Standard Bank

AFRICA IS OUR HOME, WE DRIVE HER

GROWTH

Port Louis, Mauritius

STANDARD BANK (MAURITIUS) LIMITED

ANNUAL REPORT

for the year ended 31 December 2024

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ABOUT THIS REPORT

Reporting boundary

Our report sets out our progress towards achieving our strategic priorities and ambitions for the year ended 31 December 2024. It includes material financial and non-financial information up to the date of Board approval on 19 March 2025. Our progress is evaluated against our strategic value drivers, as laid out on page 8.

This report also provides an overview of our strategy, operating environment, performance and governance practices, as well as an assessment of the opportunities, risks and impacts influencing our ability to create and preserve sustainable value while guarding against value erosion as we deliver on our purpose.

Reporting framework

The financial information contained in this report complies with the standards set out in the Mauritius Companies Act 2001 and has been prepared in accordance with the International Financial Reporting Standards (IFRS) Accounting Standards. If applicable, any restatements of comparable information are noted.

Forward-looking statements

This report contains a number of assumptions and projections relating to our strategy, the future demand for our products and services, and the environment in which we operate. Such statements are not statements of fact or guarantees of future performance, and our actual results may differ materially from these forecasts. The Bank undertakes no obligation to update any forward-looking statements periodically. Readers are therefore advised not to place undue reliance on this information.

WHO WE ARE

Standard Bank (Mauritius) Limited (referred to in this report as the Bank or Standard Bank Mauritius) is a wholly owned subsidiary of the Standard Bank Group Limited (SBG or the Group), the largest banking group in South Africa ranked by assets and earnings. Backed by our franchise strength and footprint across 20 countries in Africa, we are in a unique position to leverage our brand, location and capabilities to position the Bank as the global gateway to Africa and, in doing so, play our part in driving inclusive and sustainable growth across the continent.

Since the Bank's establishment in Mauritius over 23 years ago, we have been committed to supporting corporations in their ambitious African strategies by providing them with comprehensive and integrated financial solutions tailored to their specificities. We serve global corporations with operations across the African continent, as well as African corporations that operate on the continent and offshore.

We distinguish ourselves by our unique approach, which is centred on being Africa-focused, client-led, and digitally enabled. Our expertise in the Mauritian jurisdiction, coupled with our deep market knowledge and insights, allows us to continuously assess opportunities and risks in our operating environment and offer relevant solutions that meet the changing needs and aspirations of our clients.

While we remain focused on key sectors in which we have industry-specific knowledge and expertise, our diversification across geographies and markets enables us to reduce our risk exposure and demonstrate resilience in the face of an ever-changing operating environment.

FINANCIAL HIGHLIGHTS

Total Assets
2024
USD 2.415b
2023 USD 2.267b
2022 USD 2.676b

Cost to Income Ratio
2024
USD 22.4%
2023 24.0%
2022 41.8%

Total Deposits
2024
USD 2.05b
2023 USD 1.96b
2022 USD 2.51b

Loans to Deposit Ratio
2024
26.5%
2023 23.4%
2022 11.6%

Return on Average Equity
2024
37.1%
2023 40.3%
2022 24.8%

Tier 1 Ratio
2024
19.5%
2023 24.8%
2022 25.0%

Net Profit After Tax
2024
USD 77.1m
2023 USD 68.9m
2022 USD 32.9m

Credit Loss Ratio
2024
0.5%
2023 0.8%
2022 0.7%


Seven Coloured Earth

OUR BRAND

In 2024, Standard Bank Mauritius proudly showcased the strength and expertise of our business, our unique client value proposition, and the remarkable talents of our people through their stories. As a bank of people, our brand image campaign showcased the power of our people to unlock possibilities for our clients for a future-ready Africa.

We will continue to partner with our clients to provide innovative solutions that enable a better quality of life for the continent by generating economic growth and positively impacting Africa's sustainability. Africa is our home and we are firmly committed to driving her growth.

Accolades

Standard Bank Mauritius won Best International Bank in Mauritius at the Euromoney Awards for Excellence 2024 in recognition of the quality of our services and our distinctive Africa-focus expertise. This award is particularly meaningful to us as it recognises that we consistently deliver on our vision and commitment to serving our clients with excellence and fulfilling our purpose – Africa is our home, we drive her growth.

Sponsorships

Sponsorships are essential in sustaining our brand and creating relevance in the markets in which we operate. It also provides us with the right platform to engage with our different stakeholders. In 2024, the Bank continued its support to the Royal Raid Trail Event as the title sponsor of the Standard Bank Royal Raid, with our staff members and clients participating in the trail run. The Bank was also the proud industry sponsor of the 2024 API Mauritius Property Forum themed 'Leading The Future – Building Tomorrow's Africa.'

Our Head: Investment Banking and Head: Client Coverage were among the panellists covering the themes below:

- Regional state of the market: Unpacking the latest developments and trends
- Leading the market: Operations in Mauritius and catering to African and international players.

CHAIRMAN'S MESSAGE

Building on past successes, the Bank delivered another remarkable year, demonstrating strategic agility in navigating a complex and evolving global landscape.

As we reflect on the year, the Bank's commitment to excellence, prudent governance, and strategic focus have been key to delivering excellent results and positioning it for sustained growth.

Arvind Hari
Chairman

19 March 2025

Navigating complexity, driving progress

The Bank navigated a dynamic external environment in 2024, shaped by economic, geopolitical, and environmental factors influencing strategic decision-making. In the US, persistent inflation slowed interest rate reductions, while a stronger dollar increased borrowing costs for emerging markets, particularly in Africa, where many economies already faced high debt burdens and currency depreciation. These pressures, coupled with uncertainty around US trade policies, contributed to volatility in capital flows and global trade dynamics.

At the same time, geopolitical tensions and political transitions across key African markets introduced additional complexities, further impacting economic stability and investment conditions. Climate change also remained a significant disruptor, particularly affecting African agriculture sectors. This evolving landscape required agility to navigate shifting market dynamics while continuing to support clients across the region.

Despite these headwinds, the outlook for African economies remained positive, with projected growth expected to increase from 3.1% in 2023 to 3.7% in 2024. While promising, this growth still fails to match the continent's economic potential and population demands. The Bank remains committed to bridging this gap, harnessing Mauritius as a global gateway to Africa and leveraging its position as a trusted investment hub to unlock sustainable growth opportunities, drive economic progress, and connect clients to the continent's expanding potential.

Catalysing resilient growth and investment in and from Africa

The Bank is actively pursuing its strategy to catalyse growth and investment for businesses in and from Africa. By diversifying across key sectors and geographies, it continues to attract new partners seeking to leverage Mauritius as a platform for growth in Africa. At the same time, preserving and strengthening established partnerships with global multinational corporations remains integral to its client-centric approach, with client interests firmly at the heart of each advancement.

