by category(continued)

	BANK					Total RS 'M
	Amortised cost RS 'M	Fair value through profit or loss		Fair value through other comprehensive income		
		Designated RS 'M	Mandatory RS 'M	Debt instrument RS 'M	Equity instrument RS 'M	
At 30 June 2024						
Financial assets						
Cash and cash equivalents	90,669	-	-	-	-	90,669
Derivative financial instruments	-	-	2,071	-	-	2,071
Loans to and placements with banks	13,582	-	-	-	-	13,582
Loans and advances to customers	375,404	-	-	-	-	375,404
Investment securities	313,130	6,914	-	893	1,273	322,210
Other financial assets	38,739	-	-	-	-	38,739
Total	831,524	6,914	2,071	893	1,273	842,675
Financial liabilities						
Deposits from banks	41,021	-	-	-	-	41,021
Deposits from customers	634,292	-	-	-	-	634,292
Derivative financial instruments	-	-	1,990	-	-	1,990
Other borrowed funds	62,529	-	-	-	-	62,529
Debt securities	14,314	-	-	-	-	14,314
Subordinated liability	7,057	-	-	-	-	7,057
Other financial liabilities	3,013	-	-	-	-	3,013
Total	762,226	-	1,990	-	-	764,216
Net on-balance sheet position	69,298	6,914	81	893	1,273	78,459

3. FINANCIAL RISK MANAGEMENT (continued)

(f) Financial instruments by category (continued)

	GROUP					Total RS 'M
	Amortised cost RS 'M	Fair value through profit or loss		Fair value through other comprehensive income		
		Designated RS 'M	Mandatory RS 'M	Debt instrument RS 'M	Equity instrument RS 'M	
At 30 June 2023						
Financial assets						
Cash and cash equivalents	114,065	-	-	-	-	114,065
Derivative financial instruments	-	-	1,214	-	-	1,214
Loans to and placements with banks	13,909	-	-	-	-	13,909
Loans and advances to customers	336,512	-	-	-	-	336,512
Investment securities	242,458	4,497	-	715	1,221	248,891
Other financial assets	33,738	-	-	-	-	33,738
Total	740,682	4,497	1,214	715	1,221	748,329
Financial liabilities						
Deposits from banks	14,943	-	-	-	-	14,943
Deposits from customers	555,089	-	-	-	-	555,089
Derivative financial instruments	-	-	1,216	-	-	1,216
Other borrowed funds	86,517	-	-	-	-	86,517
Debt securities	13,759	-	-	-	-	13,759
Subordinated liabilities	7,059	-	-	-	-	7,059
Other financial liabilities	4,017	-	-	-	-	4,017
Total	681,384	-	1,216	-	-	682,600
Net on-balance sheet position	59,298	4,497	(2)	715	1,221	65,729

	BANK					Total RS 'M
	Amortised cost RS 'M	Fair value through profit or loss		Fair value through other comprehensive income		
		Designated RS 'M	Mandatory RS 'M	Debt instrument RS 'M	Equity instrument RS 'M	
At 30 June 2023						
Financial assets						
Cash and cash equivalents	113,609	-	-	-	-	113,609
Derivative financial instruments	-	-	1,214	-	-	1,214
Loans to and placements with banks	14,092	-	-	-	-	14,092
Loans and advances to customers	329,650	-	-	-	-	329,650
Investment securities	240,972	4,497	-	715	1,221	247,405
Other financial assets	33,085	-	-	-	-	33,085
Total	731,408	4,497	1,214	715	1,221	739,055
Financial liabilities						
Deposits from banks	15,752	-	-	-	-	15,752
Deposits from customers	547,586	-	-	-	-	547,586
Derivative financial instruments	-	-	1,216	-	-	1,216
Other borrowed funds	84,422	-	-	-	-	84,422
Debt securities	13,759	-	-	-	-	13,759
Subordinated liabilities	7,059	-	-	-	-	7,059
Other financial liabilities	3,959	-	-	-	-	3,959
Total	672,537	-	1,216	-	-	673,753
Net on-balance sheet position	58,871	4,497	(2)	715	1,221	65,302



3. FINANCIAL RISK MANAGEMENT (continued)

(f) Financial instruments by category (continued)

	GROUP					Total RS 'M
	Amortised cost RS 'M	Fair value through profit or loss		Fair value through other comprehensive income		
		Designated RS 'M	Mandatory RS 'M	Debt instrument RS 'M	Equity instrument RS 'M	
At 30 June 2022						
Financial assets						
Cash and cash equivalents	65,268	-	-	-	-	65,268
Derivative financial instruments	-	-	438	-	-	438
Loans to and placements with banks	23,534	-	-	-	-	23,534
Loans and advances to customers	312,045	-	-	-	-	312,045
Investment securities	216,998	3,110	-	2,337	1,230	223,675
Other financial assets	26,279	-	-	-	-	26,279
Total	644,124	3,110	438	2,337	1,230	651,239
Financial liabilities						
Deposits from banks	10,560	-	-	-	-	10,560
Deposits from customers	488,390	-	-	-	-	488,390
Derivative financial instruments	-	-	497	-	-	497
Other borrowed funds	93,376	-	-	-	-	93,376
Subordinated liability	684	-	-	-	-	684
Other financial liabilities	2,639	-	-	-	-	2,639
Total	595,649	-	497	-	-	596,146
Net on-balance sheet position	48,475	3,110	(59)	2,337	1,230	55,093

	BANK					Total RS 'M
	Amortised cost RS 'M	Fair value through profit or loss		Fair value through other comprehensive income		
		Designated RS 'M	Mandatory RS 'M	Debt instrument RS 'M	Equity instrument RS 'M	
At 30 June 2022						
Financial assets						
Cash and cash equivalents	64,594	-	-	-	-	64,594
Derivative financial instruments	-	-	438	-	-	438
Loans to and placements with banks	23,934	-	-	-	-	23,934
Loans and advances to customers	306,648	-	-	-	-	306,648
Investment securities	216,146	3,110	-	2,337	1,230	222,823
Other financial assets	25,302	-	-	-	-	25,302
Total	636,624	3,110	438	2,337	1,230	643,739
Financial liabilities						
Deposits from banks	11,318	-	-	-	-	11,318
Deposits from customers	481,103	-	-	-	-	481,103
Derivative financial instruments	-	-	497	-	-	497
Other borrowed funds	92,755	-	-	-	-	92,755
Subordinated liability	684	-	-	-	-	684
Other financial liabilities	2,537	-	-	-	-	2,537
Total	588,397	-	497	-	-	588,894
Net on-balance sheet position	48,227	3,110	(59)	2,337	1,230	54,845

3. FINANCIAL RISK MANAGEMENT (continued)
(g) Financial instruments not measured at fair value

The following table summarises the carrying amounts and fair values of those financial assets and financial liabilities not presented on the Bank's statement of financial position at their fair values.

	At 30 June 2024				At 30 June 2023			
	Carrying value	Fair value	Level 1	Level 2	Carrying value	Fair value	Level 1	Level 2
	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M	RS 'M
Financial assets								
Loans to and placements with banks	13,582	13,569	-	13,569	14,092	14,092	-	14,092
Loans and advances to customers	375,404	375,038	-	375,038	329,650	328,812	-	328,812
Investment securities at amortised cost	313,130	308,342	308,342	-	240,972	232,272	232,272	-
Financial liabilities								
Deposits from banks	41,021	41,010	-	41,010	15,752	15,762	-	15,762
Deposits from customers	634,292	634,189	-	634,189	547,586	547,908	-	547,908
Other borrowed funds	62,529	62,137	-	62,137	84,422	85,376	-	85,376
Debt securities	14,314	14,669	14,669	-	13,759	13,985	13,985	-
Subordinated liabilities	7,057	7,055	-	7,055	7,059	7,060	-	7,060

(i) Loans and advances to banks and to customers

Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(ii) Deposits at amortised cost

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand.

The estimated fair value of fixed interest-bearing deposits and debt securities issued and not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

(iii) Debt securities in issue

Fair values of other debt securities in issue are based on quoted prices where available, or where the instruments are short dated, carrying amount approximates fair value.

(iv) Subordinated liabilities

The estimated fair value of the loan capital and not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

4. CASH AND CASH EQUIVALENTS

	GROUP			BANK		
	2024	2023	2022	2024	2023	2022
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cash in hand	3,556	3,163	3,277	3,419	3,059	3,191
Foreign currency notes and coins	222	143	135	206	132	122
Unrestricted balances with Central Banks [*]	2,268	1,245	50,689	1,399	671	50,118
Balances due in clearing	396	408	365	391	400	354
Treasury and BOM bills	2,297	46,344	66	2,297	46,344	66
Money market placements with banks	50,929	12,165	2,140	50,848	11,663	2,140
Balances with banks abroad	32,273	50,636	7,821	32,142	51,374	7,828
Interbank loans	-	-	815	-	-	815
	91,941	114,104	65,308	90,702	113,643	64,634
Allowances for credit impairment (12 months expected credit loss)	(34)	(39)	(40)	(33)	(34)	(40)
	91,907	114,065	65,268	90,669	113,609	64,594

^{*} Unrestricted balances with Central Banks represent amounts above the minimum cash reserve requirement.

Money market placements, balances with banks abroad and interbank loans represent loans to and placements with banks with original maturity less than three months. The elements within cash and cash equivalents are classified as current assets.

Allowances for credit impairment

At 1 July 2023

Provision for credit impairment for the year
Provision released during the year
Financial assets that have been derecognised

At 30 June 2024

At 1 July 2022

Provision for credit impairment for the year
Provision released during the year
Financial assets that have been derecognised
Changes in models/risk parameters

At 30 June 2023

At 1 July 2021

Provision for credit impairment for the year
Provision released during the year
Financial assets that have been derecognised
Changes in models/risk parameters

At 30 June 2022

	GROUP	BANK
	Allowances for credit impairment	
	12 months expected credit loss	12 months expected credit loss
	RS'M	RS'M
	39	34
	15	15
	(12)	(8)
	(8)	(8)
	34	33
	40	40
	75	70
	(23)	(23)
	(1)	(1)
	(52)	(52)
	39	34
	57	57
	24	24
	(72)	(72)
	(3)	(3)
	34	34
	40	40

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

	GROUP			BANK		
	2024	2023	2022	2024	2023	2022
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cash and cash equivalents	91,941	114,104	65,308	90,702	113,643	64,634
Other borrowed funds (see note 14(a))	(6)	-	(2,075)	(6)	-	(2,075)
Net cash and cash equivalents	91,935	114,104	63,233	90,696	113,643	62,559
Change in year	(22,169)	50,871	(38,627)	(22,947)	51,084	(38,650)
Effect of foreign exchange rate changes	54	37	1	-	-	-
(Decrease)/Increase in cash and cash equivalents	(22,115)	50,908	(38,626)	(22,947)	51,084	(38,650)

5. DERIVATIVE FINANCIAL INSTRUMENTS

The Group utilises the following derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk:

- Currency forwards represent commitments to purchase foreign and domestic currency, including undelivered spot transactions.
- Currency swaps and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies, or interest rates, or a combination of all these.

Except for certain currency swaps, no exchange of principal takes place. The Group's credit risk represents the potential cost to replace the swap contracts if counterparties fail to perform their obligation. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

Commodity options provide the buyer, for a premium, the right, but not the obligation, either to purchase or sell a fixed quantity of a certain commodity at a specified price on or before a future date. All commodity contracts are fully back-to-back transactions such that the Group is not exposed to market risks.

The fair values of derivative financial instruments held are set out below:

	GROUP & BANK		
	Contractual/ Nominal Amount RS'M	Fair value assets RS'M	Fair value liabilities RS'M
Fair value through profit or loss - Level 2*			
Derivative Instruments			
At 30 June 2024			
Currency forwards	28,624	125	106
Interest rate swaps	36,309	531	680
Currency swaps	25,244	176	123
Commodities	60,875	993	993
Others	16,160	246	88
	167,212	2,071	1,990
At 30 June 2023			
Currency forwards	21,263	470	473
Interest rate swaps	4,792	266	627
Currency swaps	14,994	43	47
Commodities	4,643	63	63
Others	13,225	372	6
	58,917	1,214	1,216
At 30 June 2022			
Currency forwards	10,499	244	255
Interest rate swaps	2,211	44	64
Currency swaps	11,476	123	164
Commodities	2,209	14	14
Others	3,597	13	-
	29,992	438	497

*Refer to definition of Level 2 in note 7.

The derivative financial instruments are classified as non-current assets or non-current liabilities.

6. LOANS
(a) Loans to and placements with banks

	GROUP			BANK		
	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
(i) Loans to and placements with banks						
in Mauritius	22,612	-	815	22,612	-	815
outside Mauritius	73,544	77,498	33,968	74,291	77,917	34,375
	96,156	77,498	34,783	96,903	77,917	35,190
Less:						
Loans to and placements with banks with original maturity less than 3 months and included in cash and cash equivalents	(83,202)	(62,801)	(10,776)	(82,990)	(63,037)	(10,783)
	12,954	14,697	24,007	13,913	14,880	24,407
Less:						
Allowances for credit impairment	(331)	(788)	(473)	(331)	(788)	(473)
	12,623	13,909	23,534	13,582	14,092	23,934
(ii) Remaining term to maturity						
Up to 3 months	5,714	8,096	8,856	6,674	8,278	9,077
Over 3 months and up to 6 months	1,189	2,139	2,753	1,189	2,139	2,752
Over 6 months and up to 1 year	5,269	-	8,651	5,269	-	8,651
Over 1 year and up to 5 years	774	4,462	3,747	774	4,463	3,747
Over 5 years	8	-	-	7	-	180
	12,954	14,697	24,007	13,913	14,880	24,407
Loans to and placements with banks can be classified as :						
Current	12,172	10,235	20,260	13,132	10,417	20,480
Non-current	782	4,462	3,747	781	4,463	3,927
	12,954	14,697	24,007	13,913	14,880	24,407
(iii) Reconciliation of gross carrying amount						
	GROUP			BANK		
	Gross carrying amount subject to:			Gross carrying amount subject to:		
	12 months expected credit loss	Lifetime expected credit loss (credit impaired)	Total	12 months expected credit loss	Lifetime expected credit loss (credit impaired)	Total
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
At 1 July 2023	14,697	-	14,697	14,880	-	14,880
New loans and placements with banks, originated or purchase	11,788	13	11,801	12,747	13	12,760
Loans and placements with banks derecognised or repaid (excluding write off)	(13,531)	-	(13,531)	(13,714)	-	(13,714)
Write offs	-	(13)	(13)	-	(13)	(13)
At 30 June 2024	12,954	-	12,954	13,913	-	13,913
At 1 July 2022	24,007	-	24,007	24,407	-	24,407
New loans and placements with banks, originated or purchase	11,938	-	11,938	11,938	-	11,938
Loans and placements with banks derecognised or repaid (excluding write off)	(21,248)	-	(21,248)	(21,465)	-	(21,465)
At 30 June 2023	14,697	-	14,697	14,880	-	14,880
At 1 July 2021	39,987	1	39,988	41,125	1	41,126
New loans and placements with banks, originated or purchase	21,007	-	21,007	20,269	-	20,269
Loans and placements with banks derecognised or repaid (excluding write off)	(36,987)	(1)	(36,988)	(36,987)	(1)	(36,988)
At 30 June 2022	24,007	-	24,007	24,407	-	24,407

6. LOANS (continued)
(a) Loans to and placements with banks (continued)
(iv) Allowances for credit impairment

	GROUP & BANK		
	Allowances for credit impairment		
	12 months expected credit loss	Lifetime expected credit loss (credit impaired)	Total
	RS'M	RS'M	RS'M
At 1 July 2023	788	-	788
Provision for credit impairment for the year	325	-	325
Provision released during the year	(105)	-	(105)
Financial assets that have been derecognised	(678)	-	(678)
Changes in models/risk parameters	1	-	1
Provision and interest in suspense at 30 June 2024	331	-	331
At 1 July 2022	473	-	473
Provision for credit impairment for the year	657	-	657
Provision released during the year	(76)	-	(76)
Financial assets that have been derecognised	(257)	-	(257)
Changes in models/risk parameters	(9)	-	(9)
Provision and interest in suspense at 30 June 2023	788	-	788
At 1 July 2021	255	1	256
Provision for credit impairment for the year	239	-	239
Provision released during the year	(45)	(1)	(46)
Financial assets that have been derecognised	(113)	-	(113)
Changes in models/risk parameters	137	-	137
Provision and interest in suspense at 30 June 2022	473	-	473

There were no non performing loans (NPL) under Loans to and placements with banks.
(Provisions 2024, 2023 and 2022: Rs Nil)

(b) Loans and advances to customers
(i) Loans and advances to customers

	GROUP			BANK		
	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
Retail customers:						
Credit cards	1,375	979	912	1,375	979	912
Mortgages	40,879	37,362	34,371	40,843	37,332	34,336
Other retail loans	11,464	10,189	9,449	11,223	9,976	9,260
Corporate customers	123,058	139,606	125,571	115,680	132,670	120,129
Entities outside Mauritius	222,335	164,981	153,883	222,335	164,981	153,883
	399,111	353,117	324,186	391,456	345,938	318,520
Less:						
Allowances for credit impairment	(16,578)	(16,605)	(12,141)	(16,052)	(16,288)	(11,872)
	382,533	336,512	312,045	375,404	329,650	306,648

(ii) Remaining term to maturity

Up to 3 months	156,009	133,931	130,594	151,371	129,433	127,589
Over 3 months and up to 6 months	13,062	20,585	13,808	12,962	20,469	13,672
Over 6 months and up to 1 year	13,045	13,002	7,797	12,883	12,948	7,731
Over 1 year and up to 5 years	110,510	88,240	86,053	108,210	86,342	84,709
Over 5 years	106,485	97,359	85,934	106,030	96,746	84,819
	399,111	353,117	324,186	391,456	345,938	318,520

Loans and advances to customers can be classified as :

Current	182,116	167,518	152,199	177,216	162,850	148,992
Non-current	216,995	185,599	171,987	214,240	183,088	169,528
	399,111	353,117	324,186	391,456	345,938	318,520

6. LOANS (continued)

(b) Loans and advances to customers (continued)