This strategy has proven successful, driving sustainable growth and solidifying the Bank's position as the top-rated foreign bank in Mauritius. Building on a strong foundation of strategic execution, 2024 delivered yet another exceptional performance. A return on equity (ROE) of 37.1% highlights capital efficiency and sustained value creation for our Shareholder and other stakeholders.

Our liability-driven balance sheet remains a core strength, anchored by an average deposit base of USD 2.0 billion, providing the foundation for lending growth and asset expansion. The Bank's capital adequacy remains robust, with common equity tier 1 (CET1) at 19.5% and a total capital adequacy ratio (CAR) of 20.5%, following the dividend declaration amounting to USD 51,675,000 during the year. This strong capital foundation enables the Bank to effectively support client growth, seize strategic opportunities, and maintain long-term profitability.

Investing in future growth

The Bank continued to make strategic investments in key growth areas, including the successful launch of its Business and Commercial Banking (BCB) segment in August. This expansion broadened the client base and unlocked new revenue streams. By seamlessly integrating BCB within the broader ecosystem, the Bank leveraged synergies between Corporate and Investment Banking (CIB) and BCB to deliver tailored solutions. Early contributions from the segment exceeded expectations, laying a strong foundation for sustained future growth.

Digitalisation and automation remained central to the Bank's strategy, driving significant operational efficiency and service delivery advancements. The Bank optimised key processes by harnessing digital tools and robotic process automation, delivering faster, more reliable outcomes while reducing costs. These efforts reflect its ongoing transformation into an organisation that seamlessly blends digital expertise with a people-focused approach, laying the foundation for a future-ready institution.

Governance and sustainability at the core of our success

Good governance is fundamental to the Bank's ability to drive sustainable growth and long-term value. The Board ensures effective succession planning, director appointments, and balanced composition through a transparent nomination process. Towards the end of 2024, the Board approved two additional independent directors, pending regulatory approval. My transition to a non-executive Director after six years of independent service reflects our commitment to a robust governance structure, while the combined expertise of independent and non-executive Directors encourages rigorous oversight, enhances accountability, and facilitates well-informed decision-making.

Sustainability continues to be embedded across operations, aligning with the Group's broader environmental, social, and governance (ESG) agenda while driving positive societal, economic, and environmental (SEE) impacts. In collaboration with the Group, there is a strong commitment to promoting inclusive economic growth and human development across Africa, ensuring activities generate net positive outcomes. The Bank's sustainability strategy is built on long-term value creation and conscious decision-making to balance growth with societal impact.

Regulatory resilience – Aligning with evolving standards

In 2024, the Bank of Mauritius introduced key regulatory changes to enhance financial stability, risk provisioning, and governance. The Guideline on Classification, Provisioning, and Write-Off of Credit Exposures, effective September 2024, increased prudential provisioning requirements, impacting capital buffers across the sector. The Bank has aligned with these changes, ensuring adequate reserves to maintain balance sheet resilience.

The Net Stable Funding Ratio (NSFR) guideline, introduced in June 2024, requires banks to maintain a minimum 100% ratio, reinforcing funding stability. The Bank has proactively optimised its funding profile to ensure compliance while maintaining operational resilience.

Disciplined risk management remains central to long-term success, with proactive systems to identify and mitigate risks. To further strengthen oversight, the Compliance Risk Management and Governance Framework, issued in November 2024 and set for full implementation by May 2025, enhances regulatory alignment. The Bank is integrating enhanced compliance measures to reinforce governance, risk controls, and financial stability.

Together, these advancements provide the foundation for continued resilience, enabling the Bank to adapt effectively, uphold stakeholder confidence, and contribute meaningfully to regional economic progress.

Looking ahead

The Bank anticipates ongoing external challenges, including potential interest rate reductions and shifting global economic dynamics that may impact capital flows, funding costs, and investment decisions. However, with its liability-driven model and commitment to long-term resilience, it is well-positioned to navigate this evolving landscape.

Strategic agility will be essential in adapting to market conditions while capturing growth opportunities. The focus remains on diversification, client acquisition, digital innovation, and leveraging the East Africa corridor to drive growth. Collaboration within the Group will be crucial in unlocking cross-border opportunities, while governance, sustainability, and innovation will continue to underpin strategic execution.

Appreciation

I extend my sincere gratitude to our Shareholder, regulators, clients, and employees. Their trust and dedication have been instrumental in our success. A special thanks to our executive leadership team for their hard work and resilience in delivering yet another outstanding year. We remain committed to creating long-term value as we continue this journey together.

CHIEF EXECUTIVE'S REVIEW

2024 marked another record year for the Bank, driven by exceptional profitability and significant achievements across growth, diversification, and innovation. Through disciplined execution and strategic focus, we delivered strong results and reinforced the Bank's position as a dynamic financial services partner, well-equipped to navigate evolving market conditions and deliver sustainable growth.

Francois Gamet
Chief Executive

19 March 2025

Forging growth with resilience and agility

Amid a dynamic and complex global landscape shaped by geopolitical tensions, volatile capital flows, and shifting economic conditions (see our Chairman's message and Operating environment for more detail), the Bank demonstrated resilience through strategic balance sheet management, revenue diversification, and a focus on long-term client growth.

While 2024 delivered record profitability, the quality and resilience of these earnings define our success. Headline earnings rose 11.9% to USD 77.1 million, reflecting disciplined balance sheet management, a well-diversified deposit base, and the Bank's ability to navigate evolving market conditions. By capturing client flows, expanding across key segments, and deepening engagement, we reinforced the durability of our earnings, ensuring profitability remains both sustainable and strategically driven.

At the same time, operational efficiencies drove a 22.3% reduction in operating costs, improving our cost-to-income ratio to 22.4%. A positive jaws of 6.8% highlights our ability to scale effectively while maintaining profitability, positioning the Bank for continued resilience and long-term stability.

A key milestone in 2024 was the successful launch of BCB. Complementing our core segments, BCB broadens our client base and deepens market penetration through close collaboration between CIB and BCB teams. Focused on medium to large corporates with existing relationships within the Group, its growth is built on the trust our multinational clients place in us to support their operations and broader business networks. Looking ahead, greater collaboration across Africa Regions and in-country teams will drive expansion. With a solid foundation in place, BCB is well-positioned for continued growth, strengthening its role as a key contributor to the Bank's ecosystem.

This year stands as a testament to the sustainability of our approach, demonstrating that our strategic focus, risk management, and client-centricity continue to deliver results while laying a strong foundation for future growth. As we look ahead, this proven sustainability equips us to navigate challenges with confidence, ensuring we remain a trusted partner for our clients and stakeholders.

Digital innovation with a human touch

In 2024, we maintained our record-high Customer Satisfaction Index from 2023, reflecting continued excellence in service delivery. This success showcases not only the strength of our digital platforms – designed for seamless and reliable interactions – but also the ability of our teams to deliver customised solutions quickly and efficiently. Whether addressing urgent cross-border transactions or providing decision-critical information, integrating robust digital systems and human expertise ensures we continue exceeding customer expectations.

Our innovation efforts extend beyond customer interactions to operational improvements. Through our ambitious Robotic Process Automation (RPA) programme, we developed dozens of automated processes in operations and compliance, enhancing reliability and reducing risk. The AutoMasters Programme, launched in 2024, further embedded innovation in our culture by training 12 employees in automation, AI and process optimisation. The programme not only upskilled our teams but also created a pipeline of ideas to improve efficiency and customer outcomes, with innovation a natural part of the Bank's daily operations.

The resilience of our digital infrastructure – both hardware and software – has been a critical enabler of this success, providing clients with consistent, reliable access to services. As we continue innovating, our focus remains on combining technological advancements with a human-centric approach to strengthen relationships, improve customer outcomes and prepare for the future of banking.

Integrating sustainability for long-term impact

Sustainability is embedded in our strategy, driving resilience, inclusive growth, and long-term value creation. As a ClimatePartner-certified institution, we integrate climate responsibility into our decision-making, ensuring transparency in our environmental impact. In partnership with ClimatePartner UK Ltd, we are implementing a climate action plan, targeting net-zero emissions for new facilities by 2030 and full compliance by 2050. These commitments align with our broader efforts to support sustainable economic development, enhance environmental resilience, and create lasting social impact across Mauritius and the region.

Outlook – Resilient growth and innovation

In 2025, our priorities will include deepening client relationships, expanding our BCB segment, and driving product innovation. The external environment, characterised by persistent volatility and evolving regulatory requirements, will demand adaptability. However, our proven business model, underpinned by strategic clarity, positions us well to thrive.

We are optimistic about growth opportunities within existing and newly developed trade corridors across sub-Saharan Africa, as well as the legitimacy of Mauritius as the preferred gateway to and from Africa for corporates conducting business in the region. We will continue collaborating with the Group to unlock cross-border synergies while investing in technology and talent as key enablers of our future success.

Appreciation

We are proud to have leveraged Mauritius's enabling regulatory environment to deliver sustainable growth. I extend my gratitude to the Bank of Mauritius and the Financial Services Commission for fostering a robust and supportive framework that enhances the country's role as a gateway for African investments.

The strategic oversight and guidance of our Board have been invaluable in helping us adapt to shifting dynamics and seize opportunities. I extend my sincere appreciation for their continued commitment. I offer my deepest gratitude to our employees, whose resilience, innovation, and hard work power our progress. Their dedication to providing exceptional client service has been instrumental in our success.

To our clients, we are grateful for your trust and loyalty. As we look ahead, our ambition is to continuously exceed your expectations by delivering tailored solutions and creating value across every engagement. Together, we will navigate future challenges and seize opportunities for mutual growth.

MANAGEMENT DISCUSSION AND ANALYSIS

Strategy

The strategy of the Bank leverages its strong strategic planning skills, robust risk culture, innovative and future ready mindset, and excellent execution capabilities to position the Bank for strong and sustainable growth. It is structured and designed to complement Standard Bank Group's (SBG's) aspiration to position itself as the financial services institution of choice in, for and across Africa.

Our overarching vision is to "Harness the power of Mauritius as the global gateway to Africa" and in so doing, we create value for our clients and the Group in financial services by becoming the strategic financial partner of choice for corporates that want to grow their business in Africa. The strategy combines Mauritius's strong regulatory regime and excellent position as the gateway into African markets with tailored products and services that deliver an outstanding client experience and superior value that transcend the boundaries of traditional financial services.

The strategic framework is underpinned by three key pillars. Firstly, the Bank leverages Mauritius as Africa's pre-eminent International Financial Centre, providing top-notch financial services tailored to the African market. Secondly, it positions itself as a financial and strategic platform for SBG through ecosystems and marketplaces, facilitating seamless connectivity for clients from Asia to Africa and throughout their value chains. Thirdly, the Bank emphasises strong collaboration with clients to offer value beyond traditional banking services and deliver seamless client experiences. We focus on providing a comprehensive suite of solutions and expertise through a truly human and truly digital lens to multinational corporations, our primary clients, as well as medium to large corporates.

To remain relevant and exceed the expectations of our sophisticated client base, we continue to innovate relentlessly, expanding our value propositions to address diverse needs across multiple industries and disciplines.

Our strategic value drivers

Our Priorities	Transform client experience		Execute with excellence		Drive sustainable growth and value	
Our Success Measures 6 Value Drivers	Client Focus	+ Employee Engagement	+ Risk and Conduct	+ Operational Excellence	= Financial Outcome	Positive Impact
Our Target Outcomes	Growth and scale		Efficiency and resilience		Legitimacy	

How we executed our strategy

The Bank's strategy has remained resolute, with a clear focus on putting our clients at the centre of everything we do, harnessing the power of a strong global network and promoting Mauritius as a strategic growth platform for Africa. This year, we introduced a new segment: Business and Commercial Banking (BCB). The main focus is to leverage our existing systems, processes and resources to explore ecosystem opportunities while enhancing the Group's global business proposition and deepen our market penetration. This strategy enhancement respond to the need expressed by our trans-regional clients for a tailored banking ecosystem that supports their synergistic relationship with the entities they engage with – their suppliers, clients and other stakeholders. This approach has positioned the Bank as a premier offshore destination, addressing the full spectrum of corporate and business needs.

We made significant strides in our strategy execution with an emphasis on deepening our relationship with our clients, supporting them with innovative solutions and growing our franchise with a sector-led focus. Growth is further driven by the enhanced collaboration between Corporate and Investment Banking (CIB) and BCB in acquiring clients within the ecosystems.

Our Proof of Value (PoV) methodology has proven to be successful for strategy execution, with a clearly defined governing and monitoring process. Concepts are tested in-country, with a view to adapting and scaling up in other franchises. Solutions developed to address the Bank's needs have been successfully deployed in other regions.

Business lines overview

The Bank's core activities lie with serving medium to large companies, which includes multinational, regional and selective domestic companies, parastatals and financial institutions across Africa and internationally. Our clients leverage our in-depth sector and regional expertise, specialist capabilities, and access to global capital markets for advisory, transactional, trading and funding support.