(iii) Reconciliation of gross carrying amount

	GROUP			
	Gross carrying amount subject to:			
	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2023	319,618	19,236	14,263	353,117
Exchange adjustment	631	(320)	241	552
Transfer to 12 months ECL	3,166	(2,959)	(207)	-
Transfer to lifetime ECL not credit impaired	(829)	841	(12)	-
Transfer to lifetime ECL credit impaired	(843)	(1,895)	2,738	-
New loans and advances to customers, originated or purchase	234,242	3,014	5,135	242,391
Loans and advances to customers derecognised or repaid (excluding write off)	(180,864)	(8,402)	(1,267)	(190,533)
Write offs	-	-	(6,416)	(6,416)
At 30 June 2024	375,121	9,515	14,475	399,111
At 1 July 2022	292,753	17,447	13,986	324,186
Exchange adjustment	(480)	(24)	51	(453)
Transfer to 12 months ECL	2,144	(1,855)	(289)	-
Transfer to lifetime ECL not credit impaired	(3,697)	4,596	(899)	-
Transfer to lifetime ECL credit impaired	(1,772)	(609)	2,381	-
New loans and advances to customers, originated or purchase	191,834	6,580	1,147	199,561
Loans and advances to customers derecognised or repaid (excluding write off)	(161,164)	(6,899)	(1,834)	(169,897)
Write offs	-	-	(280)	(280)
At 30 June 2023	319,618	19,236	14,263	353,117
At 1 July 2021	229,097	33,943	12,054	275,094
Exchange adjustment	12	1	-	13
Transfer to 12 months ECL	9,142	(8,538)	(604)	-
Transfer to lifetime ECL not credit impaired	(2,854)	3,433	(579)	-
Transfer to lifetime ECL credit impaired	(387)	(8,581)	8,968	-
New loans and advances to customers, originated or purchase	160,663	4,043	3,578	168,284
Loans and advances to customers derecognised or repaid (excluding write off)	(102,920)	(6,854)	(3,960)	(113,734)
Write offs	-	-	(5,471)	(5,471)
At 30 June 2022	292,753	17,447	13,986	324,186

6. LOANS (continued)

(b) Loans and advances to customers (continued)

(iii) Reconciliation of gross carrying amount

	BANK			
	Gross carrying amount subject to:			
	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2023	313,244	18,785	13,909	345,938
Exchange adjustment	-	-	168	168
Transfer to 12 months ECL	2,860	(2,671)	(189)	-
Transfer to lifetime ECL not credit impaired	(710)	722	(12)	-
Transfer to lifetime ECL credit impaired	(801)	(1,893)	2,694	-
New loans and advances to customers, originated or purchase	232,870	2,957	4,980	240,807
Loans and advances to customers derecognised or repaid (excluding write off)	(179,407)	(8,370)	(1,264)	(189,041)
Write offs	-	-	(6,416)	(6,416)
At 30 June 2024	368,056	9,530	13,870	391,456
At 1 July 2022	287,648	17,225	13,647	318,520
Exchange adjustment	-	-	82	82
Transfer to 12 months ECL	1,961	(1,679)	(282)	-
Transfer to lifetime ECL not credit impaired	(3,402)	4,300	(898)	-
Transfer to lifetime ECL credit impaired	(1,715)	(592)	2,307	-
New loans and advances to customers, originated or purchase	189,018	6,394	1,113	196,525
Loans and advances to customers derecognised or repaid (excluding write off)	(160,266)	(6,863)	(1,780)	(168,909)
Write offs	-	-	(280)	(280)
At 30 June 2023	313,244	18,785	13,909	345,938
At 1 July 2021	224,358	33,796	11,616	269,770
Transfer to 12 months ECL	9,007	(8,477)	(530)	-
Transfer to lifetime ECL not credit impaired	(2,708)	3,239	(531)	-
Transfer to lifetime ECL credit impaired	(376)	(8,574)	8,950	-
New loans and advances to customers, originated or purchase	158,880	4,020	3,531	166,431
Loans and advances to customers derecognised or repaid (excluding write off)	(101,513)	(6,779)	(3,918)	(112,210)
Write offs	-	-	(5,471)	(5,471)
At 30 June 2022	287,648	17,225	13,647	318,520

6. LOANS (continued)

(b) Loans and advances to customers (continued)

(iv) Allowances for credit impairment

	GROUP			
	Allowances for credit impairment			
	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2023	2,566	3,849	7,985	14,400
Exchange adjustment	3	-	181	184
Transfer to 12 months ECL	301	(245)	(56)	-
Transfer to lifetime ECL not credit impaired	(5)	9	(4)	-
Transfer to lifetime ECL credit impaired	(11)	(416)	427	-
Provision for credit impairment for the year	2,373	1,394	6,235	10,002
Provision released during the year	(908)	(988)	(431)	(2,327)
Financial assets that have been derecognised	(856)	(1,376)	(587)	(2,819)
Write offs	-	-	(4,799)	(4,799)
Changes in models/risk parameters	(178)	(15)	-	(193)
At 30 June 2024	3,285	2,212	8,951	14,448
Interest in suspense	-	-	2,130	2,130
Provision and interest in suspense at 30 June 2024	3,285	2,212	11,081	16,578
At 1 July 2022	3,322	3,060	4,429	10,811
Exchange adjustment	(6)	(2)	71	63
Transfer to 12 months ECL	292	(223)	(69)	-
Transfer to lifetime ECL not credit impaired	(57)	705	(648)	-
Transfer to lifetime ECL credit impaired	(36)	(100)	136	-
Provision for credit impairment for the year	1,684	2,166	4,624	8,474
Provision released during the year	(1,892)	(1,447)	(187)	(3,526)
Financial assets that have been derecognised	(568)	(299)	(176)	(1,043)
Write offs	-	-	(195)	(195)
Changes in models/risk parameters	(173)	(11)	-	(184)
At 30 June 2023	2,566	3,849	7,985	14,400
Interest in suspense	-	-	2,205	2,205
Provision and interest in suspense at 30 June 2023	2,566	3,849	10,190	16,605
At 1 July 2021	2,761	4,728	3,859	11,348
Exchange adjustment	-	-	126	126
Transfer to 12 months ECL	955	(802)	(153)	-
Transfer to lifetime ECL not credit impaired	(139)	208	(69)	-
Transfer to lifetime ECL credit impaired	(9)	(1,146)	1,155	-
Provision for credit impairment for the year	1,813	513	4,817	7,143
Provision released during the year	(1,387)	(931)	(296)	(2,614)
Financial assets that have been derecognised	(360)	(298)	(873)	(1,531)
Write offs	-	-	(4,137)	(4,137)
Changes in models/risk parameters	(312)	788	-	476
At 30 June 2022	3,322	3,060	4,429	10,811
Interest in suspense	-	-	1,330	1,330
Provision and interest in suspense at 30 June 2022	3,322	3,060	5,759	12,141

6. LOANS (continued)

(b) Loans and advances to customers (continued)

(iv) Allowances for credit impairment

	BANK			
	Allowances for credit impairment			
	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total
	RS'M	RS'M	RS'M	RS'M
At 1 July 2023	2,516	3,832	7,825	14,173
Exchange adjustment	-	-	168	168
Transfer to 12 months ECL	294	(239)	(55)	-
Transfer to lifetime ECL not credit impaired	(4)	8	(4)	-
Transfer to lifetime ECL credit impaired	(11)	(416)	427	-
Provision for credit impairment for the year	2,364	1,388	6,076	9,828
Provision released during the year	(887)	(987)	(430)	(2,304)
Financial assets that have been derecognised	(856)	(1,376)	(585)	(2,817)
Write offs	-	-	(4,799)	(4,799)
Changes in models/risk parameters	(178)	(15)	-	(193)
At 30 June 2024	3,238	2,195	8,623	14,056
Interest in suspense	-	-	1,996	1,996
Provision and interest in suspense at 30 June 2024	3,238	2,195	10,619	16,052
At 1 July 2022	3,248	3,039	4,322	10,609
Exchange adjustment	-	-	82	82
Transfer to 12 months ECL	275	(207)	(68)	-
Transfer to lifetime ECL not credit impaired	(51)	699	(648)	-
Transfer to lifetime ECL credit impaired	(36)	(98)	134	-
Provision for credit impairment for the year	1,656	2,151	4,561	8,368
Provision released during the year	(1,840)	(1,444)	(187)	(3,471)
Financial assets that have been derecognised	(563)	(297)	(176)	(1,036)
Write offs	-	-	(195)	(195)
Changes in models/risk parameters	(173)	(11)	-	(184)
At 30 June 2023	2,516	3,832	7,825	14,173
Interest in suspense	-	-	2,115	2,115
Provision and interest in suspense at 30 June 2023	2,516	3,832	9,940	16,288
At 1 July 2021	2,677	4,713	3,783	11,173
Exchange adjustment	-	-	126	126
Transfer to 12 months ECL	935	(782)	(153)	-
Transfer to lifetime ECL not credit impaired	(123)	192	(69)	-
Transfer to lifetime ECL credit impaired	(9)	(1,145)	1,154	-
Provision for credit impairment for the year	1,770	500	4,786	7,056
Provision released during the year	(1,334)	(930)	(295)	(2,559)
Financial assets that have been derecognised	(355)	(297)	(872)	(1,524)
Write offs	-	-	(4,138)	(4,138)
Changes in models/risk parameters	(313)	788	-	475
At 30 June 2022	3,248	3,039	4,322	10,609
Interest in suspense	-	-	1,263	1,263
Provision and interest in suspense at 30 June 2022	3,248	3,039	5,585	11,872

6. LOANS (continued)

(b) Loans and advances to customers (continued)

(v) Allowances for credit impairment by industry sectors

	GROUP					
	2024					
	Gross amount of loans	Non performing loans*	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total provision
RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	
Agriculture and fishing	5,568	93	43	16	76	135
Manufacturing	21,683	241	183	260	209	652
Tourism	25,059	3,209	118	535	2,349	3,002
Transport	9,208	52	79	27	67	173
Construction	15,778	209	83	217	140	440
Financial and business services	63,232	333	528	224	345	1,097
Traders	151,989	2,630	676	790	2,313	3,779
<i>of which Petroleum & Energy products</i>	127,909	1,755	553	694	1,755	3,002
Personal	53,325	870	126	20	407	553
<i>of which credit cards</i>	1,354	39	10	1	36	47
<i>of which housing</i>	40,879	439	50	7	181	238
Professional	491	3	3	-	2	5
Global Business Licence holders	15,442	4,134	83	122	4,914	5,119
Others	37,336	571	1,363	1	259	1,623
<i>Of which Energy and Commodities Asset Backed financing</i>	15,082	-	30	-	-	30
	399,111	12,345	3,285	2,212	11,081	16,578
	2023					
	Gross amount of loans	Non performing loans*	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	8,668	646	95	166	913	1,174
Manufacturing	16,388	140	155	178	87	420
Tourism	28,849	469	377	1,389	447	2,213
Transport	7,723	30	102	12	36	150
Construction	13,190	119	110	105	91	306
Financial and business services	53,747	325	449	225	253	927
Traders	117,291	742	541	880	1,249	2,670
<i>of which Petroleum & Energy products</i>	93,224	-	322	823	-	1,145
Personal	48,304	849	124	64	357	545
<i>of which credit cards</i>	959	30	9	3	27	39
<i>of which housing</i>	37,362	511	47	22	178	247
Professional	295	11	4	1	4	9
Global Business Licence holders	23,849	7,285	44	63	6,595	6,702
Others	34,813	1,441	565	766	158	1,489
<i>Of which Energy and Commodities Asset Backed financing</i>	17,126	890	74	89	746	909
	353,117	12,057	2,566	3,849	10,190	16,605
	2022					
	Gross amount of loans	Non performing loans*	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	7,945	670	124	131	449	704
Manufacturing	22,003	410	202	210	167	579
Tourism	32,296	128	887	1,429	38	2,354
Transport	5,645	42	185	1	32	218
Construction	13,692	639	228	28	360	616
Financial and business services	31,455	277	337	169	143	649
Traders	108,556	1,901	601	387	964	1,952
<i>of which Petroleum & Energy products</i>	89,865	856	173	190	654	1,017
Personal	43,771	903	219	66	368	653
<i>of which credit cards</i>	866	23	11	1	21	33
<i>of which housing</i>	34,371	643	95	27	213	335
Professional	1,002	82	12	1	58	71
Global Business Licence holders	16,175	7,414	142	25	3,080	3,247
Others	41,646	190	385	613	100	1,098
<i>Of which Energy and Commodities Asset Backed financing</i>	16,041	807	97	168	183	448
	324,186	12,656	3,322	3,060	5,759	12,141

*Non performing loans excludes interest in suspense.

6. LOANS (continued)

(b) Loans and advances to customers (continued)

(v) Allowances for credit impairment by industry sectors

	BANK					
	2024					
	Gross amount of loans	Non performing loans*	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total provision
RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	
Agriculture and fishing	4,956	79	41	16	65	122
Manufacturing	17,931	137	164	249	57	470
Tourism	25,029	3,207	118	535	2,347	3,000
Transport	8,926	31	77	27	29	133
Construction	15,491	107	82	211	51	344
Financial and business services	62,542	304	520	223	272	1,015
Traders	150,064	2,437	662	791	2,226	3,679
<i>of which Petroleum & Energy products</i>	127,909	1,755	553	694	1,755	3,002
Personal	53,289	870	126	20	407	553
<i>of which credit cards</i>	1,354	39	10	1	36	47
<i>of which housing</i>	40,843	439	50	7	181	238
Professional	491	3	3	-	2	5
Global Business Licence holders	15,442	4,134	83	122	4,914	5,119
Others	37,295	565	1,362	1	249	1,612
<i>Of which Energy and Commodities Asset Backed financing</i>	15,082	-	30	-	-	30
	391,456	11,874	3,238	2,195	10,619	16,052
	2023					
	Gross amount of loans	Non performing loans*	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	8,150	633	93	166	904	1,163
Manufacturing	12,810	41	136	164	22	322
Tourism	28,815	461	377	1,389	444	2,210
Transport	7,414	11	99	12	7	118
Construction	12,875	58	107	105	28	240
Financial and business services	53,112	290	441	225	216	882
Traders	115,564	719	528	875	470	1,873
<i>of which Petroleum & Energy products</i>	93,224	-	322	823	-	1,145
Personal	48,274	849	124	64	357	545
<i>of which credit cards</i>	959	30	9	3	27	39
<i>of which housing</i>	37,332	511	47	22	178	247
Professional	295	11	4	1	4	9
Global Business Licence holders	23,849	7,285	44	63	6,595	6,702
Others	34,780	1,436	563	768	893	2,224
<i>Of which Energy and Commodities Asset Backed financing</i>	17,126	890	74	89	746	909
	345,938	11,794	2,516	3,832	9,940	16,288
	2022					
	Gross amount of loans	Non performing loans*	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total provision
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Agriculture and fishing	7,592	664	120	131	440	691
Manufacturing	19,731	303	175	207	131	513
Tourism	32,274	125	887	1,427	36	2,350
Transport	5,247	18	174	1	7	182
Construction	13,368	574	226	17	330	573
Financial and business services	30,775	247	329	167	111	607
Traders	107,002	1,062	482	215	751	1,448
<i>of which Petroleum & Energy products</i>	89,865	856	173	190	654	1,017
Personal	43,736	903	219	65	368	652
<i>of which credit cards</i>	866	23	10	1	21	32
<i>of which housing</i>	34,336	643	94	27	212	333
Professional	1,002	83	12	1	58	71
Global Business Licence holders	16,175	7,414	142	25	3,080	3,247
Others	41,618	991	482	783	273	1,538
<i>Of which Energy and Commodities Asset Backed financing</i>	16,041	807	97	168	183	448
	318,520	12,384	3,248	3,039	5,585	11,872

*Non performing loans excludes interest in suspense.

7. INVESTMENT SECURITIES

(a) Investment securities

	GROUP			BANK		
	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
Investment in debt securities at amortised cost (note 7(b))	316,387	242,885	217,360	314,019	241,387	216,503
Less allowances for credit impairment on investment in debt securities at amortised cost	(905)	(427)	(362)	(889)	(415)	(357)
	315,482	242,458	216,998	313,130	240,972	216,146
Investment in debt and equity securities measured at fair value through other comprehensive income (note 7(c))	2,166	1,936	3,567	2,166	1,936	3,567
Investment in debt and equity securities measured at fair value through profit or loss (note 7(d))	6,914	4,497	3,110	6,914	4,497	3,110
	324,562	248,891	223,675	322,210	247,405	222,823

Credit impaired investments at fair value through other comprehensive income amounted to Rs 1M/Provision Rs 1M. At 30 June 2023 and 2022, there were no credit impaired investments fair valued through other comprehensive income.