Our value proposition is built on being a client-centric financial services partner, placing our clients at the centre of everything we do. Client engagement, origination and customer satisfaction are the responsibility of Client Coverage. Our product offering is underpinned by these three core business segments, with BCB rolled out in 2024 to complement these core areas.

In 2024, the Bank continued to focus on placing client-centricity at the heart of all its activities. The transformation and continuous evolution of the client experience is a core strategic imperative, reflecting the Bank's ongoing investment in systems, processes, and the pursuit of execution excellence.

Transaction Banking	Global Markets	Investment Banking
Products and Services that cater to multinational companies • Transactional Services • Cash Management • Trade Services • Short Term Funding	**Management of client foreign exchange, interest rate requirements and structured derivative solutions** • Foreign Exchange • Money Market and Fixed Income • Derivative Solutions • Term Deposits	**Corporate banking solutions** • Debt Capital Market Solutions • Term Funding • Structuring Solutions

Client engagement model managed by Client Coverage

- Deep Sector Expertise
- Origination
- Relationship Management
- Client Satisfaction

Transaction Banking (TxB)

The macroeconomic environment in 2024 presented several complexities, including globally declining interest rates, uncertainties stemming from numerous general elections across our clients' operating markets, fluctuations in the customer deposit base, and the temporary closure for some specific key clients' operations due to production site upgrades. Following an exceptional financial performance in 2023, we entered 2024 from a high base, and the challenging macroeconomic environment made it difficult to replicate similar results. Although total revenue from TxB was down by 19.5% year on year, it still marks the second-best performance ever for the business unit. This achievement is a testimony of the effective teamwork and an unflinching focus on delivering our strategic initiatives. In 2024, TxB Mauritius maintained its position as one of the top revenue generators within the TxB Africa Core Markets franchise.

How we delivered against our strategy

The strategic focus in 2024 centred on diversifying revenue through new product offerings, clients and sectors. Key achievements included the successful launch of new trade products, significant growth in trade finance assets, onboarding transformative clients, an increase in payment volumes and trade transaction activity. We have progressed on the diversification strategy of our client deposit base, with newly onboarded clients in our top 20 depositors list. Our risk and governance metrics remained strong and robust.

The number of clients using our online banking platform remains impressively high at 96% of our total client base, and our processes are efficient, with more than 80% of transactions being processed straight-through without manual intervention. Cost-to-income and return-on-equity targets have been achieved through tight cost-containment initiatives. The actions from the Assets Recovery team were also notable, with USD 9.5m recovered in 2024 on an impaired asset.

In 2024, we sustained excellent client service delivery, achieving a Client Survey Index score of 8.7 (2023: 8.9 and 2022: 8.4), one of the best scores achieved in our African franchise this year. Clients consistently praised our reliable online platform and outstanding service, reinforcing our position as their preferred choice for transactional banking.

Looking ahead

The TxB team demonstrated remarkable resilience and collaboration, maintaining a strong revenue base and setting the foundation for further growth in 2025. The outlook is promising, driven by a healthy pipeline of assets and deposits, with several high-probability transactions already in progress. External factors, such as potential rate cuts by the US Federal Reserve in 2025, may influence performance. With deposit margins already affected by rate reductions in 2024, further cuts could impact profitability despite higher deposit volumes. While the team remains optimistic, revenue growth will be influenced by how these external conditions unfold. To remain competitive, we are committed to managing risks and capitalising on new opportunities to sustain our growth momentum.

Global Markets (GM)

GM had an exceptional year in 2024, with revenues and headline earnings reaching all-time highs and showing year-on-year growth of 41.4% and 53.1%, respectively. Fixed deposit volumes grew significantly as clients sought to take advantage of the high dollar interest rate environment. Excess funds were efficiently deployed to manage yields and liquidity and added substantially to the bottom line. Sales income posted strong growth, bolstered by resilient client flows, while trading had an exceptional year on the back of the Rupee segment. New products traded included cross-currency repos and funded forwards. Once again, our Client Survey rating was the highest across our franchises. Our clients commented on the quality of our engagements, service delivery and product knowledge.

In line with our objectives to drive efficiency in the dealing room and enhance the client experience, we provided our electronic trading platform, eMarket Trader Lite, to our colleagues in Operations for FX bookings. Our trading platform was also enhanced to provide Mark-to-Market reports to our clients. Moreover, Standard Settlement Instructions were successfully deployed in our booking system, Calypso. The Bank has also diversified its Financial institution (FI) portfolio with new FI partnership during the year in order to have a balanced mix of assets.

Looking ahead

In 2025, our focus will remain on diversifying our revenue sources and reducing concentration risk. New products will be rolled out as and when we see demand from our clients. We will also prioritise achieving our digital goals, driven by our digital champion's ongoing efforts and initiatives to enhance efficiency and innovation. This includes greater automation and streamlined processes to improve client experience, ensuring we continue to deliver high-impact solutions while maintaining operational excellence.

Investment Banking (IB)

This year's primary focus was to expand our asset book by identifying and generating new opportunities across target sectors and countries. Despite a persistently challenging global environment, we proactively engaged with our clients and partners to anticipate and address their evolving needs.

How we delivered against our strategy

In 2024, headline earnings grew by 72.4%. By leveraging SBG's broad network to unlock value for our multinational corporates and pan-African clients, we achieved sustained pipeline growth with notable momentum in the second half of the year in line with the Bank's asset growth's strategy. Nevertheless, the economic environment continued to be challenging, as demonstrated by the devaluations in some of the key African markets in which we operate.

Looking ahead

We remain committed to growing our asset book through targeted collaboration with the Client Coverage team and SBG Africa's stakeholders. At the same time, we will continue executing our promising pipeline as corporate activities gain momentum across the African continent. This approach will help us further diversify our credit exposures and enhance our resilience against potential credit losses.

Business and Commercial Banking (BCB)

BCB is a strategic pillar for the Bank, serving medium to large corporates with existing relationships within SBG that require global banking services. The BCB franchise leverages the existing capabilities of the Bank while broadening the client base. The Group's extensive footprint across the African continent uniquely position us to be a trusted partner for our clients' growth.

The BCB segment was officially launched in the second half of the year and generated positive headlines earnings for its first few months of operations with a deposit base of over USD100m.

Looking ahead

The BCB team will be further strengthened to significantly grow the client base, as well as liabilities and assets in the year ahead. Growth will be underpinned by the CIB and BCB interplay, with a keen focus on acquiring key clients within ecosystems across Africa Regions. Although we are industry and country agnostic, we will focus our energy on high-value, priority industries such as Mining across Africa, Farming in the Eastern Corridor, Oil and Gas in the Western Corridor and any other value centres with collaboration from in-country teams.

Furthermore, BCB in Mauritius will leverage existing client relationships within the BCB segment across SBG.

Operational excellence

Technology, efficiency, and people at the core

In 2024, the Bank reinforced its stature as a pioneering financial institution by seamlessly blending technological advancement with business acumen. Our strategic commitment to digitisation, data-driven innovation, operational excellence, and regulatory adherence has strengthened our competitive edge while enabling sustainable business growth. This synergy between technology and business has been instrumental in delivering superior client outcomes, optimising costs, and fostering long-term resilience.

Harnessing technology for enhanced efficiency and scale

Our digitisation strategy in 2024 was guided by a clear objective – enhancing operational efficiency while maintaining an unwavering focus on client-centricity. By deploying robotic process automation (RPA), we transformed critical operational processes, unlocking capacity for high-value tasks, reducing processing times, and achieving significant cost efficiencies. RPA initiatives continue to automate essential tasks, including faster client transactions, data capture, adverse media searches, and the management of credit-related documents. Further reinforcing this effort, the upcoming implementation of automated client onboarding will enhance agility and scalability, delivering an improved client experience while maintaining stringent compliance standards.

Data remains a key driver of innovation and future competitiveness. We view data as an asset, and by investing in advanced analytics and machine learning frameworks, we unlock insights that foster personalised banking experiences and predictive decision-making. Our commitment to robust data governance ensures that these capabilities are built on a foundation of trust, accuracy, and regulatory compliance. Embedding a data-driven approach across operations positions the Bank to anticipate client needs and swiftly adapt to shifting market conditions, providing a robust platform for future growth.

Modernising our infrastructure through cloud adoption continues to be a cornerstone of our technology strategy, enhancing availability, scalability, and resilience. The migration to cloud-based platforms has facilitated cost optimisation while ensuring reliable and flexible service delivery. This modernisation aligns with the Group's long-term ambition to create a digitally enabled, future-ready ecosystem that supports business expansion.

Technology has also been a key enabler of regulatory excellence, underpinning our proactive approach to compliance in an increasingly complex regulatory environment. By embedding automation in compliance processes and deploying real-time risk management solutions, we have mitigated operational risks and ensured cost-effective adherence to local and international standards. Key advancements include the ISO 20022 enablement across Payments, Global Markets Operations, and Reconciliations, which has streamlined processes and improved data consistency. This approach not only strengthens stakeholder confidence but also ensures operational integrity.

Optimising operations to drive service excellence

Operational excellence is a fundamental pillar of our strategy, built on process optimisation, efficiency, and an unwavering focus on delivering exceptional client service. Throughout 2024, we embedded automation and innovation across our operations, enhancing service quality and revenue generation.

The Client Services team successfully implemented automation for manual payment processes, including 'Register', 'Due Diligence', and 'Capture', surpassing 2023 targets.

The Trade Services team recorded its highest-ever Customer Survey Index (CSI) score in 2024. Key milestones included the release of the first back-to-back Letter of Credit (LC) in January 2024 and the first Export LC discounting transaction across the Africa Region. Positive feedback from key clients and Relationship Managers reinforces our commitment to exceptional service delivery.

Operational efficiency also played a pivotal role in revenue generation, supported by strategic initiatives such as:

- Forex opportunities identified across payments, client services, and trade services, contributing to additional revenue.
- The introduction of a comprehensive service catalogue across the Africa Region.

- The successful implementation of the Core Banking decoupling project, streamlining processes across all operational units.
- The Customer Due Diligence team maintained an impressive Know Your Customer compliance rate of 98% or higher, ensuring regulatory adherence.

Our robust control environment continues to ensure adherence to regulatory standards, reinforcing risk management and compliance discipline. Internal and external audits have consistently yielded satisfactory results, with no major discrepancies identified. Positive feedback from external auditors highlights proactive controls and diligent responses to regulatory requirements, reinforcing our reputation as a trusted financial institution.

Empowering people to drive innovation and growth

Operational excellence is powered by the dedication and expertise of our people. Employee engagement remains a core strategic value driver, ensuring that we continue to build a future-ready workforce.

We believe that to succeed, we must create an environment that enables our people to be the best version of themselves to drive Africa's growth. Key themes for the year included creating a safe environment with empathy, open communication and a collaborative work culture that embraces diversity and wellbeing. This was manifested through cross-functional and cross-border engagement to deliver Proof of Values (POV) initiatives as part of our strategic execution. We remained cognisant of the challenging business environment that required more from our people. Equipping our people with the right future-ready skills, creating opportunities for growth and providing wellbeing support fostered a resilient, responsive, and future-ready workforce. The annual Employee Engagement Survey showed that engagement levels held firm, demonstrating the ongoing commitment and strength of our workforce amid a demanding environment.

Our people's contributions extended beyond Mauritius, providing valuable support to the Africa Regions in key areas such as reconciliation, data services, payments, client services, and GMO. This focus on skill development was further strengthened through our digital learning platforms, including Degreed, Network Next, LinkedIn Learning, and tools such as Opportunity Market Place. The Opportunity Market Place provided employees with access to new career paths, fostering growth and innovation.

To ensure our employees remain future-ready, the Bank has embedded a fundamental culture shift to encourage continuous learning and agile structures that enable swift responses to evolving business landscapes. Staff across all levels have actively participated in POV initiatives to develop and refine their skill sets.

A key milestone in 2024 was the introduction of the AutoMasters training programme, built on Microsoft Power Tools principles to encourage RPA. This initiative significantly enhances how we leverage technology and data, streamlining workflows, reducing human error, and improving efficiency. By automating repetitive tasks, AutoMasters enables our teams to focus on strategic initiatives and data-driven decision-making, ultimately driving innovation and growth.

We continue to see a high percentage of time invested in learning future skills, while fostering creativity in innovation, digital adoption, and business transformation. In 2024, we implemented an enhanced Future-Ready Skills Curriculum, incorporating sustainability and ESG fundamentals, as well as foundational AI learning to expand employees' skill sets and align with business needs.

A future-ready vision: Sustainable growth through operational excellence

As we close 2024 and look ahead, we remain steadfast in our commitment to driving value through technology, operational efficiency, and talent development. Our investments in automation, cloud infrastructure, advanced data capabilities, and workforce upskilling are not merely tactical choices—they are strategic differentiators that position the Bank as a market leader in delivering innovative and cost-effective financial services.

By fostering a symbiotic relationship between technology, operations, and human capital, we aim to build a resilient, adaptive organisation capable of thriving in an evolving financial landscape. The seamless integration of technology and business continues to be our formula for sustained success.

Operating environment

Sustained global uncertainty dampening economic recovery

While the global economy remains stable overall, performance varies from country to country. In the third quarter of 2024, global GDP growth was 0.1 percentage point lower than anticipated, largely due to disappointing performance from several Asian and European nations. Economic momentum in the US remained strong, with a growth rate of 2.8%, driven by robust consumption.