Investment securities (gross of allowances for credit impairment) can be classified as:

	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
Current	121,113	91,279	48,981	120,162	90,835	48,667
Non-current	204,354	158,039	175,056	202,937	156,985	174,513

(b) (i) Investment in debt securities at amortised cost

	GROUP			BANK		
	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
Government of Mauritius and Bank of Mauritius bonds	133,768	106,753	112,516	133,768	106,753	111,658
Treasury bills	65,698	34,944	20,809	63,330	33,446	20,809
Foreign bonds	83,886	72,775	55,838	83,886	72,775	55,839
Notes	32,637	28,019	27,813	32,637	28,019	27,813
Index linked note	398	394	384	398	394	384
	316,387	242,885	217,360	314,019	241,387	216,503

(ii) Remaining term to maturity

	GROUP					
	2024					
	Up to 3 months RS'M	3 - 6 months RS'M	6 - 12 months RS'M	1 - 5 years RS'M	Over 5 years RS'M	Total RS'M
Government of Mauritius and Bank of Mauritius bonds	5,383	4,847	13,019	74,679	35,840	133,768
Treasury bills	36,063	10,485	17,733	1,417	-	65,698
Foreign bonds	-	9,482	17,179	47,029	10,196	83,886
Notes	511	2,412	514	16,537	12,663	32,637
Index linked note	-	-	-	228	170	398
	41,957	27,226	48,445	139,890	58,869	316,387

	GROUP					
	2023					
	Up to 3 months RS'M	3 - 6 months RS'M	6 - 12 months RS'M	1 - 5 years RS'M	Over 5 years RS'M	Total RS'M
Government of Mauritius and Bank of Mauritius bonds	7,980	5,428	13,324	56,431	23,590	106,753
Treasury bills	23,370	9,386	1,134	1,054	-	34,944
Foreign bonds	2,471	2,505	18,284	38,739	10,776	72,775
Notes	1,772	2,421	1,683	11,298	10,845	28,019
Index linked note	-	-	-	226	168	394
	35,593	19,740	34,425	107,748	45,379	242,885

	GROUP					
	2022					
	Up to 3 months RS'M	3 - 6 months RS'M	6 - 12 months RS'M	1 - 5 years RS'M	Over 5 years RS'M	Total RS'M
Government of Mauritius and Bank of Mauritius bonds	8,578	4,719	7,253	72,207	18,901	111,658
Treasury bills	6,971	7,600	6,552	543	-	21,666
Foreign bonds	-	2,245	1,355	36,101	16,138	55,839
Notes	304	1,453	1,253	15,067	9,736	27,813
Index linked note	-	-	-	207	177	384
	15,853	16,017	16,413	124,125	44,952	217,360

7. INVESTMENT SECURITIES (continued)

(b) (ii) Remaining term to maturity (continued)

	BANK					
	2024					
	Up to 3 months RS'M	3 - 6 months RS'M	6 - 12 months RS'M	1 - 5 years RS'M	Over 5 years RS'M	Total RS'M
Government of Mauritius and Bank of Mauritius bonds	5,383	4,847	13,019	74,679	35,840	133,768
Treasury bills	35,720	10,353	17,257	-	-	63,330
Foreign bonds	-	9,482	17,179	47,029	10,196	83,886
Notes	511	2,412	514	16,537	12,663	32,637
Index linked note	-	-	-	228	170	398
	41,614	27,094	47,969	138,473	58,869	314,019
	2023					
	Up to 3 months RS'M	3 - 6 months RS'M	6 - 12 months RS'M	1 - 5 years RS'M	Over 5 years RS'M	Total RS'M
Government of Mauritius and Bank of Mauritius bonds	7,980	5,428	13,324	56,430	23,591	106,753
Treasury bills	23,141	9,322	983	-	-	33,446
Foreign bonds	2,471	2,505	18,284	38,739	10,776	72,775
Notes	1,772	2,421	1,683	11,298	10,845	28,019
Index linked note	-	-	-	226	168	394
	35,364	19,676	34,274	106,693	45,380	241,387
	2022					
	Up to 3 months RS'M	3 - 6 months RS'M	6 - 12 months RS'M	1 - 5 years RS'M	Over 5 years RS'M	Total RS'M
Government of Mauritius and Bank of Mauritius bonds	8,578	4,719	7,253	72,207	18,901	111,658
Treasury bills	6,861	7,396	6,552	-	-	20,809
Foreign bonds	-	2,245	1,355	36,101	16,138	55,839
Notes	304	1,453	1,253	15,067	9,736	27,813
Index linked note	-	-	-	207	177	384
	15,743	15,813	16,413	123,582	44,952	216,503

7. INVESTMENT SECURITIES (continued)

(b) Investment in debt securities at amortised cost (continued)

(iii) Reconciliation of gross carrying amount of investment in debt securities at amortised cost

	GROUP				BANK			
	Gross carrying amount subject to :				Gross carrying amount subject to :			
	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total
RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	
At 1 July 2023	242,457	429	-	242,886	240,958	429	-	241,387
Exchange adjustment	87	-	-	87	-	-	-	-
Transfer to lifetime ECL not credit impaired	-	(167)	167	-	-	(167)	167	-
Investments originated or purchased	163,816	-	273	164,089	162,569	-	273	162,842
Investments derecognised or repaid	(90,349)	(262)	(64)	(90,675)	(89,884)	(262)	(64)	(90,210)
At 30 June 2024	316,011	-	376	316,387	313,643	-	376	314,019
At 1 July 2022	217,360	-	-	217,360	216,503	-	-	216,503
Exchange adjustment	(87)	-	-	(87)	-	-	-	-
Transfer to lifetime ECL not credit impaired	(422)	422	-	-	(422)	422	-	-
Investments originated or purchased	74,563	15	-	74,578	73,544	15	-	73,559
Investments derecognised or repaid	(48,957)	(8)	-	(48,966)	(48,667)	(8)	-	(48,675)
At 30 June 2023	242,457	429	-	242,885	240,958	429	-	241,387
At 1 July 2021	154,233	1,912	-	156,145	153,370	1,912	-	155,282
Transfer to 12 months ECL	1,505	(1,505)	-	-	1,505	(1,505)	-	-
Investments originated or purchased	86,274	-	-	86,274	85,668	-	-	85,668
Investments derecognised or repaid	(24,652)	(407)	-	(25,059)	(24,040)	(407)	-	(24,447)
At 30 June 2022	217,360	-	-	217,360	216,503	-	-	216,503

(iv) Allowances for credit impairment on investment in debt securities at amortised cost

	GROUP				BANK			
	Allowances for credit impairment				Allowances for credit impairment			
	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total
RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	
At 1 July 2023	362	65	-	427	350	65	-	415
Exchange adjustment	1	-	-	1	-	-	-	-
Transfer to lifetime ECL credit impaired	-	(64)	64	-	-	(64)	64	-
Provision for credit impairment for the year	337	-	298	635	333	-	298	631
Provision released during the year	(93)	-	-	(93)	(92)	-	-	(92)
Financial assets that have been derecognised	(66)	(1)	-	(67)	(66)	(1)	-	(67)
Changes in models/risk parameters	(11)	-	-	(11)	(11)	-	-	(11)
At 30 June 2024	530	-	362	892	514	-	362	876
Interest in suspense	-	-	13	13	-	-	13	13
Provision and interest in suspense at 30 June 2024	530	-	375	905	514	-	375	889
At 1 July 2022	362	-	-	362	357	-	-	357
Transfer to lifetime ECL not credit impaired	(5)	5	-	-	(5)	5	-	-
Provision for credit impairment for the year	315	62	-	377	308	62	-	370
Provision released during the year	(120)	(3)	-	(123)	(120)	(3)	-	(123)
Financial assets that have been derecognised	(31)	-	-	(31)	(31)	-	-	(31)
Changes in models/risk parameters	(159)	1	-	(158)	(159)	1	-	(158)
At 30 June 2023	362	65	-	427	350	65	-	415
At 1 July 2021	255	106	-	361	252	106	-	358
Transfer to 12 months ECL	102	(102)	-	-	102	(102)	-	-
Provision for credit impairment for the year	142	-	-	142	140	-	-	140
Provision released during the year	(107)	-	-	(107)	(107)	-	-	(107)
Financial assets that have been derecognised	(61)	(4)	-	(65)	(61)	(4)	-	(65)
Changes in models/risk parameters	31	-	-	31	31	-	-	31
At 30 June 2022	362	-	-	362	357	-	-	357

7. INVESTMENT SECURITIES (continued)

	GROUP & BANK		
	2024	2023	2022
	RS'M	RS'M	RS'M
(c) (i) Investment in debt and equity securities measured at fair value through other comprehensive income by levels			
Quoted - Level 1			
Official list : shares (equity instrument)	887	861	961
Bonds (debt instrument)	74	125	1,662
	961	986	2,623
Unquoted - Level 2			
Investment fund (debt instrument)	819	590	675
Unquoted - Level 3			
Shares (equity instrument)	386	360	269
	2,166	1,936	3,567

(ii) Reconciliation of level 3 fair value measurements

	2024	2023	2022
	RS'M	RS'M	RS'M
At 1 July	360	269	258
Additions	2	1	17
Movement in fair value	24	90	(6)
At 30 June	386	360	269

(d) Investment in debt and equity securities measured at fair value through profit or loss by levels

	2024	2023	2022
	RS'M	RS'M	RS'M
Quoted - Level 1			
Foreign bonds (debt instrument)	-	136	-
Foreign shares (equity instrument)	3,429	2,976	2,412
	3,429	3,112	2,412
Unquoted - Level 2			
Government of Maurilius & Bank of Maurilius bonds (debt instrument)	1	1,021	196
Treasury bills (debt instrument)	3,484	364	502
	3,485	1,385	698
	6,914	4,497	3,110

Fair value hierarchy

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

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

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

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

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

Unquoted shares

The Group holds shares in several investments where the fair value is determined as a percentage of the net asset value using latest available audited accounts and in some cases latest available management accounts. There are also some investments which are fair valued using the latest available share prices which were available upon recent events, e.g. rights issue.

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

8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES
(a) Investments in subsidiaries
(i) The Group has the following subsidiaries:

	Country of incorporation	Nature of business	Holding %	Proportion of ownership interests held by non-controlling interest %	Cost RS'M
At 30 June 2024					
The Mauritius Commercial Bank(Madagascar) S.A	Madagascar	Banking & Financial Services	80.00	20.00	118
MCB Nigeria (Representative Office) Ltd	Nigeria	Financial Services	100.00	-	3
					<u>121</u>
At 30 June 2023 & 30 June 2022					
The Mauritius Commercial Bank(Madagascar) S.A	Madagascar	Banking & Financial Services	80.00	20.00	<u>118</u>

(b) Investments in associates
(i) The Bank's and Group's interest in its associates are as follows:

	Country of incorporation	Nature of business	Assets RS'M	Liabilities RS'M	Revenues RS'M	Profit RS'M	Holding %
At 30 June 2024							
Banque Française Commerciale Océan Indien	Reunion	Banking & Financial Services	107,653	97,909	6,091	614	49.99
At 30 June 2023							
Banque Française Commerciale Océan Indien	Reunion	Banking & Financial Services	107,314	97,619	5,125	978	49.99
Société Générale Moçambique, S.A	Mozambique	Banking & Financial Services	11,311	9,662	1,796	158	35.00
At 30 June 2022							
Banque Française Commerciale Océan Indien	Reunion	Banking & Financial Services	99,831	90,957	4,853	801	49.99
Société Générale Moçambique, S.A	Mozambique	Banking & Financial Services	12,913	11,451	1,503	213	35.00

(ii) The above associates are accounted for using the equity method.

(iii) Banque Française Commerciale Océan Indien (BFCOI) and Société Générale Moçambique, S.A (SG Moçambique) are unquoted.

(iv) During the financial year 2024, the Group disposed of its 35% stake in SG Mozambique for Rs413m, which has been received in July 2024. The loss on disposal amounted to Rs241m.

8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

(b) Investments in associates(continued)

(v) Movements in investments in associates

	GROUP & BANK			
	Subordinated loan			
	BFCOI RS'M	SG Moçambique RS'M	to BFCOI RS'M	Total RS'M
At 1 July 2021	4,840	464	516	5,820
Share of profit of associates	400	75	-	475
Exchange differences on translating foreign operations	(388)	28	-	(360)
Share of other movements in associates	24	-	-	24
Net subordinated loan granted to associate	-	-	40	40
Dividend received from associates	(383)	-	-	(383)
Adjustments	-	(4)	(43)	(47)
At 30 June 2022	4,493	563	513	5,569
Share of profit of associates	489	55	-	544
Exchange differences on translating foreign operations	287	7	-	294
Share of other movements in associates	54	-	-	54
Dividend received from associates	(410)	-	-	(410)
Adjustments	-	3	30	33
At 30 June 2023	4,913	628	543	6,084
Share of profit of associate	306	-	-	306
Exchange differences on translating foreign operations	126	26	-	152
Share of other movements in associate	12	-	-	12
Dividend received from associate	(420)	-	-	(420)
Adjustments	-	-	15	15
Disposal of associate	-	(654)	-	(654)
At 30 June 2024	4,937	-	558	5,495

(vi) Summarised financial information in respect of material entities:

Banque Française Commerciale Océan Indien (BFCOI)

	2024	2023	2022
	RS'M	RS'M	RS'M
Summarised statement of financial position:			
Current assets	17,207	13,424	11,607
Non current assets	90,446	93,890	88,224
Current liabilities	26,239	23,904	21,276
Non current liabilities	71,670	73,715	69,681
Equity attributable to owners of BFCOI	9,744	9,695	8,874
Summarised statement of profit or loss and other comprehensive income:			
Revenue	6,091	5,125	4,853
Profit	614	978	801
Other comprehensive income	25	109	47
Total comprehensive income	639	1,087	848

The Directors are satisfied that there are no indications requiring an impairment of the Group's investment in its subsidiaries and investments in its associates. Investments in subsidiaries and associates are classified as non-current assets.

9. INTANGIBLE ASSETS

	GROUP			BANK		
	Computer software RS'M	Work in progress RS'M	Total RS'M	Computer software RS'M	Work in progress RS'M	Total RS'M
Cost						
At 1 July 2021	1,844	466	2,310	1,582	466	2,048
Additions	115	856	971	83	856	939
Exchange	1	-	1	-	-	-
Transfer	808	(808)	-	808	(808)	-
At 30 June 2022	2,768	514	3,282	2,473	514	2,987
Additions	30	895	925	13	895	908
Exchange	(27)	-	(27)	-	-	-
Adjustment	675	-	675	675	-	675
Transfer	1,172	(1,172)	-	1,172	(1,172)	-
At 30 June 2023	4,618	237	4,855	4,333	237	4,570
Additions	23	979	1,002	13	979	992
Adjustment	(13)	-	(13)	(13)	-	(13)
Exchange	16	-	16	-	-	-
Transfer	925	(925)	-	925	(925)	-
At 30 June 2024	5,569	291	5,860	5,258	291	5,549
Accumulated amortisation						
At 1 July 2021	765	-	765	586	-	586
Amortisation adjustment	75	-	75	75	-	75
Charge for the year	471	-	471	430	-	430
At 30 June 2022	1,311	-	1,311	1,091	-	1,091
Charge for the year	627	-	627	593	-	593
Exchange	(21)	-	(21)	-	-	-
Adjustment	675	-	675	675	-	675
At 30 June 2023	2,592	-	2,592	2,359	-	2,359
Charge for the year	663	-	663	641	-	641
Exchange	14	-	14	-	-	-
Adjustment	(2)	-	(2)	(2)	-	(2)
At 30 June 2024	3,267	-	3,267	2,998	-	2,998
Net book values						
At 30 June 2024	2,302	291	2,593	2,260	291	2,551
At 30 June 2023	2,026	237	2,263	1,974	237	2,211
At 30 June 2022	1,457	514	1,971	1,382	514	1,896

Intangible assets are classified as non-current assets.

10. PROPERTY, PLANT AND EQUIPMENT

	GROUP					Total RS'M
	Land and buildings	Computer and other equipment	Furniture, fittings and vehicles	Work in progress	Right-of-Use assets (Land and Buildings)	
	RS'M	RS'M	RS'M	RS'M	RS'M	
Cost						
At 1 July 2021	4,724	3,475	1,032	348	316	9,895
Additions	138	206	39	156	210	749
Scrap	-	(130)	(1)	-	-	(131)
Disposals	-	(3)	(9)	-	-	(12)
Exchange adjustment	4	-	-	(2)	1	3
Cancellation	-	-	-	-	(80)	(80)
Adjustment on re-measurement	-	-	-	-	(2)	(2)
Transfer	221	60	34	(315)	-	-
At 30 June 2022	5,087	3,608	1,095	187	445	10,422
Additions	21	275	31	179	157	663
Scrap	-	(78)	(1)	-	-	(79)
Disposals	-	(3)	(25)	-	(6)	(34)
Exchange adjustment	(27)	(8)	(14)	(3)	(11)	(63)
Adjustment on re-measurement	-	-	-	-	(59)	(59)
Adjustment	-	105	-	-	-	105
Transfer	42	76	33	(151)	-	-
At 30 June 2023	5,123	3,975	1,119	212	526	10,955
Additions	7	223	26	221	84	561
Scrap	-	(163)	(1)	-	-	(164)
Disposals	-	(4)	(17)	-	-	(21)
Exchange adjustment	14	5	7	2	7	35
Adjustment on re-measurement	-	-	-	-	23	23
Transfer	44	83	43	(170)	-	-
At 30 June 2024	5,188	4,119	1,177	265	640	11,389
Accumulated depreciation						
At 1 July 2021	1,108	2,487	649	-	128	4,372
Charge for the year	83	331	68	-	90	572
Depreciation adjustment	-	182	13	-	-	195
Scrap adjustment	-	(130)	-	-	1	(129)
Disposal adjustment	-	(2)	(9)	-	-	(11)
At 30 June 2022	1,191	2,868	721	-	219	4,999
Charge for the year	92	328	71	-	80	571
Scrap adjustment	-	(78)	-	-	-	(78)
Exchange adjustment	(22)	(7)	(9)	-	13	(25)
Adjustment	-	105	-	-	-	105
Disposal adjustment	-	(4)	(23)	-	-	(27)
At 30 June 2023	1,261	3,212	760	-	312	5,545
Charge for the year	93	293	68	-	87	541
Scrap adjustment	-	(150)	(7)	-	-	(157)
Exchange adjustment	1	5	6	-	5	17
Disposal adjustment	-	(4)	(14)	-	-	(18)
At 30 June 2024	1,355	3,356	813	-	404	5,928
Net book values						
At 30 June 2024	3,833	763	364	265	236	5,461
At 30 June 2023	3,862	763	359	212	214	5,410
At 30 June 2022	3,896	740	374	187	226	5,423

Property, plant and equipment are classified as non-current asset.

Following the adoption of IFRS 16, the Group has presented right-of-use assets within 'property, plant and equipment'.

The leases under Right-of-use Assets consist mainly of rental of space for ATMs and the lease terms are in the range of 1 to 5 years.

Moreover, the Group does not have the possibility of acquiring the asset at the end of the lease.

10. PROPERTY, PLANT AND EQUIPMENT

	BANK					Total RS'M
	Land and buildings	Computer and other equipment	Furniture, fittings and vehicles	Work in progress	Right-of-Use assets (Land and Buildings)	
	RS'M	RS'M	RS'M	RS'M	RS'M	
Cost						
At 1 July 2021	4,715	3,388	897	149	240	9,389
Additions	-	204	18	156	167	545
Scrap	-	(130)	(1)	-	-	(131)
Disposals	-	(3)	(9)	-	-	(12)
Cancellation	-	-	-	-	(80)	(80)
Adjustment on re-measurement	-	-	-	-	(1)	(1)
Transfer	63	60	34	(157)	-	-
At 30 June 2022	4,778	3,519	939	148	326	9,710
Additions	14	273	20	178	132	617
Scrap	-	(78)	(1)	-	-	(79)
Disposals	-	(4)	(16)	-	-	(20)
Adjustment on re-measurement	-	-	-	-	(39)	(39)
Adjustment	-	105	-	-	-	105
Transfer	40	72	31	(143)	-	-
At 30 June 2023	4,832	3,887	973	183	419	10,294
Additions	-	219	20	211	57	507
Scrap	-	(150)	(1)	-	-	(151)
Disposals	-	(4)	(17)	-	-	(21)
Adjustment on re-measurement	-	-	-	-	13	13
Transfer	44	83	43	(170)	-	-
At 30 June 2024	4,876	4,035	1,018	224	489	10,642
Accumulated depreciation						
At 1 July 2021	1,086	2,415	573	-	104	4,178
Charge for the year	80	324	59	-	64	527
Depreciation adjustment	-	182	13	-	-	195
Scrap adjustment	-	(130)	-	-	-	(130)
Disposal adjustment	-	(2)	(9)	-	-	(11)
At 30 June 2022	1,166	2,789	636	-	168	4,759
Charge for the year	81	324	58	-	60	523
Scrap adjustment	-	(78)	-	-	-	(78)
Adjustment	-	105	-	-	-	105
Disposal adjustment	-	(4)	(14)	-	-	(18)
At 30 June 2023	1,247	3,136	680	-	228	5,291
Charge for the year	81	287	59	-	65	492
Scrap adjustment	-	(150)	(1)	-	-	(151)
Disposal adjustment	-	(4)	(14)	-	-	(18)
At 30 June 2024	1,328	3,269	724	-	293	5,614
Net book values						
At 30 June 2024	3,548	766	294	224	196	5,028
At 30 June 2023	3,585	751	293	183	191	5,003
At 30 June 2022	3,612	730	303	148	158	4,951

11. DEFERRED TAX ASSETS

	GROUP					
	Balance as at 1 July	Effect of change in tax rate	Exchange adjustments	Recognised in Statement of profit or loss	Recognised in Statement of comprehensive income	Balance as at 30 June
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
2024						
Provisions and post retirement benefits	430	57	-	(63)	(24)	400
Provisions for credit impairment	2,694	360	-	753	-	3,807
Accelerated tax depreciation	(395)	(53)	-	(19)	-	(467)
At 30 June 2024	2,729	364	-	671	(24)	3,740
2023						
Provisions and post retirement benefits	196	30	-	166	39	431
Provisions for credit impairment	1,913	291	(3)	492	-	2,693
Accelerated tax depreciation	(284)	(43)	-	(68)	-	(395)
At 30 June 2023	1,825	278	(3)	590	39	2,729
2022						
Provisions and post retirement benefits	(7)	-	-	(27)	229	195
Provisions for credit impairment	1,472	-	9	433	-	1,914
Accelerated tax depreciation	(257)	-	-	(27)	-	(284)
At 30 June 2022	1,208	-	9	379	229	1,825

The applied deferred tax rate ranges from 17% to 20% (2023: from 15% to 20% & 2022: from 13% to 20%).
Deferred tax assets are classified as non-current asset.