Where inflation remains high, central banks are easing cautiously while monitoring economic activity, labour markets, and exchange rates. Some are even raising rates, leading to diverging monetary policies. Global financial conditions are generally accommodative, varying by region. In advanced economies, equities have risen due to expectations of business-friendly US policies. In contrast, equity valuations in emerging markets are subdued, with tighter conditions due to a stronger US dollar, anticipated tariffs, and higher interest rates.

In 2024, the Fed kickstarted its interest rate-cutting cycle with a 100bps cut in the second half of the year. These cuts were part of the Fed's efforts to address cooling inflation and support the labour market. However, the Fed indicated a slower pace of rate cuts for 2025 due to the stickiness of the inflation rate.

Policy uncertainty has surged, particularly in trade and fiscal areas, influenced by expected policy changes from newly elected governments in 2024. Political instability in some Asian and European countries, along with ongoing geopolitical tensions and trade frictions, has added to market uncertainty.

From a Mauritian perspective, the economy has demonstrated resilience to the various global economic shocks experienced throughout the year, with GDP growth driven by strong performances in key sectors such as accommodation, construction, financial activities, transportation, and retail. Both domestic consumption and investment rose significantly, fuelled by ongoing capital projects and high household spending. The tourism sector also experienced significant growth, with 865 523 tourist arrivals from January to August 2024, reaching levels comparable to 2019 and increasing by 7.7% from 2023. The deficit is expected to improve from 4.5% of GDP in 2023 to 4.3% in 2024 due to strong tourism earnings and higher interest income. In their February 2025 meeting, the Monetary Policy Committee (MPC) deliberated that in view of managing inflation, it was imperative to address some of the main contributory factors such as managing excess liquidity, reversing negative interest rate differentials with key foreign currencies and addressing the ongoing exchange rate pressures. These have therefore led the MPC to increase the Key Rate by 50bps from 4% to 4.5% on 04 February 2025.

The Bank continues to pursue its strategy of being a catalyst for our clients' growth and investment in and from Africa. Our focus remains firmly on diversifying our client base across key focus sectors and geographies, attracting new clients who seek to use Mauritius as a platform for growth in Africa while maintaining strong partnerships with existing global multinational corporation partners, medium and large corporates in line with the Group's mandate. This strategy has proven successful, positively impacting the Bank's sustainable growth trajectory and strengthening its position as the top-rated foreign bank in Mauritius.

Industry environment

In 2024, the Financial Crimes Commission (FCC) was established following the enactment of the Financial Crimes Commission Act 2023, which granted extensive powers to the FCC to combat financial crime and imposed harsher penalties for any financial crime upon conviction. The FCC absorbed the functions of the Independent Commission Against Corruption, the Integrity Reporting Services Agency, and the Asset Recovery Investigation Division and is now the leading agency in Mauritius tasked with detecting, investigating, and prosecuting financial crimes, as well as any related ancillary offences.

Pertinent regulatory changes by the Bank of Mauritius

In June 2024, the Bank of Mauritius issued the Guideline on Net Stable Funding Ratio, which provides for a minimum Net Stable Funding Ratio (NSFR) of 100% to be maintained at all times by banks. The NSFR is geared towards decreasing funding risk and promoting resilience over a one-year time horizon by creating incentives for banks to fund their activities with more stable sources of funding on an ongoing basis, thereby reducing its probability of distress.

The Bank of Mauritius also issued the amended Guideline on Classification, Provisioning and Write-Off of Credit Exposures in August 2024, with an effective date of 30 September 2024. The guideline outlines the minimum prudential requirements with regard to asset classification, provisioning, and write-off of credit exposures to enable comparability across banks. It aims to complement the requirements under accounting standards by providing a prudential backstop for credit classification and provisioning, and ensuring the write-off of non-performing exposures in a timely manner.

Additionally, a new Guideline on Compliance Risk Management and Governance Framework was issued by the Bank of Mauritius in November 2024. The guideline sets out the minimum requirements to assist banks in implementing a robust compliance culture and an effective governance and risk management framework for compliance risk. Banks are required to fully embed the measures set out in the guideline by 31 May 2025.

Financial overview

The Bank navigated 2024 with agility and strategic foresight, leveraging a relatively stable interest rate environment and providing innovative solutions to customers. The Bank operates in an environment where competition has intensified, and client expectations are constantly evolving. Our clients' business operations increased significantly, as evidenced by the growth in the Bank's trade finance activities, transactional volumes and balance sheet.

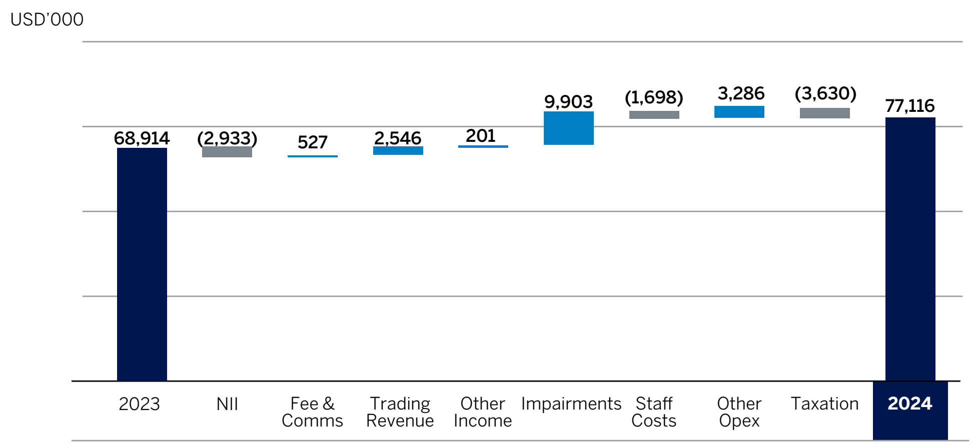
Building on its strong track record, the Bank delivered another year of impressive growth, with headline earnings reaching new heights at USD77.1 m, a 11.9% jump compared to the previous year. A return on equity (ROE) of 37.1% (2023: 40.3%) was delivered, demonstrating the Bank's resilience and efficiency as reflected by an improved cost-to-income ratio of 22.4% (2023: 24.0%). Our performance affirms the Bank's overall strength and the deliberate execution of our strategy across our diverse products, clients and operating markets.