11. DEFERRED TAX ASSETS

	BANK					Balance as at 30 June RS'M
	Balance as at 1 July RS'M	Effect of change in tax rate RS'M	Exchange adjustments RS'M	Recognised in Statement of profit or loss RS'M	Recognised in Statement of comprehensive income RS'M	
	2024					
Provisions and post retirement benefits	430	57	-	(63)	(24)	400
Provisions for credit impairment	2,674	360	-	751	-	3,785
Accelerated tax depreciation	(394)	(53)	-	(19)	-	(466)
At 30 June 2024	2,710	364	-	669	(24)	3,719
2023						
Provisions and post retirement benefits	195	30	-	166	39	430
Provisions for credit impairment	1,892	291	(1)	492	-	2,674
Accelerated tax depreciation	(283)	(43)	-	(68)	-	(394)
At 30 June 2023	1,804	278	(1)	590	39	2,710
2022						
Provisions and post retirement benefits	(7)	-	-	(27)	229	195
Provisions for credit impairment	1,452	-	9	431	-	1,892
Accelerated tax depreciation	(256)	-	-	(27)	-	(283)
At 30 June 2022	1,189	-	9	377	229	1,804

The applied deferred tax rate is 17% (2023: 15% & 2022:13%)
 Deferred tax assets are classified as non-current asset.

	GROUP			BANK		
	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
12. OTHER ASSETS						
Mandatory balances with Central Banks	37,556	31,278	25,081	36,696	30,639	24,146
Prepayments and other receivables	1,835	1,883	1,895	1,859	1,939	1,880
Credit card clearing	506	1,169	496	469	1,162	490
Non-banking assets acquired in satisfaction of debts [*]	105	104	101	105	104	101
Impersonal and other accounts	5,335	5,822	5,708	4,719	5,217	5,125
	45,337	40,256	33,281	43,848	39,061	31,742

^{*} The Group's policy is to dispose of such assets as soon as the market permits.

All elements under other assets are classified as current assets except 'non-banking assets acquired in satisfaction of debts' and 'impersonal and other accounts'. Management has assessed the impact of ECLs on the balances as immaterial.

13. DEPOSITS

	GROUP			BANK		
	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
(a) Deposits from banks						
Demand deposits	11,159	7,054	5,203	11,111	7,795	5,205
Money market deposits with remaining term to maturity:						
Up to 3 months	24,260	2,802	3,515	24,328	2,870	4,271
Over 3 months and up to 6 months	3,754	3,893	-	3,754	3,893	-
Over 6 months and up to 1 year	1,828	1,150	1,799	1,828	1,150	1,799
Over 1 year and up to 5 years	-	44	43	-	44	43
	29,842	7,889	5,357	29,910	7,957	6,113
	41,001	14,943	10,560	41,021	15,752	11,318
Deposits from banks can be classified as:						
Current	41,001	14,899	10,517	41,021	15,708	11,275
Non-current	-	44	43	-	44	43
(b) Deposits from customers						
(i) Retail customers						
Demand deposits	55,231	49,693	52,962	54,474	49,119	52,473
Savings deposits	224,654	197,789	187,415	222,170	195,731	185,371
Time deposits with remaining term to maturity:						
Up to 3 months	13,680	6,410	2,529	13,680	6,410	2,487
Over 3 months and up to 6 months	5,630	3,803	1,679	5,630	3,803	1,679
Over 6 months and up to 1 year	8,966	6,446	3,490	8,965	6,445	3,490
Over 1 year and up to 5 years	13,225	12,069	9,760	13,225	12,069	9,760
Over 5 years	7	30	6	7	30	6
	41,508	28,758	17,464	41,507	28,757	17,422
	321,393	276,240	257,841	318,151	273,607	255,266
(ii) Corporate customers						
Demand deposits	210,163	208,133	204,023	207,492	205,448	200,862
Savings deposits	6,553	7,093	6,481	5,433	5,452	5,342
Time deposits with remaining term to maturity:						
Up to 3 months	71,248	34,472	12,299	70,965	33,943	11,903
Over 3 months and up to 6 months	7,682	7,673	2,652	7,663	7,662	2,640
Over 6 months and up to 1 year	15,581	13,617	3,358	15,571	13,613	3,354
Over 1 year and up to 5 years	8,985	7,710	1,631	8,985	7,710	1,631
Over 5 years	1	-	1	1	-	1
	103,497	63,472	19,941	103,185	62,928	19,529
	320,213	278,698	230,445	316,110	273,828	225,733
(iii) Government						
Demand deposits	31	95	45	31	95	45
Savings deposits	-	56	59	-	56	59
	31	151	104	31	151	104
	641,637	555,089	488,390	634,292	547,586	481,103
Deposits from customers can be classified as:						
Current	619,419	535,280	476,992	612,074	527,777	469,705
Non-current	22,218	19,809	11,398	22,218	19,809	11,398

14. OTHER BORROWED FUNDS
(a) Other borrowed funds comprise the following:

	GROUP			BANK		
	2024	2023	2022	2024	2023	2022
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Borrowings from banks:						
in Mauritius	5,740	18,740	9,961	5,740	18,740	9,961
abroad	59,615	67,777	83,415	56,789	65,682	82,794
	65,355	86,517	93,376	62,529	84,422	92,755
Other borrowed funds include borrowings with original maturity of less than 3 months as shown in note 4	6	-	2,075	6	-	2,075

The carrying amounts of other borrowed funds are not materially different from their fair values.

(b) Remaining term to maturity:

On demand or within a period not exceeding 1 year	7,070	39,619	24,623	4,244	37,705	24,181
Within a period of more than 1 year but not exceeding 3 years	53,520	41,800	57,962	53,520	41,800	57,962
Within a period of more than 3 years	4,765	5,098	10,791	4,765	4,917	10,612
	65,355	86,517	93,376	62,529	84,422	92,755
Other borrowed funds can be classified as:						
Current	7,070	39,619	24,623	4,244	37,705	24,181
Non-current	58,285	46,898	68,753	58,285	46,717	68,574

During the year, the Bank drew down on a three-year USD 500 million syndicated loan facility, secured in June 2023, and an additional USD 400 million sustainability-linked loan, accessed in March 2024. The proceeds from these facilities were deployed to repay existing obligations, either upon maturity or through early repayment.

15. DEBT SECURITIES

	GROUP & BANK	
	2024	2023
	RS'M	RS'M
5-year senior unsecured notes maturing in 2028 at a fixed coupon rate of 7.95%	13,759	13,506
Exchange adjustments and others	555	253
	14,314	13,759

Debt securities are classified as non-current liabilities.

During the year 2023, the Bank launched a Global Medium Term Note Programme, which enables the Bank to tap into the international bond market for up to USD 3 billion. This programme has earned a Baa3 rating from Moody's and was registered on the International Securities Market of the London Stock Exchange in October 2022. It aims at diversifying the funding sources of the Bank and support its overall growth strategy.

Under this programme, the Bank issued its first bond for a notional value of USD 300 million on 26 April 2023.

16. SUBORDINATED LIABILITIES

Subordinated liabilities comprises the following:

	GROUP & BANK		
	2024	2023	2022
	RS'M	RS'M	RS'M
Opening balance	7,059	684	875
Repayment of USD 6M during the year (2023: USD 9M, 2022: USD 5.3M)	(271)	(404)	(225)
USD 147M floating rate unsecured Tier 2 notes maturing on 30 March 2033 at an average interest rate of 5.4% (2023: 8.6%)	-	6,689	-
Exchange and other adjustments	269	90	34
	7,057	7,059	684

Subordinated liabilities can be classified as:

Current	-	220	-
Non-current	7,057	6,839	684

The carrying amount of the subordinated liabilities are not materially different from their fair value.

(i) In 2013, the Bank secured USD 30 million through a 10-year amortizing subordinated debt arrangement with the African Development Bank. The remaining balance was fully repaid in August 2023.

(ii) On 31 March 2023, the Bank successfully concluded its inaugural Basel III compliant Tier 2 bond issuance, amounting to USD 147 million. This bond was issued under the umbrella of a private placement agreement with the African Development Bank. With an original maturity span of 10 years, it features semi-annual amortization, which comes into play starting from the sixth year.

This bond helps consolidate the capital of the Bank and provides the necessary buffer to support its growth strategy.

17. POST EMPLOYMENT BENEFIT (ASSET)/LIABILITY

	GROUP & BANK		
	2024	2023	2022
	Rs'M	Rs'M	Rs'M
Post employee benefit (asset)/liability			
(a) Staff superannuation fund (defined benefit section)	(1,001)	(689)	278
(b) Residual retirement gratuities	247	234	182
	(754)	(455)	460

(a) Staff superannuation fund (defined benefit section)

	2024	2023	2022
	Rs'M	Rs'M	Rs'M
Reconciliation of net defined benefit (asset)/liability			
Opening balance	(689)	278	(1,344)
Amount recognised in statement of profit or loss	201	230	131
Amount recognised in statement of comprehensive income	(199)	234	1,716
Less employer contributions	(314)	(1,431)	(225)
Closing balance	(1,001)	(689)	278

Reconciliation of fair value of plan assets

Opening balance	10,229	8,765	8,952
Interest income	580	492	443
Employer contributions	314	1,431	225
Benefits paid	(425)	(376)	(401)
Return on plan assets above/(below) interest income	526	(83)	(454)
Closing balance	11,224	10,229	8,765

Reconciliation of present value of defined benefit obligation

Opening balance	9,540	9,043	7,608
Current service cost	249	253	203
Interest expense	532	469	371
Benefits paid	(425)	(376)	(401)
Liability experience loss	-	-	96
Liability loss due to change in financial assumptions	327	151	1,166
Closing balance	10,223	9,540	9,043

Components of amount recognised in statement of profit or loss

Current service cost	249	253	203
Net interest on net defined benefit asset	(48)	(23)	(72)
Total	201	230	131

Analysed as follows:

The Mauritius Commercial Bank Limited (see note 27(a))	179	195	118
Other members of The MCB Group Limited	22	35	13
	201	230	131

Components of amount recognised in statement of comprehensive income

Return on plan assets (above)/below interest income	(526)	83	454
Liability experience loss	-	-	96
Liability loss due to change in financial assumptions	327	151	1,166
Total	(199)	234	1,716

17. POST EMPLOYMENT BENEFIT (ASSET)/LIABILITY (CONTINUED)

(a) Staff superannuation fund (defined benefit section) (continued)

	GROUP & BANK		
	2024	2023	2022
Allocation of plan assets at end of year	%	%	%
Equity - Local quoted	30	30	38
Equity - Local unquoted	1	1	1
Debt - Overseas quoted	1	1	-
Debt - Local quoted	19	13	11
Debt - Local unquoted	6	8	5
Property - Overseas	5	-	-
Property - Local	1	5	6
Investment funds	33	31	31
Cash and other	4	11	8
Total	100	100	100
Allocation of plan assets at end of year	%	%	%
Reporting entity's own transferable financial instruments	11	9	11
Property occupied by reporting entity	5	5	6
Other assets used by reporting entity	-	2	3
Principal assumptions used at end of year			
Discount rate	5.5%	5.7%	5.3%
Rate of salary increases	4.2%	4.2%	3.7%
Rate of pension increases	2.7%	2.7%	2.2%
Average retirement age (ARA)	63	63	63
Average life expectancy for:			
Male at ARA	17.3 years	17.3 years	17.3 years
Female at ARA	21.7 years	21.7 years	21.7 years
Sensitivity analysis on defined benefit obligation at end of year			
	2024	2023	2022
	Rs'M	Rs'M	Rs'M
Increase due to 1% decrease in discount rate	1,882	1,718	1,628
Decrease due to 1% increase in discount rate	1,462	1,345	1,275
Increase due to 1% increase in salary increase rate	808	745	697
Decrease due to 1% decrease in salary increase rate	696	630	597
Increase due to 1% increase in pension increase rate	988	897	850
Decrease due to 1% decrease in pension increase rate	828	773	732

The above sensitivity analysis has been carried out by recalculating the present value of obligation at the end of the year after increasing or decreasing the discount rate, salary increase rate and pension increase rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

It has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting year.

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.

The Group sponsors a defined benefit pension plan for some of its employees which is self-administered and funded separately from the Group. The Group has recognised a total net defined benefit asset of Rs 1,001M as at 30 June 2024 for the defined benefit pension plan (2023: net defined asset of Rs 689M and 2022: net defined liability of Rs 278M).

The liability loss due to change in financial assumptions amounting to Rs 327M is mainly due to the decrease in the net pre-retirement discount rate (the difference between the nominal discount rate and the salary increase rate) from 1.5% p.a. in 2023 to 1.3% p.a. in 2024 and in the net post-retirement discount rate (the difference between the nominal discount rate and the pension increase rate) from 3.0% p.a. in 2023 to 2.8% p.a. in 2024.

The Group operates a final salary defined benefit pension or retirement plan for some of its employees which is self-administered and funded separately from the Group.

The plan exposes the Group to normal risks associated with defined benefit pension plans such as investment, interest, longevity and salary risks.

Investment risk: The plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan assets is below this rate, it will create a plan deficit and if it is higher, it will create a plan surplus.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this may be partially offset by an increase in the return on the plan's debt investments and a decrease in inflationary pressures on salary and pension increases.

17. POST EMPLOYMENT BENEFIT (ASSET)/LIABILITY (CONTINUED)**(a) Staff superannuation fund (defined benefit section) (continued)**

Longevity risk: The plan liability is calculated by reference to the best estimate for the mortality of plan participants both during and after their employment. An increase in life expectancy of the plan participants will increase the plan liability.

Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability whereas an increase below the assumed rate will decrease the liability.

The Bank had a residual obligation imposed by Workers' Rights Act (WRA) 2019 on top of its Defined Contribution (DC) plan. It is therefore particularly exposed to investment under-performance of the DC plan.

There has been no plan amendment, curtailment or settlement during the year, except for the change in retirement benefit formula.

Future cash flows

The funding policy is to pay contributions to an external legal entity at the rate recommended by the Bank's actuaries:

Expected employer contribution for the next year (Rs'M):	327
Weighted average duration of the defined benefit obligation:	16 years

Defined Contribution Cash Balance (DCCB)

As from 1 July 2015, the Bank has introduced a Defined Contribution Cash Balanced Scheme "DCCB" for its employees.

Consequently, all employees joining the Bank as from that date are automatically enrolled in the new scheme. Existing employees had the choice of either remaining in the Defined Benefit Scheme or to join the new scheme.

17. POST EMPLOYMENT BENEFIT (ASSET)/LIABILITY (CONTINUED)
(b) Residual retirement gratuities

Amounts recognised in the financial statements at end of year

	GROUP & BANK		
	2024 Rs'M	2023 Rs'M	2022 Rs'M
Reconciliation of net defined benefit liability			
Opening balance	234	182	126
Amount recognised in statement of profit or loss (see note 27(a))	12	48	14
Amount recognised in statement of comprehensive income	58	29	42
Employer contributions	(57)	(25)	-
Closing balance	247	234	182
Reconciliation of present value of defined benefit obligation			
Opening balance	234	182	126
Current service cost	15	27	8
Interest expense	11	21	6
Past service cost	(14)	-	-
Other benefits paid	(57)	(25)	-
Liability experience loss/(gain)	45	19	(6)
Liability loss due to change in financial assumptions	13	10	48
Closing balance	247	234	182
Components of amount recognised in statement of profit or loss			
Current service cost	15	27	8
Past service cost	(14)	-	-
Net interest on net defined benefit liability	11	21	6
Total (see note 27(a))	12	48	14
Components of amount recognised in other statement of comprehensive income			
Liability experience loss/(gain)	45	19	(6)
Liability loss due to change in financial assumptions	13	10	48
Total	58	29	42
Principal assumptions used at end of year			
Discount rate	5.5%	5.7%	5.3%
Rate of salary increases	4.2%	4.2%	3.7%
Rate of pension increases	2.7%	2.7%	2.2%
Average retirement age (ARA)	63	63	63
Sensitivity analysis on defined benefit obligation at end of year			
Increase due to 1% decrease in discount rate	86	52	59
Decrease due to 1% increase in discount rate	78	42	45
Increase due to 1% increase in salary increase rate	68	47	50
Decrease due to 1% decrease in salary increase rate	52	38	38
Increase due to 1% increase in pension increase rate	10	5	8
Decrease due to 1% decrease in pension increase rate	11	5	9

The Group has also recognised a net defined benefit liability of Rs247M as at 30 June 2024 (2023: Rs 234M, 2022: Rs 182M) for all employees whose pension benefits are not expected to fully offset the company's retirement gratuity obligations under the Workers' Rights Act (WRA) 2019 and who are therefore entitled to residual retirement gratuities under the Workers' Rights Act (WRA) 2019.

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of year after increasing or decreasing the discount rate, salary increase rate and pension increase rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

The liability experience loss of Rs 45M disclosed is due to the retirement gratuities paid to employees who retired during the year being higher than their past service reserve.