2024 was the year of consolidation as we move through the economic cycles and continue to build a solid and robust base. In line with our strategy, our deposits and loan book continued on their growth trajectory with the resulting revenue growth. We have maintained a very focused and diligent balance sheet optimisation that delivered improved net interest margins. Fees and commissions and trading revenues performed well, with moderate growth in net fees and commission revenue, rising at 6.1% from the prior year, whilst trading revenue scaled up by 22.3%. This highlights the positive impact of heightened client activities and transactional volumes. However net interest income (NII) was adversely impacted by a 3.6% decline against 2023, driven by higher funding costs from term deposits. Another significant factor which contributed to the uplift in headline earnings was the recovery of an impaired asset, where USD 9.5m of credit impairment was released during the year. This lead to operating income after credit impairment to grow by 10% year on year. Costs were well contained during the year, leading to a drop in total operating costs by 6.4% compared to 2023. Revenue growth was well ahead of cost growth, resulting in positive jaws of 6.8% (2023: 72.7%). The significant increase in tax charges by 41.0% is mainly attributable to the introduction of the Corporate Climate Responsibility Levy in 2024.

The Bank's targeted approach to specific sectors while focusing on acquiring new depositors from various markets paid off, with the Bank deposit base reflecting an increase of 12.1% for 2024. Our ability to effectively convert pipeline deals and onboard new clients has contributed substantially to the positive momentum observed on the loan book. A remarkable 30.1% growth in loans and advances to customers is testimony to the Bank's strategic focus on expanding our credit portfolio through key market segments. On the back of the uplift in the deposit base, total assets rose by 6.5% to reach USD 2.4bn (2023: USD 2.3bn).

The Bank's financial resilience remains evident, with a common equity tier 1 capital adequacy (CET1) of 19.5% and a capital adequacy ratio (CAR) of 20.5%, post the declaration of a dividend of USD51.7m during the year. This robust capital base not only supports our current operations but also provides a solid foundation for future growth aspirations. The Bank is well-positioned to continue supporting our clients and exploring new opportunities.

The waterfall below details a summary of changes compared to the previous year:



Looking ahead

The world has entered a new era of exponential risks, marked by complex interconnections amongst economies and geopolitical tensions. Whilst these risks can impact the bank's strategic objectives, we will remain vigilant to external macro-economic factors that can contribute to increased volatility, capital flows impact and increased funding costs. While interest rates normalise at lower levels, the Bank's strategy remains steadfast, driven by our initiatives to expand our share of the customer wallet, optimise our capital base, and manage risk appetite and liquidity levels to support our clients' growth. The Bank will continue to pursue its diversification strategy by expanding its client base to include medium to large corporates, broadening its product suite within the established risk appetite and framework, and enhancing fee-based services for companies within the Group. This will further diversify revenue sources, thereby strengthening the resilience of our franchise for the future.

Our balance sheet growth will remain subject to the economic growth policy and enabling frameworks in the countries in which we operate and, in turn, our clients' confidence to invest. We will exercise caution on how these external macro-economic factors will impact our deposits base and earnings as clients manage their portfolio as a result. Balance sheet management as well as revenue consolidation will be a key focus for 2025. We remain confident that promising opportunities lay ahead to expand our client sectors and grow our revenue streams.

Financial review

The forecasted financial metrics outlined in the table below are the sole responsibility of the Board and have not been reviewed by the auditors. These forward-looking statements are based on assumptions and beliefs that reflect Management's current views with respect to future events and are subject to risk and uncertainties that may cause the Bank's actual results to differ materially from those contained in these statements. We therefore caution our readers not to place undue reliance on them.

Table 1: Performance against objectives by key areas

	Objectives for 2024	Performance against objectives in 2024	Objectives for 2025
ROE	ROE was expected to close at 34.7%, given the higher capital base.	ROE closed at 37.1%, driven by a higher profitability.	ROE is expected to close at 33.0%.
Return on average assets (ROA)	ROA was estimated at 2.7%.	Our ROA increased to 3.3%, driven by higher profitability.	ROA is estimated at 2.6%.
Operating income	NII was expected to increase by 7.1%, driven by asset growth, while rates were anticipated to drop in 2024. Non-interest income was expected to grow by 19.5%.	Operating income was 7.5% lower than objective, driven by lower NII and fees and commission.	Operating income is expected to increase by 13.1%, driven by both NII and non-interest revenue growth.
Operating expenses	Operating costs were expected to increase by 7.3%.	Operating costs were down by 23.6%, driven by cost discipline.	Operating costs are expected to increase by 12.7%.
Cost to income	The cost-to-income ratio was expected to close at 27.1%, with increasing costs due to the Bank's continued IT investments.	The cost-to-income ratio improved to 22.4%, driven by cost containment.	The cost-to-income ratio is expected to close at 23.9%.
Loans and advances	The loan book was expected to grow by 68.4%, given the healthy client acquisition pipeline. Loan-to-deposit ratio was anticipated to increase to 23.5%.	The loan book grew by 26.8% against 2023 which was below forecast as pipelines took longer to materialise. The loan-to-deposit ratio closed at 26.5%.	The loan book is expected to grow by 25.1%. The loan-to-deposit ratio is anticipated to increase to 29.4%.
Deposits	The deposit book was expected to increase by 25.1%, in line with our strategy.	Customer deposits decreased by 18.3% compared to forecast, driven by outflows from clients as part of their usual banking activities.	The deposit book is expected to increase by 19.1%.

Asset quality	With the growth in our loan book, we expected the non-performing loan (NPL) ratio to stand at 4.7%.	The ratio of NPLs to gross loans closed at 3.1%, driven by the expansion in the loan book and reduction in NPL value.	With the growth in our loan book, we expect the NPL ratio to stand at 2.2%.
Ratio of specific provision for credit losses to average loans	The ratio was expected not to exceed 3.02%.	The ratio closed at 1.65% following recoveries from NPLs.	The ratio is expected to close at 1.78% in 2025.
Ratio of net impaired loans to average loans	The ratio was expected not to exceed 1.77%.	The ratio stood at 1.84% at December 2024.	The ratio is expected to close at 1.40% in 2025.
Capital management	The CAR was targeted at 20.3%, with CET1 aimed at 19.8%.	The CAR closed at 20.5%, with the CET1 ratio at 19.5%.	The CAR is targeted at 15.6%, with CET1 aimed at 14.7%.

Analysis of results

Net Interest Income

Net interest income (NII) was adversely impacted by a 3.6% decline attributable to the growth in the deposit base which led to higher funding cost.

Interest income rose by 7.2% to close at USD 140.2m. As part of the strategic positioning of the asset portfolio with the disbursement of new term loan facilities, interest earned on term loans saw a significant increase of 62.7%, doubling to USD 30.3m. The expansion of interest earning assets as well as benefiting from the repricing of the floating rate asset book has contributed to the uplift of the interest income earned on term assets. As part of our Africa-centric strategy, new clients were onboarded and availed of short-term working capital needs, which led to an increase of 29.1% on interest earned on overdrafts and call loans.