The liability loss of Rs 13M is mainly due to the decrease in the net pre-retirement discount rate (the difference between the nominal discount rate and the salary increase rate) from 1.5% p.a. in 2023 to 1.3% p.a. in 2024 and in the net post-retirement discount rate (the difference between the nominal discount rate and the pension increase rate) from 3.0% p.a. in 2023 to 2.8% p.a. in 2024.

Future cash flows

The funding policy is to pay benefits out of the reporting entity's cashflow as and when due:

Expected employer contribution for the next year (Rs'M): nil

Weighted average duration of the defined benefit obligation: **23 years**

Note: The most recent actuarial valuation of planned assets and present value of post employment benefit obligation were carried out as at the reporting date by Aon Hewitt Ltd., Actuaries and Consultants.

Post employee benefit asset/(liability) is classified as non-current asset/(liability).

	GROUP			BANK		
	2024	2023	2022	2024	2023	2022
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
18. OTHER LIABILITIES						
Allowances for credit impairment on off balance sheet exposures (18 (a))	313	470	489	292	459	484
Lease liabilities (18 (b))	241	231	213	201	200	163
Impersonal, other accounts and deferred income	13,063	11,189	8,215	12,444	10,593	7,618
Proposed dividend (see note 30)	2,500	2,300	1,534	2,500	2,300	1,534
	16,117	14,190	10,451	15,437	13,552	9,799

All elements under other liabilities are classified as current liabilities except 'impersonal, other accounts and deferred income' and 'lease liabilities' (amounts over 1 year).

(a) Allowances for credit impairment on off balance sheet exposures

	GROUP			BANK		
	Allowances for credit impairment			Allowances for credit impairment		
	12 months expected credit loss	Lifetime expected credit loss (credit impaired)	Total	12 months expected credit loss	Lifetime expected credit loss (credit impaired)	Total
RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	
At 1 July 2023	470	-	470	459	-	459
Exchange adjustment	2	-	2	-	-	-
Provision for credit impairment for the year	221	-	221	211	-	211
Provision released during the year	(378)	-	(378)	(376)	-	(376)
Changes in models/risk parameters	(2)	-	(2)	(2)	-	(2)
At 30 June 2024	313	-	313	292	-	292
At 1 July 2022	489	-	489	484	-	484
Provision for credit impairment for the year	393	-	393	387	-	387
Provision released during the year	(353)	-	(353)	(353)	-	(353)
Changes in models/risk parameters	(59)	-	(59)	(59)	-	(59)
At 30 June 2023	470	-	470	459	-	459
At 1 July 2021	392	-	392	389	-	389
Provision for credit impairment for the year	446	-	446	445	-	445
Provision released during the year	(278)	-	(278)	(279)	-	(279)
Changes in models/risk parameters	(71)	-	(71)	(71)	-	(71)
At 30 June 2022	489	-	489	484	-	484

(b) The lease liabilities can be analysed as follows:

	GROUP			BANK		
	2024	2023	2022	2024	2023	2022
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Up to 1 year	15	52	31	15	52	10
Over 1 year and up to 5 years	143	178	182	104	148	153
Over 5 years	83	1	-	82	-	-
	241	231	213	201	200	163

19. STATED CAPITAL AND RESERVES

(a) Stated capital

Issued and paid up share capital
At 30 June 2022, 2023 and 2024

Fully paid ordinary shares carry one vote per share and the right to dividend.

GROUP & BANK	
Number of shares	RS'M
887,960,247	8,880

(b) Reserves

(i) Capital reserve

The capital reserve represents the cumulative net change in the fair value of financial assets FVOCI until the financial instruments are derecognised or impaired.

(ii) Statutory reserve

Statutory reserve represents accumulated transfers from retained earnings in accordance with relevant local banking legislations. These reserves are not distributable. The statutory reserve should not exceed the stated capital.

(iii) Translation Reserve

The translation reserve represents all foreign currency differences arising from the translation of the results and financial position of investments in associates.

20. CONTINGENT LIABILITIES

	GROUP			BANK		
	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
(a) Instruments						
Guarantees on account of customers	57,426	51,923	61,196	55,832	51,287	60,460
Letters of credit and other obligations on account of customers (net)	120,383	57,283	48,447	120,244	56,528	46,320
Other contingent items (net)	2,138	1,500	3,803	2,095	1,473	3,537
	179,947	110,706	113,446	178,171	109,288	110,317
(b) Commitments						
Loans and other facilities, including undrawn credit facilities	9,140	12,260	10,124	9,140	12,260	10,124
(c) Tax assessments						
	-	11	-	-	11	-
	189,087	122,977	123,570	187,311	121,559	120,441

21. INTEREST INCOME USING THE EFFECTIVE INTEREST METHOD

	GROUP			BANK		
	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
Loans to and placements with banks	5,207	3,634	641	5,226	3,620	649
Loans and advances to customers	28,228	21,430	11,844	27,560	20,882	11,375
Investments at amortised cost	10,342	7,286	4,493	10,136	7,199	4,411
Investments at fair value through other comprehensive income	14	38	35	14	38	35
	43,791	32,388	17,013	42,936	31,739	16,470

22. INTEREST EXPENSE

Deposits from banks	1,308	220	23	1,396	269	20
Deposits from customers	13,543	8,419	1,176	13,168	8,093	948
Debt securities	1,102	192	-	1,102	192	-
Subordinated liabilities	610	177	26	610	177	26
Other borrowed funds	4,327	4,564	1,573	4,225	4,511	1,536
Lease liabilities	18	21	11	14	17	7
	20,908	13,593	2,809	20,515	13,259	2,537

23. FEE AND COMMISSION INCOME

Cards and other related fees	4,291	3,728	2,957	4,250	3,697	2,930
Trade finance fees	1,862	1,362	1,506	1,781	1,283	1,417
Transaction fees	1,470	1,307	1,092	1,384	1,220	1,043
Guarantee fees	1,338	1,330	955	1,338	1,319	943
Loan related fees	551	497	465	551	484	459
Private banking and wealth management fees	405	391	423	405	391	423
Others	-	-	-	19	20	18
	9,917	8,615	7,398	9,728	8,414	7,233

24. FEE AND COMMISSION EXPENSE

Cards and other related fees	2,715	2,235	1,701	2,617	2,166	1,655
Loan related and trade finance fees	430	390	392	409	379	377
Transaction fees	38	50	40	25	25	25
	3,183	2,675	2,133	3,051	2,570	2,057

25. NET TRADING INCOME

Profit arising from dealing in foreign currencies	3,204	2,874	1,761	3,121	2,769	1,717
Net gain from derivative financial instruments fair valued through profit or loss	179	55	243	179	55	243
Net gain from investment securities fair valued through profit or loss	299	209	254	299	209	254
Net loss from derecognition of debt securities measured at fair valued through other comprehensive income	-	-	(337)	-	-	(337)
Net gain from other investment securities	-	16	3	-	16	3
	3,682	3,154	1,924	3,599	3,049	1,880

	GROUP			BANK		
	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
26. DIVIDEND INCOME						
Quoted investments FVOCI	46	24	23	46	24	23
Quoted investments FVPL	-	22	11	-	22	11
Unquoted investments FVOCI	19	25	2	19	25	2
Subsidiary	-	-	-	41	31	43
	65	71	36	106	102	79
27. NON - INTEREST EXPENSE						
(a) Salaries and human resource costs						
Wages and salaries	4,317	3,373	2,778	4,231	3,306	2,722
Defined benefit plan (note 17(a))	179	195	118	179	195	118
Defined contribution plan	222	218	118	222	218	118
Residual retirement gratuities (note 17(b))	12	48	14	12	48	14
Compulsory social security obligations	198	147	141	190	147	136
Equity settled share-based payments	7	4	16	7	4	16
Other personnel expenses	1,434	1,043	1,024	1,428	1,032	1,019
	6,369	5,028	4,209	6,269	4,950	4,143
(b) Other non-interest expense						
Legal and professional fees	693	677	435	635	634	392
Rent, repairs, maintenance and security costs	450	415	349	438	407	342
Software licensing and other information technology costs	1,037	991	665	1,036	932	609
Electricity, water and telephone charges	376	322	311	374	319	283
Advertising, marketing costs and sponsoring	328	229	133	282	227	131
Postage, courier and stationery costs	251	200	201	216	197	199
Insurance costs	185	192	164	177	187	159
Others	577	278	120	575	273	128
<i>of which short term leases</i>	7	21	8	7	21	8
<i>of which variable leases</i>	-	-	14	-	-	14
	3,897	3,304	2,378	3,733	3,176	2,243
28. NET IMPAIRMENT OF FINANCIAL ASSETS						
Net allowance for credit impairment						
Cash and cash equivalents	(5)	(1)	(17)	(1)	(6)	(17)
Loans and advances						
Loans to and placements with banks	(457)	315	217	(457)	315	217
Loans and advances to customers	4,663	3,721	3,474	4,514	3,677	3,448
Investment securities						
Amortised cost	464	65	1	461	58	(1)
Fair value through other comprehensive income	-	(1)	76	-	(1)	76
Off balance sheet exposures	(159)	(19)	97	(167)	(25)	95
	4,506	4,080	3,848	4,350	4,018	3,818
Recoveries of advances previously written off	(1,021)	(498)	(426)	(1,021)	(498)	(426)
	3,485	3,582	3,422	3,329	3,520	3,392

29. INCOME TAX EXPENSE

(a) The tax charge related to statement of profit or loss is as follows:

	GROUP			BANK		
	2024	2023	2022	2024	2023	2022
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Income tax based on the adjusted profit	3,200	2,532	1,305	3,174	2,498	1,286
Deferred tax	(671)	(590)	(379)	(669)	(590)	(377)
Effect of change in tax rate	(364)	289	-	(364)	289	-
Levy	1,248	645	624	1,248	645	624
Corporate social responsibility contribution	144	98	114	144	98	114
Under/(Over) provision in previous years	13	1	(1)	13	1	(1)
Charge for the year	3,570	2,975	1,663	3,546	2,941	1,646
The tax on the profits differs from the theoretical amount that would arise using the basic tax rate as follows:						
Profit before tax	19,057	16,045	10,632	18,992	15,900	10,594
Less share of profit of associates	(306)	(544)	(475)	(306)	(544)	(475)
	18,751	15,501	10,157	18,686	15,356	10,119
Tax calculated at applicable tax rates	2,708	2,216	1,117	2,687	2,185	1,108
Effect of change in tax rate	(364)	289	-	(364)	289	-
Impact of:						
Income not subject to tax	(1,195)	(1,153)	(471)	(1,195)	(1,153)	(471)
Expenses not deductible for tax purposes	1,025	885	286	1,022	882	278
Tax credits	(9)	(6)	(6)	(9)	(6)	(6)
Levy	1,248	645	624	1,248	645	624
Corporate social responsibility contribution	144	98	114	144	98	114
Under/(Over) provision in previous years	13	1	(1)	13	1	(1)
Tax charge	3,570	2,975	1,663	3,546	2,941	1,646

Corporate social responsibility (CSR) tax

Corporate Social Responsibility (CSR) tax was legislated by the Government of Mauritius in July 2009. The Bank is entitled to allocate a percentage of its chargeable income of the preceding year to a CSR programme approved by the National Social Inclusion Foundation (formerly known as National CSR Foundation) and the remaining to the Mauritius Revenue Authority.

Applicable tax rates

The applicable tax rate for the Bank is as follows:

- First Rs 1.5 billion of chargeable income at 5%
- Remainder at 15%

29. INCOME TAX EXPENSE (continued)

(b) The tax (charge)/credit related to statement of comprehensive income is as follows:

	GROUP			BANK		
	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
Remeasurement of defined benefit pension plan and retirement residual gratuities	141	(263)	(1,758)	141	(263)	(1,758)
Deferred tax (charge)/credit	(24)	39	229	(24)	39	229
Remeasurement of defined benefit pension plan and retirement residual gratuities, net of deferred tax	117	(224)	(1,529)	117	(224)	(1,529)

30. DIVIDENDS

	BANK		
	2024 RS'M	2023 RS'M	2022 RS'M
Dividends in cash			
Opening dividend payable	2,300	1,534	2,000
Declared during the year	5,200	4,325	3,734
Paid during the year	(5,000)	(3,559)	(4,200)
Closing dividend payable	2,500	2,300	1,534

31. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to the ordinary equity holder of the Group and Bank by the weighted average number of ordinary shares outstanding during the year.

	GROUP			BANK		
	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
Profit attributable to ordinary equity holders of the parent	15,471	13,044	8,956	15,446	12,959	8,948
Weighted average number of ordinary shares (thousands)	887,960	887,960	887,960	887,960	887,960	887,960
Earnings per share (Rs)	17.42	14.69	10.09	17.39	14.59	10.08

32. COMMITMENTS

(a) Capital commitments

	GROUP & BANK		
	2024	2023	2022
	RS'M	RS'M	RS'M
Expenditure contracted for but not incurred	199	197	192
Expenditure approved by the Board but not contracted for	123	92	121

(b) Securities pledged

The Bank has pledged Government of Mauritius bonds as collateral for the purpose of overnight facility from the Bank of Mauritius and for repurchase agreement with other financial institutions.

	GROUP & BANK		
	2024	2023	2022
	RS'M	RS'M	RS'M
Government of Mauritius & Bank of Mauritius bonds with Bank of Mauritius	-	7,631	7,113
Government of Mauritius & Bank of Mauritius bonds with other financial institutions	15,191	37,647	32,620
	15,191	45,278	39,733



Notes to the Financial Statements for the year ended 30 June 2024

33. RELATED PARTY TRANSACTIONS

	GROUP AND BANK					GROUP	BANK
	Ultimate Holding Company *	Holding Company*	Entities in which the Bank holds more than a 10% interest	Directors and Key Management Personnel (including parent)	Enterprises in which Directors and Key Management Personnel have significant interest (including parent)	Entities under common control (including defined benefit plan)	Entities under common control (including defined benefit plan)
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
Cash equivalents, Loans and Advances							
Balances at 30 June 2024	-	-	728	148	159	2,187	3,167
Net movements during the year	(1,617)	-	94	(34)	137	(364)	(375)
Balances at 30 June 2023	1,617	-	634	182	22	2,551	3,542
Net movements during the year	1,617	-	29	(161)	(387)	2	593
Balances at 30 June 2022	-	-	605	343	409	2,549	2,949
Net movements during the year	-	-	34	80	(12)	(567)	(1,305)
Balances at 30 June 2021	-	-	571	263	421	3,116	4,254
Deposits							
Balance at year end:							
30 June 2024	3,095	12	77	436	429	6,734	6,826
30 June 2023	1,593	272	28	415	261	5,964	6,032
30 June 2022	1,188	241	59	528	557	5,074	5,830
Amounts due from/(to)							
Balance at year end:							
30 June 2024	1	(2,097)	85	-	-	162	190
30 June 2023	1	(1,910)	96	-	-	113	140
30 June 2022	366	(1,534)	88	-	-	138	152
Off Balance sheet items							
Balance at year end:							
30 June 2024	-	-	3	-	29	684	2,621
30 June 2023	-	-	3	-	237	498	2,572
30 June 2022	-	-	74	-	195	316	2,625
Interest income							
For the year ended:							
30 June 2024	28	-	30	5	13	136	222
30 June 2023	38	-	17	5	1	144	191
30 June 2022	-	-	6	3	14	100	122
Interest expense							
For the year ended:							
30 June 2024	47	-	1	16	1	255	257
30 June 2023	7	-	1	8	-	138	147
30 June 2022	-	-	1	2	-	4	4
Other income							
For the year ended:							
30 June 2024	1	1	426	2	2	120	200
30 June 2023	1	-	399	3	1	72	150
30 June 2022	1	-	371	3	4	70	149
Non-interest expense							
For the year ended:							
30 June 2024	(1)	-	-	-	-	(20)	(41)
30 June 2023	(1)	-	-	-	-	4	(16)
30 June 2022	(1)	-	-	-	-	22	10

The related party transactions were carried out under market terms and conditions with the exception of loans to Key Management Personnel who benefited from preferential rates as applicable to staff.

All the loans are performing

* The Directors regard MCB Investment Holding Limited as its holding company and MCB Group Limited as its ultimate holding company. The figures for 'Amounts due from/(to)' include the Interim Dividend payable to MCB Investment Holding Limited of Rs 2500 M for 2023/2024, Rs 2,300M for 2022/2023 and Rs 1,534M for 2021/2022.

33. RELATED PARTY TRANSACTIONS (continued)

The Bank introduced a Transfer Pricing policy applicable as from 1 January 2021 with its related entities in line with best practice and has gradually migrated to the new policy with support services being mainly categorised as 'low value services'.

The figures for 'Other income' from Ultimate Holding Company, Holding Company and Entities under common control, include (where applicable) dividend income and support services charged to these entities as per the Group's transfer pricing policy.

The figure for 'Entities in which the bank holds more than 10% interest' includes dividend income and an annual amount in respect of management fees charged to Banque Française Commerciale Océan Indien ('BFCOI').

During the year, 108,186 share options were exercised under the Group Employee Share Option scheme by Key Management Personnel, including Executive Directors amounting to Rs 34M(FY 2022/2023: 50,114 share options for Rs 20M; FY 2021/2022: 88,343 share options for Rs 22M).

Key Management Personnel compensation

Remuneration and other benefits relating to Key Management Personnel, including Directors, were as follows :

	GROUP			BANK		
	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
Salaries and short term employee benefits	209	154	135	192	139	121
Post employment benefits	12	12	9	12	12	9
	221	166	144	204	151	130

34. OPERATING SEGMENTS

The Bank's and Group's Chief Executive Officer, supported by the Board is considered as the Chief Operation Decision Maker (CODM) for the purpose of identifying the reportable segments. The Chief Operation Decision Maker reviews the Bank's performance based on the identified segments which enable management to assess its performance towards meeting its strategic intent of "extending our frontier." Furthermore, internal management reports cover the performance of the domestic and international markets. The Group's reportable segments under IFRS 8 are:

1. Domestic segment - This segment englobes all our banking activities and other financial services offered to customers in Mauritius ranging from deposit taking, provision of loan, card services and other investment products.
2. Foreign segment - This segment relates to the provision of financial services to customers outside Mauritius.
3. Global Business segment - This segment relates to the provision of financial services to customers holding a GBC licence.

GROUP
Reported segment profit or loss information

	DOMESTIC			FOREIGN			GLOBAL BUSINESS		
	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M	2024 RS'M	2023 RS'M	2022 RS'M
Interest income using the effective interest method	18,668	14,922	10,079	23,289	16,583	6,568	1,834	883	366
Interest expense	(8,189)	(6,442)	(1,106)	(12,009)	(6,799)	(1,696)	(710)	(352)	(7)
Net fee and commission income	2,680	2,718	2,213	3,641	2,888	2,730	413	334	322
Dividend income	46	27	23	19	44	13	-	-	-
Operating income	14,959	13,078	12,805	16,315	14,866	7,714	2,432	669	690
Depreciation of property, plant and equipment	(326)	(470)	(491)	(199)	(100)	(78)	(16)	(1)	(3)
Amortisation of intangible assets	(425)	(506)	(397)	(217)	(119)	(71)	(21)	(2)	(3)
Net impairment of financial assets	(146)	1,042	146	(1,409)	(1,962)	(3,113)	(1,930)	(2,662)	(455)
Operating profit/(loss) (adjusted)	7,597	6,846	6,670	11,430	11,144	3,583	137	(2,028)	154
Share of profit of associates	-	-	-	306	544	475	-	-	-
Profit/(Loss) before tax (adjusted)	7,597	6,846	6,670	11,736	11,688	4,058	137	(2,028)	154
Income tax expense (adjusted)	(2,121)	(1,705)	(1,282)	(2,237)	(1,803)	(731)	(247)	(57)	(27)
Profit/(Loss) for the year (adjusted)	5,476	5,141	5,388	9,499	9,885	3,327	(110)	(2,085)	127

Reported segment asset and liabilities information

Loan and advances to customers	147,424	155,852	142,877	206,621	159,337	150,137	28,488	21,323	19,031
Deposits from customers	399,197	344,709	320,058	148,404	119,815	102,066	94,036	90,565	66,266
Total Assets (adjusted)	455,919	400,080	389,681	416,663	368,524	281,523			
Total Liabilities (adjusted)	421,358	377,939	340,865	368,819	317,748	264,276			

Reconciliation of reported profit or loss

	2024 RS'M	2023 RS'M	2022 RS'M
Total profit or loss for reportable segments	14,865	12,941	8,842
Adjustment to pension expense	(413)	(461)	(250)
Adjustment for deferred tax	1,035	590	377
Profit for the year	15,487	13,070	8,969

Reconciliation of assets and liabilities

	2024 RS'M	2023 RS'M	2022 RS'M
Total assets for reportable segment	872,582	768,604	671,204
Deferred tax	3,740	2,729	1,825
Post employee benefit asset	754	455	-
	877,076	771,788	673,029
Total liabilities for reportable segment	790,177	695,687	605,141
Post employee benefit liability	-	-	460
	790,177	695,687	605,601

35. Additional disclosures as required by the Bank of Mauritius - Bank

Under the Guideline on Segmental Reporting under a Single Banking Licence Regime, the Bank of Mauritius requires the Bank to disclose its assets and liabilities, income and expenditure into two segments; Segment A (Seg A) and Segment B (Seg B).

Segment B activity is essentially directed to the provision of international financial services that gives rise to "foreign source income".

Segment B assets will generally consist of placements with and advances to foreign financial institutions, notably associates and overseas correspondents, GBL holders and other non-residents.

However, the liabilities employed to support such assets may come from deposits, borrowings and funds deposited by non-residents, GBL holders and residents.

Segment A activity relates to all banking business other than Segment B activity.

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.

Statement of financial position as at 30 June 2024

Note	2024			2023			2022		
	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M
ASSETS									
Cash and cash equivalents	90,669	30,306	60,363	113,609	54,599	59,010	64,594	54,648	9,946
Derivative financial instruments	2,071	156	1,915	1,214	45	1,169	438	200	238
Loans to and placements with banks	13,582	-	13,582	14,092	-	14,092	23,934	-	23,934
Loans and advances to customers	375,404	147,424	227,980	329,650	155,852	173,798	306,648	142,877	163,771
Investment securities	322,210	229,842	92,368	247,405	147,455	99,950	222,823	157,848	64,975
Investment in subsidiaries	121	-	121	118	-	118	118	-	118
Investments in associates	5,495	-	5,495	6,084	-	6,084	5,569	-	5,569
Intangible assets	2,551	2,551	-	2,211	2,211	-	1,896	1,896	-
Property, plant and equipment	5,028	5,028	-	5,003	5,003	-	4,951	4,951	-
Deferred tax assets	3,719	600	3,119	2,710	525	2,185	1,804	508	1,296
Post employee benefit asset	754	754	-	455	455	-	-	-	-
Other assets	43,848	40,613	3,235	39,061	34,915	4,146	31,742	27,261	4,481
Total assets	865,452	457,274	408,178	761,612	401,060	360,552	664,517	390,189	274,328
LIABILITIES AND SHAREHOLDER'S EQUITY									
Deposits from banks	41,021	872	40,149	15,752	240	15,512	11,318	254	11,064
Deposits from customers	634,292	399,197	235,095	547,586	344,709	202,877	481,103	320,058	161,045
Derivative financial instruments	1,990	87	1,903	1,216	64	1,152	497	163	334
Other borrowed funds	62,529	5,740	56,789	84,422	18,740	65,682	92,755	9,961	82,794
Debt securities	14,314	-	14,314	13,759	-	13,759	-	-	-
Subordinated liabilities	7,057	-	7,057	7,059	-	7,059	684	-	684
Current tax liabilities	2,697	237	2,460	2,872	1,719	1,153	1,148	890	258
Post employee benefit liability	-	-	-	-	-	-	460	460	-
Other liabilities	15,437	15,225	212	13,552	12,467	1,085	9,799	9,539	260
Total liabilities	779,337	421,358	357,979	686,218	377,939	308,279	597,764	341,325	256,439
Shareholder's equity									
Stated capital	8,880			8,880			8,880		
Retained earnings	66,975			56,625			48,161		
Other components of equity	10,260			9,889			9,712		
Total equity	86,115			75,394			66,753		
Total equity and liabilities	865,452			761,612			664,517		
CONTINGENT LIABILITIES (NET)	187,311	35,339	151,972	121,559	31,361	90,198	120,441	25,116	95,325

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)

Statement of profit or loss for the year ended 30 June 2024

	Note	2024			2023			2022		
		TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M
Interest income using the effective interest method	35(p)	42,936	18,668	24,268	31,739	14,922	16,817	16,470	10,079	6,391
Interest expense	35(q)	(20,515)	(8,189)	(12,326)	(13,259)	(6,442)	(6,817)	(2,537)	(1,106)	(1,431)
Net interest income		22,421	10,479	11,942	18,480	8,480	10,000	13,933	8,973	4,960
Fee and commission income	35(r)	9,728	4,426	5,302	8,414	4,041	4,373	7,233	3,272	3,961
Fee and commission expense	35(s)	(3,051)	(1,746)	(1,305)	(2,570)	(1,323)	(1,247)	(2,057)	(1,059)	(998)
Net fee and commission income		6,677	2,680	3,997	5,844	2,718	3,126	5,176	2,213	2,963
Net trading income	35(t)	3,599	1,734	1,865	3,049	1,825	1,224	1,880	1,565	315
Net gain/(loss) from equity financial instruments carried at fair value through profit or loss		476	-	476	564	-	564	(291)	-	(291)
Dividend income	35(u)	106	46	60	102	27	75	79	23	56
Other operating income		112	20	92	79	28	51	77	31	46
Loss on disposal of associate		(241)	-	(241)	-	-	-	-	-	-
		4,052	1,800	2,252	3,794	1,880	1,914	1,745	1,619	126
Operating income		33,150	14,959	18,191	28,118	13,078	15,040	20,854	12,805	8,049
Non-interest expense										
Salaries and human resource costs	35(v)	(6,269)	(4,156)	(2,113)	(4,950)	(3,813)	(1,137)	(4,143)	(3,538)	(605)
Depreciation of property, plant and equipment		(492)	(326)	(166)	(523)	(470)	(53)	(527)	(491)	(36)
Amortisation of intangible assets		(641)	(425)	(216)	(593)	(506)	(87)	(430)	(397)	(33)
Other	35(w)	(3,733)	(2,583)	(1,150)	(3,176)	(2,776)	(400)	(2,243)	(2,021)	(222)
		(11,135)	(7,490)	(3,645)	(9,242)	(7,565)	(1,677)	(7,343)	(6,447)	(896)
Operating profit before impairment		22,015	7,469	14,546	18,876	5,513	13,363	13,511	6,358	7,153
Net impairment of financial assets	35(x)	(3,329)	(146)	(3,183)	(3,520)	1,042	(4,562)	(3,392)	146	(3,538)
Operating profit		18,686	7,323	11,363	15,356	6,555	8,801	10,119	6,504	3,615
Share of profit of associates		306	-	306	544	-	544	475	-	475
Profit before tax		18,992	7,323	11,669	15,900	6,555	9,345	10,594	6,504	4,090
Income tax expense	35(y)	(3,546)	(2,030)	(1,516)	(2,941)	(1,805)	(1,136)	(1,646)	(1,388)	(258)
Profit for the year		15,446	5,293	10,153	12,959	4,750	8,209	8,948	5,116	3,832

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)

Statement of comprehensive income for the year ended 30 June 2024

	2024			2023			2022		
	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M
Profit for the year	15,446	5,293	10,153	12,959	4,750	8,209	8,948	5,116	3,832
Other comprehensive income:									
Items that will not be reclassified to profit or loss:									
Net fair value gain/(loss) on equity instruments	31	12	19	(38)	(108)	70	124	124	-
Share of other comprehensive income of associates	12	-	12	54	-	54	24	-	24
Remeasurement of defined benefit pension plan, net of deferred tax	117	117	-	(224)	(224)	-	(1,529)	(1,529)	-
	160	129	31	(208)	(332)	124	(1,381)	(1,405)	24
Items that may be reclassified subsequently to profit or loss:									
Exchange differences on translating foreign operations	152	-	152	294	-	294	(360)	-	(360)
Reclassification adjustments on disposal of investments at fair value	-	-	-	-	-	-	7	-	7
Reclassification adjustment on disposal of associate	192	-	192	-	-	-	-	-	-
Net fair value loss on debt instruments	(29)	-	(29)	(79)	(2)	(77)	(23)	(6)	(17)
	315	-	315	215	(2)	217	(376)	(6)	(370)
Other comprehensive income for the year	475	129	346	7	(334)	341	(1,757)	(1,411)	(346)
Total comprehensive income for the year	15,921	5,422	10,499	12,966	4,416	8,550	7,191	3,705	3,486

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)

(a) Derivative financial instruments

	2024			2023			2022		
	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M
(i) Fair value assets									
Currency forwards	125	33	92	470	24	446	244	139	105
Interest rate swaps	531	5	526	266	8	258	44	-	44
Currency swaps	176	118	58	43	13	30	123	61	62
Commodities	993	-	993	63	-	63	14	-	14
Others	246	-	246	372	-	372	13	-	13
	2,071	156	1,915	1,214	45	1,169	438	200	238
(ii) Fair value liabilities									
Currency forwards	106	50	56	473	39	434	255	110	145
Interest rate swaps	680	7	673	627	10	617	64	9	55
Currency swaps	123	30	93	47	15	32	164	44	120
Commodities	993	-	993	63	-	63	14	-	14
Others	88	-	88	6	-	6	-	-	-
	1,990	87	1,903	1,216	64	1,152	497	163	334

(b) Loans to and placements with banks

(i) Loans to and placements with banks									
in Mauritius	22,612	22,612	-	-	-	-	815	815	-
outside Mauritius	74,291	-	74,291	77,917	-	77,917	34,375	-	34,375
	96,903	22,612	74,291	77,917	-	77,917	35,190	815	34,375
Less:									
Loans and placements with original maturity less than 3 months and included in cash and cash equivalents	(82,990)	(22,612)	(60,378)	(63,037)	-	(63,037)	(10,783)	(815)	(9,968)
	13,913	-	13,913	14,880	-	14,880	24,407	-	24,407
Less allowances for credit impairment	(331)	-	(331)	(788)	-	(788)	(473)	-	(473)
	13,582	-	13,582	14,092	-	14,092	23,934	-	23,934
(ii) Remaining term to maturity									
Up to 3 months	6,674	-	6,674	8,278	-	8,278	9,077	-	9,077
Over 3 months and up to 6 months	1,189	-	1,189	2,139	-	2,139	2,752	-	2,752
Over 6 months and up to 1 year	5,269	-	5,269	-	-	-	8,651	-	8,651
Over 1 year and up to 5 years	774	-	774	4,463	-	4,463	3,747	-	3,747
Over 5 years	7	-	7	-	-	-	180	-	180
	13,913	-	13,913	14,880	-	14,880	24,407	-	24,407

(iii) Allowances for credit impairment

At 1 July 2023

Provision for credit impairment for the year	
Provision released during the year	
Financial assets that have been derecognised	
Changes in models/risk parameters	
Provision and interest in suspense at 30 June 2024	

At 1 July 2022

Provision for credit impairment for the year	
Provision released during the year	
Financial assets that have been derecognised	
Changes in models/risk parameters	
Provision and interest in suspense at 30 June 2023	

At 1 July 2021

Provision for credit impairment for the year	
Provision released during the year	
Financial assets that have been derecognised	
Changes in models/risk parameters	
Provision and interest in suspense at 30 June 2022	

	Allowances for credit impairment					
	TOTAL	Seg A		Seg B		
	Total RS'M	Total RS'M	12 months expected credit loss RS'M	Total RS'M	12 months expected credit loss RS'M	Lifetime expected credit loss (credit impaired) RS'M
At 1 July 2023	788	-	-	788	788	-
Provision for credit impairment for the year	325	-	-	325	325	-
Provision released during the year	(105)	-	-	(105)	(105)	-
Financial assets that have been derecognised	(678)	-	-	(678)	(678)	-
Changes in models/risk parameters	1	-	-	1	1	-
Provision and interest in suspense at 30 June 2024	331	-	-	331	331	-
At 1 July 2022	473	-	-	473	473	-
Provision for credit impairment for the year	657	-	-	657	657	-
Provision released during the year	(76)	-	-	(76)	(76)	-
Financial assets that have been derecognised	(257)	-	-	(257)	(257)	-
Changes in models/risk parameters	(9)	-	-	(9)	(9)	-
Provision and interest in suspense at 30 June 2023	788	-	-	788	788	-
At 1 July 2021	256	-	-	256	255	1
Provision for credit impairment for the year	239	-	-	239	239	-
Provision released during the year	(46)	-	-	(46)	(45)	(1)
Financial assets that have been derecognised	(113)	-	-	(113)	(113)	-
Changes in models/risk parameters	137	-	-	137	137	-
Provision and interest in suspense at 30 June 2022	473	-	-	473	473	-

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)

(c) Loans and advances to customers

	2024			2023			2022		
	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M
Retail customers:									
Credit cards	1,375	1,334	41	979	954	25	912	896	16
Mortgages	40,843	39,349	1,494	37,332	36,053	1,279	34,336	33,162	1,174
Other retail loans	11,223	10,703	520	9,976	9,254	722	9,260	8,487	773
Corporate customers	115,680	100,256	15,424	132,670	113,392	19,278	120,129	104,879	15,250
Entities outside Mauritius	222,335	-	222,335	164,981	-	164,981	153,883	-	153,883
	391,456	151,642	239,814	345,938	159,653	186,285	318,520	147,424	171,096
Less:									
Allowances for credit impairment	(16,052)	(4,218)	(11,834)	(16,288)	(3,801)	(12,487)	(11,872)	(4,547)	(7,325)
	375,404	147,424	227,980	329,650	155,852	173,798	306,648	142,877	163,771

(i) Remaining term to maturity

Up to 3 months	151,371	29,129	122,242	129,433	38,314	91,119	127,589	37,117	90,472
Over 3 months and up to 6 months	12,962	3,830	9,132	20,469	12,562	7,907	13,672	3,998	9,674
Over 6 months and up to 1 year	12,883	3,790	9,093	12,948	5,521	7,427	7,731	3,448	4,283
Over 1 year and up to 5 years	108,210	29,366	78,844	86,342	23,296	63,046	84,709	28,643	56,066
Over 5 years	106,030	85,527	20,503	96,746	79,960	16,786	84,819	74,218	10,601
	391,456	151,642	239,814	345,938	159,653	186,285	318,520	147,424	171,096

(ii) Credit concentration of risk by industry sectors

Agriculture and fishing	298	298	-	481	481	-	715	715	-
Manufacturing	545	545	-	7,562	7,562	-	9,682	702	8,980
Tourism	3,737	3,146	591	12,401	10,787	1,614	18,145	14,286	3,859
Transport	1,835	110	1,725	2,504	87	2,417	195	103	92
Construction	8,065	8,065	-	6,993	6,993	-	6,361	6,361	-
Financial and business services	16,774	15,088	1,686	13,683	13,683	-	9,308	9,308	-
Traders	259,493	11,575	247,918	216,036	9,609	206,427	261,203	14,657	246,546
<i>of which Petroleum & Energy products</i>	247,907	-	247,907	189,045	33	189,012	225,849	-	225,849
Global Business Licence holders	435	-	435	8,144	-	8,144	9,626	-	9,626
Others	9,861	1,046	8,815	8,218	907	7,311	8,803	803	8,000
	301,043	39,873	261,170	276,022	50,109	225,913	324,038	46,935	277,103

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)

(c) Loans and advances to customers (continued)

(iii) Allowances for credit impairment

	Allowances for credit impairment								
	TOTAL	Seg A				Seg B			
	Total	Total	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)
RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	
At 1 July 2023	14,173	3,389	958	1,663	768	10,784	1,558	2,169	7,057
Exchange adjustment	168	-	-	-	-	168	-	-	168
Transfer to 12 months ECL	-	-	256	(202)	(54)	-	38	(37)	(1)
Transfer to lifetime ECL not credit impaired	-	-	(3)	7	(4)	-	(1)	1	-
Transfer to lifetime ECL credit impaired	-	-	(6)	(56)	62	-	(5)	(360)	365
Provision for credit impairment for the year	9,828	2,579	1,062	944	573	7,249	1,302	444	5,503
Provision released during the year	(2,304)	(1,425)	(585)	(768)	(72)	(879)	(302)	(219)	(358)
Financial assets that have been derecognised	(2,817)	(545)	(243)	(247)	(55)	(2,272)	(613)	(1,129)	(530)
Write offs	(4,799)	(156)	-	-	(156)	(4,643)	-	-	(4,643)
Changes in models/risk parameters	(193)	(55)	(45)	(10)	-	(138)	(133)	(5)	-
At 30 June 2024	14,056	3,787	1,394	1,331	1,062	10,269	1,844	864	7,561
Interest in suspense	1,996	431	-	-	431	1,565	-	-	1,565
Provision and interest in suspense at 30 June 2024	16,052	4,218	1,394	1,331	1,493	11,834	1,844	864	9,126
At 1 July 2022	10,609	4,111	1,892	1,438	781	6,498	1,356	1,601	3,541
Exchange adjustment	82	-	-	-	-	82	-	-	82
Transfer to 12 months ECL	-	(3)	243	(180)	(66)	3	32	(27)	(2)
Transfer to lifetime ECL not credit impaired	-	-	(35)	49	(14)	-	(16)	650	(634)
Transfer to lifetime ECL credit impaired	-	-	(6)	(12)	18	-	(30)	(86)	116
Provision for credit impairment for the year	8,368	2,084	482	1,116	486	6,284	1,174	1,035	4,075
Provision released during the year	(3,471)	(2,178)	(1,319)	(686)	(173)	(1,293)	(521)	(758)	(14)
Financial assets that have been derecognised	(1,036)	(351)	(217)	(57)	(77)	(685)	(346)	(240)	(99)
Write offs	(195)	(187)	-	-	(187)	(8)	-	-	(8)
Changes in models/risk parameters	(184)	(87)	(82)	(5)	-	(97)	(91)	(6)	-
At 30 June 2023	14,173	3,389	958	1,663	768	10,784	1,558	2,169	7,057
Interest in suspense	2,115	412	-	-	412	1,703	-	-	1,703
Provision and interest in suspense at 30 June 2023	16,288	3,801	958	1,663	1,180	12,487	1,558	2,169	8,760
At 1 July 2021	11,173	5,341	1,309	1,923	2,109	5,832	1,368	2,790	1,674
Exchange adjustment	126	-	-	-	-	126	-	-	126
Transfer to 12 months ECL	-	41	739	(547)	(151)	(41)	196	(235)	(2)
Transfer to lifetime ECL not credit impaired	-	1	(26)	95	(68)	(1)	(97)	97	(1)
Transfer to lifetime ECL credit impaired	-	-	(9)	(19)	28	-	-	(1,126)	1,126
Provision for credit impairment for the year	7,056	2,381	1,086	558	737	4,675	684	(58)	4,049
Provision released during the year	(2,559)	(1,798)	(784)	(763)	(251)	(761)	(550)	(167)	(44)
Financial assets that have been derecognised	(1,524)	(462)	(195)	(25)	(242)	(1,062)	(160)	(272)	(630)
Write offs	(4,138)	(1,381)	-	-	(1,381)	(2,757)	-	-	(2,757)
Changes in models/risk parameters	475	(12)	(228)	216	-	487	(85)	572	-
At 30 June 2022	10,609	4,111	1,892	1,438	781	6,498	1,356	1,601	3,541
Interest in suspense	1,263	436	-	-	436	827	-	-	827
Provision and interest in suspense at 30 June 2022	11,872	4,547	1,892	1,438	1,217	7,325	1,356	1,601	4,368

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)

(c) Loans and advances to customers (continued)

(iv) Allowances for credit impairment by industry sectors

	Seg A						Seg B					
	2024						2024					
	Gross amount of loans	Non performing loans*	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total provision	Gross amount of loans	Non performing loans*	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total provision
RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	
Agriculture and fishing	4,617	79	39	-	65	104	339	-	2	16	-	18
Manufacturing	9,092	136	26	249	56	331	8,839	1	138	-	1	139
Tourism	16,705	31	67	535	21	623	8,324	3,176	51	-	2,326	2,377
Transport	2,624	31	24	27	29	80	6,302	-	53	-	-	53
Construction	8,847	107	63	211	51	325	6,644	-	19	-	-	19
Financial and business services	32,182	289	233	190	259	682	30,360	15	287	33	13	333
Traders	20,158	679	99	99	469	667	129,906	1,758	563	692	1,757	3,012
<i>of which Petroleum & Energy products</i>	306	-	2	-	-	2	127,603	1,755	551	694	1,755	3,000
Personal	51,244	819	121	19	385	525	2,045	51	5	1	22	28
<i>of which credit cards</i>	1,314	37	10	1	34	45	40	2	-	-	2	2
<i>of which housing</i>	39,349	424	48	6	175	229	1,494	15	2	1	6	9
Professional	481	2	3	-	1	4	10	1	-	-	1	1
Global Business Licence holders	-	-	-	-	-	-	15,442	4,134	83	122	4,914	5,119
Others	5,692	269	719	1	157	877	31,603	296	643	-	92	735
<i>Of which Energy and Commodities Asset Backed financing</i>	-	-	-	-	-	-	15,082	-	30	-	-	30
	151,642	2,442	1,394	1,331	1,493	4,218	239,814	9,432	1,844	864	9,126	11,834

	Total					
	2024					
	Gross amount of loans	Non performing loans*	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total provision
RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	
Agriculture and fishing	4,956	79	41	16	65	122
Manufacturing	17,931	137	164	249	57	470
Tourism	25,029	3,207	118	535	2,347	3,000
Transport	8,926	31	77	27	29	133
Construction	15,491	107	82	211	51	344
Financial and business services	62,542	304	520	223	272	1,015
Traders	150,064	2,437	662	791	2,226	3,679
<i>of which Petroleum & Energy products</i>	127,909	1,755	553	694	1,755	3,002
Personal	53,289	870	126	20	407	553
<i>of which credit cards</i>	1,354	39	10	1	36	47
<i>of which housing</i>	40,843	439	50	7	181	238
Professional	491	3	3	-	2	5
Global Business Licence holders	15,442	4,134	83	122	4,914	5,119
Others	37,295	565	1,362	1	249	1,612
<i>Of which Energy and Commodities Asset Backed financing</i>	15,082	-	30	-	-	30
	391,456	11,874	3,238	2,195	10,619	16,052

*Non performing loans excludes interest in suspense.

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)

(c) Loans and advances to customers (continued)

(iv) Allowances for credit impairment by industry sectors (continued)

	Seg A						Seg B					
	2023						2023					
	Gross amount of loans	Non performing loans*	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total provision	Gross amount of loans	Non performing loans*	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total provision
RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	
Agriculture and fishing	7,097	15	92	99	7	198	1,053	618	1	67	897	965
Manufacturing	9,416	41	54	164	21	239	3,394	-	82	-	1	83
Tourism	19,860	27	241	420	14	675	8,955	434	136	969	430	1,535
Transport	2,585	11	23	12	7	42	4,829	-	76	-	-	76
Construction	9,518	58	78	105	28	211	3,357	-	29	-	-	29
Financial and business services	37,774	277	139	224	204	567	15,338	13	302	1	12	315
Traders	21,259	717	169	52	468	689	94,305	2	359	823	2	1,184
<i>of which Petroleum & Energy products</i>	331	-	5	-	-	5	92,893	-	317	823	-	1,140
Personal	46,248	809	102	45	336	483	2,026	40	22	19	21	62
<i>of which credit cards</i>	934	29	9	2	26	37	25	1	-	1	1	2
<i>of which housing</i>	36,053	475	46	20	160	226	1,279	36	1	2	18	21
Professional	295	11	4	1	4	9	-	-	-	-	-	-
Global Business Licence holders	-	-	-	-	-	-	23,849	7,285	44	63	6,595	6,702
Others	5,601	261	56	540	92	688	29,179	1,175	507	228	801	1,536
<i>Of which Energy and Commodities Asset Backed financing</i>	-	-	-	-	-	-	17,126	890	74	89	746	909
	159,653	2,227	958	1,662	1,181	3,801	186,285	9,567	1,558	2,170	8,759	12,487

	Total					
	2023					
	Gross amount of loans	Non performing loans*	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total provision
RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	
Agriculture and fishing	8,150	633	93	166	904	1,163
Manufacturing	12,810	41	136	164	22	322
Tourism	28,815	461	377	1,389	444	2,210
Transport	7,414	11	99	12	7	118
Construction	12,875	58	107	105	28	240
Financial and business services	53,112	290	441	225	216	882
Traders	115,564	719	528	875	470	1,873
<i>of which Petroleum & Energy products</i>	93,224	-	322	823	-	1,145
Personal	48,274	849	124	64	357	545
<i>of which credit cards</i>	959	30	9	3	27	39
<i>of which housing</i>	37,332	511	47	22	178	247
Professional	295	11	4	1	4	9
Global Business Licence holders	23,849	7,285	44	63	6,595	6,702
Others	34,780	1,436	563	768	893	2,224
<i>Of which Energy and Commodities Asset Backed financing</i>	17,126	890	74	89	746	909
	345,938	11,794	2,516	3,832	9,940	16,288

*Non performing loans excludes interest in suspense.

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)

(c) Loans and advances to customers (continued)

(iv) Allowances for credit impairment by industry sectors (continued)

	Seg A						Seg B					
	2022						2022					
	Gross amount of loans	Non performing loans*	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total provision	Gross amount of loans	Non performing loans*	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total provision
RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	
Agriculture and fishing	6,125	54	117	111	12	240	1,467	610	3	20	428	451
Manufacturing	10,444	302	114	207	130	451	9,287	1	61	-	1	62
Tourism	22,194	125	633	523	36	1,192	10,080	-	254	904	-	1,158
Transport	2,804	18	49	1	7	57	2,443	-	125	-	-	125
Construction	9,756	574	118	17	330	465	3,612	-	108	-	-	108
Financial and business services	23,173	235	270	166	100	536	7,602	12	59	1	11	71
Traders	17,161	220	305	26	111	442	89,841	842	177	189	640	1,006
<i>of which Petroleum & Energy products</i>	389	16	11	1	16	28	89,476	840	162	189	638	989
Personal	41,862	864	185	60	354	599	1,874	39	34	5	14	53
<i>of which credit cards</i>	852	22	10	1	20	31	14	1	-	-	1	1
<i>of which housing</i>	33,162	611	92	25	205	322	1,174	32	2	2	7	11
Professional	911	82	11	1	57	69	91	1	1	-	1	2
Global Business Licence holders	-	-	-	-	-	-	16,175	7,414	142	25	3,080	3,247
Others	12,994	113	90	326	80	496	28,624	878	392	457	193	1,042
<i>Of which Energy and Commodities Asset Backed financing</i>	-	-	-	-	-	-	16,041	807	97	168	183	448
	147,424	2,587	1,892	1,438	1,217	4,547	171,096	9,797	1,356	1,601	4,368	7,325

	Total					
	2022					
	Gross amount of loans	Non performing loans*	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)	Total provision
RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	
Agriculture and fishing	7,592	664	120	131	440	691
Manufacturing	19,731	303	175	207	131	513
Tourism	32,274	125	887	1,427	36	2,350
Transport	5,247	18	174	1	7	182
Construction	13,368	574	226	17	330	573
Financial and business services	30,775	247	329	167	111	607
Traders	107,002	1,062	482	215	751	1,448
<i>of which Petroleum & Energy products</i>	89,865	856	173	190	654	1,017
Personal	43,736	903	219	65	368	652
<i>of which credit cards</i>	866	23	10	1	21	32
<i>of which housing</i>	34,336	643	94	27	212	333
Professional	1,002	83	12	1	58	71
Global Business Licence holders	16,175	7,414	142	25	3,080	3,247
Others	41,618	991	482	783	273	1,538
<i>Of which Energy and Commodities Asset Backed financing</i>	16,041	807	97	168	183	448
	318,520	12,384	3,248	3,039	5,585	11,872

*Non performing loans excludes interest in suspense.

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)

(d) Investment securities

	2024			2023			2022		
	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M
Investment in debt securities at amortised cost	314,019	225,385	88,634	241,387	145,078	96,309	216,503	156,182	60,321
Less:									
Allowances for credit impairment on investment in debt securities at amortised cost	(889)	(207)	(682)	(415)	(210)	(205)	(357)	(294)	(63)
	313,130	225,178	87,952	240,972	144,868	96,104	216,146	155,888	60,258
Investment in debt and equity securities at:									
Fair value through other comprehensive income	2,166	1,179	987	1,936	1,202	734	3,567	1,262	2,305
Fair value through profit or loss	6,914	3,485	3,429	4,497	1,385	3,112	3,110	698	2,412
	322,210	229,842	92,368	247,405	147,455	99,950	222,823	157,848	64,975

Credit impaired investments at fair value through other comprehensive income amounted to Rs 1M/Provision Rs 1M. At 30 June 2023 and 2022, there were no credit impaired investments fair valued through other comprehensive income.

	2024			2023			2022		
	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M
(i) Investment in debt securities at amortised cost									
Government of Mauritius & Bank of Mauritius bonds	133,768	133,768	-	106,753	106,753	-	111,658	111,658	-
Treasury bills	63,330	58,582	4,748	33,446	9,912	23,534	20,809	16,327	4,482
Foreign bonds	83,886	-	83,886	72,775	-	72,775	55,839	-	55,839
Notes	32,637	32,637	-	28,019	28,019	-	27,813	27,813	-
Indexed linked note	398	398	-	394	394	-	384	384	-
	314,019	225,385	88,634	241,387	145,078	96,309	216,503	156,182	60,321

Allowances for credit impairment on investment in debt securities at amortised cost

	Allowances for credit impairment							
	Seg A				Seg B			
	TOTAL	TOTAL	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	TOTAL	12 months expected credit loss	Lifetime expected credit loss (not credit impaired)	Lifetime expected credit loss (credit impaired)
	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M	RS'M
At 1 July 2023	415	210	210	-	205	140	65	-
Transfer to lifetime ECL credit impaired	-	-	-	-	-	(5)	(64)	64
Provision for credit impairment for the year	631	133	133	-	498	200	-	298
Provision released during the year	(92)	(92)	(92)	-	-	-	-	-
Financial assets that have been derecognised	(67)	(43)	(43)	-	(24)	(23)	(1)	-
Changes in models/risk parameters	(11)	(1)	(1)	-	(10)	(10)	-	-
At 30 June 2024	876	207	207	-	669	307	-	362
Interest in suspense	13	-	-	-	13	-	-	13
Provision and interest suspense at 30 June 2024	889	207	207	-	682	307	-	375
At 1 July 2022	357	294	294	-	63	63	-	-
Transfer to lifetime ECL not credit impaired	-	-	-	-	-	(5)	5	-
Provision for credit impairment for the year	370	173	173	-	197	135	62	-
Provision released during the year	(123)	(120)	(120)	-	(3)	-	(3)	-
Financial assets that have been derecognised	(31)	(31)	(31)	-	-	-	-	-
Changes in models/risk parameters	(158)	(106)	(106)	-	(52)	(53)	1	-
At 30 June 2023	415	210	210	-	205	140	65	-
At 1 July 2021	358	337	231	106	21	21	-	-
Transfer to 12 month ECL	-	-	102	(102)	-	-	-	-
Provision for credit impairment for the year	140	83	83	-	57	57	-	-
Provision released during the year	(107)	(94)	(94)	-	(13)	(13)	-	-
Financial assets that have been derecognised	(65)	(65)	(61)	(4)	-	-	-	-
Changes in models/risk parameters	31	33	33	-	(2)	(2)	-	-
At 30 June 2022	357	294	294	-	63	63	-	-

(ii) Investment in debt and equity securities measured at fair value through other comprehensive income by levels

	2024			2023			2022		
	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M
Quoted - Level 1									
Official list: shares (equity instrument)	887	887	-	861	861	-	961	961	-
Bonds (debt instrument)	74	73	1	125	124	1	1,662	103	1,559
	961	960	1	986	985	1	2,623	1,064	1,559
Unquoted - Level 2									
Investment fund (debt instrument)	819	-	819	590	-	590	675	-	675
Unquoted - Level 3									
Shares (equity instrument)	386	219	167	360	217	143	269	198	71
	2,166	1,179	987	1,936	1,202	734	3,567	1,262	2,305

(iii) Investment in debt and equity securities measured at fair value through profit or loss by levels

	2024			2023			2022		
	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M
Quoted - Level 1									
Foreign bonds (debt instrument)	-	-	-	136	-	136	-	-	-
Foreign shares (equity instrument)	3,429	-	3,429	2,976	-	2,976	2,412	-	2,412
	3,429	-	3,429	3,112	-	3,112	2,412	-	2,412
Unquoted - Level 2									
Government of Mauritius & Bank of Mauritius bonds (debt instrument)	1	1	-	1,021	1,021	-	196	196	-
Treasury bills (debt instrument)	3,484	3,484	-	364	364	-	502	502	-
	3,485	3,485	-	1,385	1,385	-	698	698	-
	6,914	3,485	3,429	4,497	1,385	3,112	3,110	698	2,412

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)

(e) Investments in subsidiaries and associates

(i) Investments in subsidiaries

The Bank's interest in its subsidiaries is as follows:

Country of incorporation	Holding %	2024			2023			2022		
		TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M
The Mauritius Commercial Bank (Madagascar) S.A	80.00	118	-	118	118	-	118	118	-	118
MCB Nigeria (Representative Office) Ltd	100.00	3	-	3	-	-	-	-	-	-
		121	-	121	118	-	118	118	-	118

(ii) Investments in associates

The Bank's interest in its associates is as follows:

Country of incorporation	Holding %
Banque Française Commerciale Océan Indien	49.99

Movements in investments in associates

At 30 June 2021
Share of profit of associates
Exchange differences on translating foreign operations
Share of other movements in associates
Net subordinated loan granted to associate
Dividend received from associates
Adjustments
At 30 June 2022
Share of profit of associates
Exchange differences on translating foreign operations
Share of other movements in associates
Dividend received from associates
Adjustments
At 30 June 2023
Share of profit of associates
Exchange differences on translating foreign operations
Share of other movements in associates
Dividend received from associates
Adjustments
Disposal of associate
At 30 June 2024

SEGMENT B			
BFCOI RS'M	SG Moçambique RS'M	Subordinated loan to BFCOI RS'M	Total RS'M
4,840	464	516	5,820
400	75	-	475
(388)	28	-	(360)
24	-	-	24
-	-	40	40
(383)	-	-	(383)
-	(4)	(43)	(47)
4,493	563	513	5,569
489	55	-	544
287	7	-	294
54	-	-	54
(410)	-	-	(410)
-	3	30	33
4,913	628	543	6,084
306	-	-	306
126	26	-	152
12	-	-	12
(420)	-	-	(420)
-	-	15	15
-	(654)	-	(654)
4,937	-	558	5,495

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)

(f) Intangible assets

	Computer Software RS'M	Work in progress RS'M	Total RS'M
Cost			
At 1 July 2021	1,582	466	2,048
Additions	83	856	939
Transfer	808	(808)	-
At 30 June 2022	2,473	514	2,987
Additions	13	895	908
Adjustment	675	-	675
Transfer	1,172	(1,172)	-
At 30 June 2023	4,333	237	4,570
Additions	13	979	992
Adjustment	(13)	-	(13)
Transfer	925	(925)	-
At 30 June 2024	5,258	291	5,549
Accumulated Amortisation			
At 1 July 2021	586	-	586
Amortisation adjustment	75	-	75
Charge for the year	430	-	430
At 30 June 2022	1,091	-	1,091
Charge for the year	593	-	593
Adjustment	675	-	675
At 30 June 2023	2,359	-	2,359
Charge for the year	641	-	641
Adjustment	(2)	-	(2)
At 30 June 2024	2,998	-	2,998
Net book values - Segment A			
At 30 June 2024	2,260	291	2,551
At 30 June 2023	1,974	237	2,211
At 30 June 2022	1,382	514	1,896

Intangible assets are classified as non-current assets.

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)

(g) Property, plant and equipment

	Land and buildings RS'M	Computer and other equipment RS'M	Furniture, fittings and vehicles RS'M	Work in progress RS'M	Right-of-use Assets (Land and buildings) RS'M	Total RS'M
Cost						
At 1 July 2021	4,715	3,388	897	149	240	9,389
Additions	-	204	18	156	167	545
Scrap	-	(130)	(1)	-	-	(131)
Disposals	-	(3)	(9)	-	-	(12)
Cancellation	-	-	-	-	(80)	(80)
Adjustment on re-measurement	-	-	-	-	(1)	(1)
Transfer	63	60	34	(157)	-	-
At 30 June 2022	4,778	3,519	939	148	326	9,710
Additions	14	273	20	178	132	617
Scrap	-	(78)	(1)	-	-	(79)
Disposals	-	(4)	(16)	-	-	(20)
Adjustment on re-measurement	-	-	-	-	(39)	(39)
Adjustment	-	105	-	-	-	105
Transfer	40	72	31	(143)	-	-
At 30 June 2023	4,832	3,887	973	183	419	10,294
Additions	-	219	20	211	57	507
Scrap	-	(150)	(1)	-	-	(151)
Disposals	-	(4)	(17)	-	-	(21)
Adjustment on re-measurement	-	-	-	-	13	13
Adjustment	-	-	-	-	-	-
Transfer	44	83	43	(170)	-	-
At 30 June 2024	4,876	4,035	1,018	224	489	10,642
Accumulated depreciation						
At 1 July 2021	1,086	2,415	573	-	104	4,178
Charge for the year	80	324	59	-	64	527
Depreciation adjustment	-	182	13	-	-	195
Scrap adjustment	-	(130)	-	-	-	(130)
Disposal adjustment	-	(2)	(9)	-	-	(11)
At 30 June 2022	1,166	2,789	636	-	168	4,759
Charge for the year	81	324	58	-	60	523
Scrap adjustment	-	(78)	-	-	-	(78)
Adjustment	-	105	-	-	-	105
Disposal adjustment	-	(4)	(14)	-	-	(18)
At 30 June 2023	1,247	3,136	680	-	228	5,291
Charge for the year	81	287	59	-	65	492
Scrap adjustment	-	(150)	(1)	-	-	(151)
Disposal adjustment	-	(4)	(14)	-	-	(18)
At 30 June 2024	1,328	3,269	724	-	293	5,614
Net book values - Segment A						
At 30 June 2024	3,548	766	294	224	196	5,028
At 30 June 2023	3,585	751	293	183	191	5,003
At 30 June 2022	3,612	730	303	148	158	4,951

Property, plant and equipment are classified as non-current asset.

Following the adoption of IFRS 16, the Bank has presented right-of-use assets within 'property, plant and equipment'.

The leases under Right-of-use Assets consist mainly of rental of space for ATMs and the lease terms are in the range of 1 to 5 years.

Moreover, the Bank does not have the possibility of acquiring the asset at the end of the lease.

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)

(h) Other assets

	2024			2023			2022		
	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M
Mandatory balances with Central Bank	36,696	36,696	-	30,639	30,639	-	24,146	24,146	-
Prepayments & other receivables	1,859	1,788	71	1,939	1,499	440	1,880	1,238	642
Credit card clearing	469	469	-	1,162	1,162	-	490	490	-
Non-banking assets acquired in satisfaction of debts*	105	105	-	104	104	-	101	101	-
Impersonal & other accounts	4,719	1,555	3,164	5,217	1,511	3,706	5,125	1,286	3,839
	43,848	40,613	3,235	39,061	34,915	4,146	31,742	27,261	4,481

* The Bank's policy is to dispose of such assets as soon as the market permits.

All elements under other assets are classified as current assets except 'non-banking assets acquired in satisfaction of debts' and 'impersonal and other accounts'. Management has assessed the impact of ECLs on the balances as immaterial.

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)

(i) Deposits from banks

	2024			2023			2022		
	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M
Demand deposits	11,111	872	10,239	7,795	240	7,555	5,205	254	4,951
Money market deposits with remaining term to maturity:									
Up to 3 months	24,328	-	24,328	2,870	-	2,870	4,271	-	4,271
Over 3 months and up to 6 months	3,754	-	3,754	3,893	-	3,893	-	-	-
Over 6 months and up to 1 year	1,828	-	1,828	1,150	-	1,150	1,799	-	1,799
Over 1 year and up to 5 years	-	-	-	44	-	44	43	-	43
	29,910	-	29,910	7,957	-	7,957	6,113	-	6,113
	41,021	872	40,149	15,752	240	15,512	11,318	254	11,064

Deposits from banks can be classified as:

Current	41,021	872	40,149	15,708	240	15,468	11,275	254	11,021
Non-current	-	-	-	44	-	44	43	-	43

(j) Deposits from customers

(i) Retail customers

Demand deposits	54,474	37,540	16,934	49,119	33,385	15,734	52,473	34,461	18,012
Savings deposits	222,170	209,945	12,225	195,731	184,940	10,791	185,371	175,279	10,092
Time deposits with remaining term to maturity:									
Up to 3 months	13,680	9,671	4,009	6,410	4,827	1,583	2,487	1,984	503
Over 3 months and up to 6 months	5,630	3,259	2,371	3,803	2,851	952	1,679	1,313	366
Over 6 months and up to 1 year	8,965	5,486	3,479	6,445	4,702	1,743	3,490	2,988	502
Over 1 year and up to 5 years	13,225	11,493	1,732	12,069	9,789	2,280	9,760	8,734	1,026
Over 5 years	7	2	5	30	22	8	6	5	1
	41,507	29,911	11,596	28,757	22,191	6,566	17,422	15,024	2,398
	318,151	277,396	40,755	273,607	240,516	33,091	255,266	224,764	30,502

(ii) Corporate customers

Demand deposits	207,492	95,965	111,527	205,448	83,899	121,549	200,862	83,559	117,303
Savings deposits	5,433	5,420	13	5,452	5,420	32	5,342	5,339	3
Time deposits with remaining term to maturity:									
Up to 3 months	70,965	11,996	58,969	33,943	7,428	26,515	11,903	2,892	9,011
Over 3 months and up to 6 months	7,663	3,797	3,866	7,662	3,441	4,221	2,640	1,004	1,636
Over 6 months and up to 1 year	15,571	3,314	12,257	13,613	1,892	11,721	3,354	1,102	2,252
Over 1 year and up to 5 years	8,985	1,277	7,708	7,710	1,962	5,748	1,631	1,293	338
Over 5 years	1	1	-	-	-	-	1	1	-
	103,185	20,385	82,800	62,928	14,723	48,205	19,529	6,292	13,237
	316,110	121,770	194,340	273,828	104,042	169,786	225,733	95,190	130,543

(iii) Government

Demand deposits	31	31	-	95	95	-	45	45	-
Savings deposits	-	-	-	56	56	-	59	59	-
	31	31	-	151	151	-	104	104	-
	634,292	399,197	235,095	547,586	344,709	202,877	481,103	320,058	161,045

Deposits from customers can be classified as:

Current	612,074	386,424	225,650	527,777	332,936	194,841	469,705	310,025	159,680
Non-current	22,218	12,773	9,445	19,809	11,773	8,036	11,398	10,033	1,365

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)
(k) Other borrowed funds
(i) Other borrowed funds comprise the following:

	2024			2023			2022		
	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M
Borrowings from banks:									
in Mauritius	5,740	5,740	-	18,740	18,740	-	9,961	9,961	-
abroad	56,789	-	56,789	65,682	-	65,682	82,794	-	82,794
	62,529	5,740	56,789	84,422	18,740	65,682	92,755	9,961	82,794

The carrying amounts of other borrowed funds are not materially different from their fair values.

(ii) Remaining term to maturity:

On demand or within a period not exceeding 1 year	4,244	922	3,322	37,705	14,104	23,601	24,181	3,207	20,974
Within a period of more than 1 year but not exceeding 3 years	53,520	4,818	48,702	41,800	4,636	37,164	57,962	6,754	51,208
Within a period of more than 3 years	4,765	-	4,765	4,917	-	4,917	10,612	-	10,612
	62,529	5,740	56,789	84,422	18,740	65,682	92,755	9,961	82,794

(l) Debt securities
Senior unsecured notes

5-year senior unsecured notes maturing in 2028 at a fixed coupon rate of 7.95%

Exchange adjustments and others

	13,759	-	13,759	13,506	-	13,506
	555	-	555	253	-	253
	14,314	-	14,314	13,759	-	13,759

(m) Subordinated liabilities

Opening balance

Repayment of USD 6M during the year (2023: USD 9M, 2022: USD 5.3M)

USD 147M floating rate unsecured Tier 2 notes maturing on 30 March 2033 at an average interest rate of 5.4% (2023 : 8.6%)

Exchange and other adjustments

	7,059	-	7,059	684	-	684	875	-	875
	(271)	-	(271)	(404)	-	(404)	(225)	-	(225)
	-	-	-	6,689	-	6,689	-	-	-
	269	-	269	90	-	90	34	-	34
	7,057	-	7,057	7,059	-	7,059	684	-	684

(n) Other liabilities

Allowances for credit impairment on off balance sheet exposures

Lease liabilities

Impersonal, other accounts and deferred income

Proposed dividend

	292	167	125	459	275	184	484	283	201
	201	201	-	200	200	-	163	163	-
	12,444	12,357	87	10,593	9,692	901	7,618	7,559	59
	2,500	2,500	-	2,300	2,300	-	1,534	1,534	-
	15,437	15,225	212	13,552	12,467	1,085	9,799	9,539	260

(o) Contingent liabilities
(i) Instruments

Guarantees on account of customers

Letters of credit and other obligations on account of customers (net)

Other contingent items (net)

	55,832	27,392	28,440	51,287	23,689	27,598	60,460	16,959	43,501
	120,244	2,115	118,129	56,528	3,005	53,523	46,320	3,394	42,926
	2,095	204	1,891	1,473	-	1,473	3,537	-	3,537
	178,171	29,711	148,460	109,288	26,694	82,594	110,317	20,353	89,964

(ii) Commitments

Loans and other facilities, including undrawn credit facilities

	9,140	5,628	3,512	12,260	4,656	7,604	10,124	4,763	5,361
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(iii) Tax assessments

	-	-	-	11	11	-	-	-	-
	187,311	35,339	151,972	121,559	31,361	90,198	120,441	25,116	95,325

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)

(p) Interest income using the effective interest method

	2024			2023			2022		
	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M
Loans to and placements with banks	5,226	725	4,501	3,620	309	3,311	649	7	642
Loans and advances to customers	27,560	10,790	16,770	20,882	8,982	11,900	11,375	5,905	5,470
Investments at amortised cost	10,136	7,139	2,997	7,199	5,605	1,594	4,411	4,151	260
Investments at fair value through other comprehensive income	14	14	-	38	26	12	35	16	19
	42,936	18,668	24,268	31,739	14,922	16,817	16,470	10,079	6,391

(q) Interest expense

Deposits from banks	1,396	-	1,396	269	-	269	20	-	20
Deposits from customers	13,168	7,581	5,587	8,093	5,309	2,784	948	867	81
Debt securities	1,102	-	1,102	192	-	192	-	-	-
Subordinated liabilities	610	-	610	177	-	177	26	-	26
Other borrowed funds	4,225	594	3,631	4,511	1,116	3,395	1,536	232	1,304
Leases	14	14	-	17	17	-	7	7	-
	20,515	8,189	12,326	13,259	6,442	6,817	2,537	1,106	1,431

(r) Fee and commission income

Cards and other related fees	4,250	2,718	1,532	3,697	2,439	1,258	2,930	1,991	939
Trade finance fees	1,781	151	1,630	1,283	164	1,119	1,417	96	1,321
Transaction fees	1,384	835	549	1,220	753	467	1,043	591	452
Guarantee fees	1,338	227	1,111	1,319	216	1,103	943	196	747
Loan related	551	218	333	484	242	242	459	204	255
Private banking and wealth management fees	405	273	132	391	221	170	423	190	233
Others	19	4	15	20	6	14	18	4	14
	9,728	4,426	5,302	8,414	4,041	4,373	7,233	3,272	3,961

(s) Fee and commission expense

Cards and other related fees	2,617	1,734	883	2,166	1,322	844	1,655	1,059	596
Loan related and trade finance fees	409	2	407	379	-	379	377	-	377
Transaction fees	25	10	15	25	1	24	25	-	25
	3,051	1,746	1,305	2,570	1,323	1,247	2,057	1,059	998

(t) Net trading income

Profit from dealing in foreign currencies	3,121	1,443	1,678	2,769	1,592	1,177	1,717	1,347	370
Net gain/(loss) from derivative financial instruments fair valued through profit or loss	179	22	157	55	25	30	243	(9)	252
Net gain from investment securities fair valued through profit or loss	299	269	30	209	207	2	254	225	29
Net loss from investment securities fair valued through other comprehensive income	-	-	-	-	-	-	(337)	-	(337)
Net gain from other investment securities	-	-	-	16	1	15	3	2	1
	3,599	1,734	1,865	3,049	1,825	1,224	1,880	1,565	315

(u) Dividend income

Quoted investments FVOCI	46	46	-	24	24	-	23	23	-
Quoted investments FVPL	-	-	-	22	-	22	11	-	11
Unquoted investments FVOCI	19	-	19	25	3	22	2	-	2
Subsidiary	41	-	41	31	-	31	43	-	43
	106	46	60	102	27	75	79	23	56

35. Additional disclosures as required by the Bank of Mauritius - Bank (continued)
(v) Salaries and human resource costs

	2024			2023			2022		
	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M	TOTAL RS'M	Seg A RS'M	Seg B RS'M
Wages and salaries	4,231	2,803	1,428	3,306	2,599	707	2,722	2,341	381
Defined benefit plan	179	119	60	195	113	82	118	76	42
Defined contribution plan	222	147	75	218	131	87	118	76	42
Residual retirement gratuities	12	8	4	48	47	1	14	14	-
Compulsory social security obligations	190	126	64	147	117	30	136	116	20
Equity settled share-based payments	7	7	-	4	4	-	16	16	-
Other personnel expenses	1,428	946	482	1,032	802	230	1,019	899	120
	6,269	4,156	2,113	4,950	3,813	1,137	4,143	3,538	605

(w) Other non-interest expense

Legal and professional fees	635	421	214	634	435	199	392	252	140
Rent,repairs,maintenance and security costs	438	290	148	407	366	41	342	322	20
Software licensing and other information technology costs	1,036	726	310	932	910	22	609	599	10
Electricity,water and telephone charges	374	248	126	319	279	40	283	253	30
Advertising, marketing costs and sponsoring	282	187	95	227	140	87	131	97	34
Postage,courier and stationery costs	216	143	73	197	181	16	199	186	13
Insurance costs	177	117	60	187	164	23	159	145	14
Others	575	451	124	273	301	(28)	128	167	(39)
of which short term leases	7	7	-	21	21	-	8	8	-
of which variable leases	-	-	-	-	-	-	14	14	-
	3,733	2,583	1,150	3,176	2,776	400	2,243	2,021	222

(x) Net impairment of financial assets
The impairment charge related to the Statement of Profit or Loss:

Allowance for credit impairment:									
Cash and cash equivalents	(1)	11	(12)	(6)	(11)	5	(17)	9	(26)
Loans and advances (net of recoveries)	3,036	246	2,790	3,494	(939)	4,433	3,239	(77)	3,316
Investment securities:									
Amortised cost	461	(3)	464	58	(84)	142	(1)	(43)	42
Fair value through other comprehensive income	-	-	-	(1)	(1)	-	76	(6)	82
Off balance sheet exposures	(167)	(108)	(59)	(25)	(7)	(18)	95	(29)	124
	3,329	146	3,183	3,520	(1,042)	4,562	3,392	(146)	3,538

(y) Income tax expense
Current tax expense

Current year	4,566	2,101	2,465	3,241	1,431	1,810	2,024	1,277	747
Under/(Over) provision in previous years	13	20	(7)	1	1	-	(1)	5	(6)
	4,579	2,121	2,458	3,242	1,432	1,810	2,023	1,282	741
Deferred tax	(669)	(20)	(649)	(590)	100	(690)	(377)	106	(483)
Effect of change in tax rate	(364)	(71)	(293)	289	273	16	-	-	-
Charge for the year	3,546	2,030	1,516	2,941	1,805	1,136	1,646	1,388	258

The tax on the profits differs from the theoretical amount that would arise using the basic tax rate as follows:

Profit before tax:	18,992	7,323	11,669	15,900	6,555	9,345	10,594	6,504	4,090
Less share of profit of associates	(306)	-	(306)	(544)	-	(544)	(475)	-	(475)
	18,686	7,323	11,363	15,356	6,555	8,801	10,119	6,504	3,615
Tax calculated at applicable tax rates	2,687	852	1,835	2,185	604	1,581	1,108	479	629
Effect of change in tax rate	(364)	(71)	(293)	289	273	16	-	-	-
Impact of:									
Income not subject to tax	(1,195)	(188)	(1,007)	(1,153)	(58)	(1,095)	(471)	52	(523)
Expenses not deductible for tax purposes	1,022	327	695	882	248	634	278	120	158
Tax credits	(9)	-	(9)	(6)	(6)	-	(6)	(6)	-
Levy	1,248	949	299	645	645	-	624	624	-
Corporate Social Responsibility contribution	144	141	3	98	98	-	114	114	-
Under/(Over) provision in previous years	13	20	(7)	1	1	-	(1)	5	(6)
Tax charge	3,546	2,030	1,516	2,941	1,805	1,136	1,646	1,388	258

The tax (charge)/credit related to statement of comprehensive income is as follows:

Remeasurement of defined benefit pension plan and retirement residual gratuities	141	141	-	(263)	(263)	-	(1,758)	(1,758)	-
Deferred tax (charge)/credit	(24)	(24)	-	39	39	-	229	229	-
Remeasurement of defined benefit pension plan and retirement residual gratuities, net of deferred tax	117	117	-	(224)	(224)	-	(1,529)	(1,529)	-