The Bank's regional treasury activities, on the other hand declined following scheduled repayments of term facilities by our Group counterparties. Income earned on loans and advances to banks declined by 5.7%, closing at USD 87.2m. The Bank has strategically optimised surplus funds into higher-yielding assets from new FI counterparties, which contributed to the uplift in interest income.

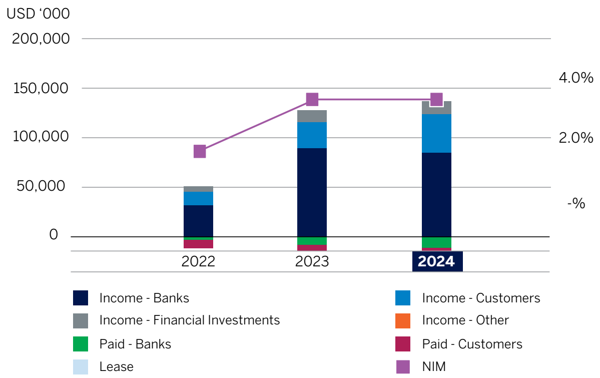
The Bank maintained a stable USD average deposit base throughout the year closing at USD 2bn. This led to a pickup in interest paid on our deposits which grew by 25.6% to close at USD60.5m, predominantly attributable to a scaling up of term deposits which grew by 69.1%. This was driven by a combination of new acquisitions as well as existing clients moving from current and call accounts during the year, which led to an overall increase in our cost of funding.

The Federal Reserve Bank (Fed) implemented three interest rate cuts to the Fed rate in the second half of the year, totalling 100bps, closing the year at a range of 4.25%-4.5%, as part of the Fed's efforts to address inflation and support the labour market. As these rate cuts came through towards the later part of the year, the bank managed to optimise its revenue streams during the year with a dampening effect on our interest earnings being felt more towards the last two quarters of the year.

Interest on financial investments improved by 5.0% as the Bank invested in US Treasuries and benefited from yield optimisation.

As a result of these impacts, the Bank maintained a stable net interest margin at 3.4% (2023: 3.3%) and a NII to total average interest earning assets of 3.49% (2023: 3.45%).

Net Interest Income / Net Interest Margin



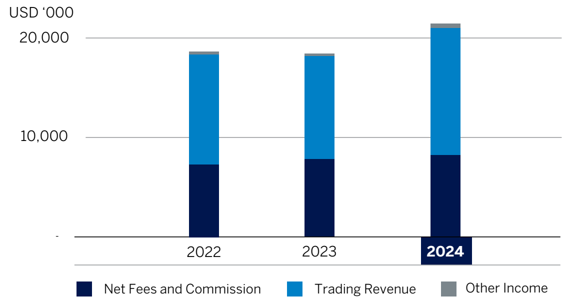
Non Interest Income

Non interest income increased by 16.1% to close at USD 23.6m.

Fees and commissions

Fees and commission revenue went up by 6.1% compared to prior year on the back of improved client activities and larger transactional volumes. This performance was further enhanced by higher trade finance activities, upfront fees and commitment fees earned on unutilised facilities.

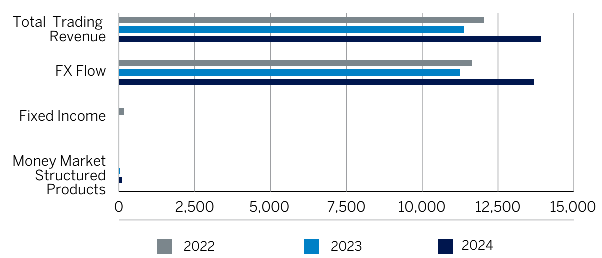
Non Interest Revenue



Trading income

Trading income has shown a healthy growth of 22.3% from prior year to reach USD14.0m. Client sales revenue grew by 16% year-on-year, backed by growth in client activity. The trading desk delivered a remarkable growth of 45% through strong market positioning and disciplined trading strategies. The consistent performance across the different asset classes reflects the Bank's robust client engagement, market agility, and effective risk management.

Trading income USD'000



Other revenue

Other revenue doubled to close at USD 509k following the deployment and delivery of a real time risk management tool to a Group counterparty. This is aligned with our diversification of revenue sources with cross functional expertise development leveraged out of Mauritius to assist the Group sister companies.

Credit impairment

There was a credit impairment release of USD 9.5m. Despite an increase in the customer loan book, net impairment charges declined significantly, driven by substantial recoveries totalling USD 9.5m in specific provisioning, along with a favourable expected credit loss (ECL) movement. The credit-loss ratio closed at 0.5% (2023: 0.8%).

A detailed analysis of performing and NPLs is provided in the Financial risk management report (pages 139 to 159)**.**

Operating expenses

Cost containment remained a key focus in 2024, with operating expenses declining by 6.4% attributable to a balanced cost control initiative.

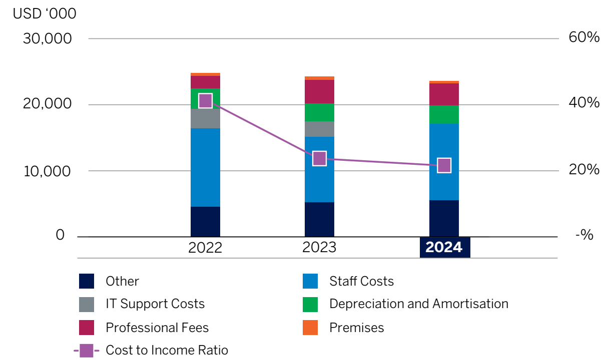
During the year, the Bank continued its effort to strengthen its human capital through salary incremental adjustments to align with the cost of living. Staff costs increased by 17.0%, however this was mitigated by a drop of 22.3% in operating expenses excluding staff cost.

During the year, the Bank engaged in a cost-containing and saving exercise with key contributors to the cost containment being:

- an optimised IT costs following our technology initiatives which were meticulously designed to balance cost control with value creation and focusing on scalable digital solutions, such as cloud infrastructure and RPA.
- lower overseas travelling costs as well as premises costs.

These cost management initiatives enabled the Bank to improve in its operational efficiency leading its cost to income ratio to decrease from 24.0% in 2023 to 22.4% in 2024.

Operating expenses



Tax

Tax charges rose significantly, driven by higher profitability and the introduction of the Corporate Climate Responsibility Levy under the Finance Act 2024. The applicable taxes therefore comprise corporate tax, special levy, corporate social responsibility and corporate climate responsibility levy. Under the amended legislation, the Bank is subject to corporate tax at a rate of 5% on its chargeable income (taxable income less tax-deductible expenses), up to MUR 1.5bn, and at a rate of 15% on the remaining chargeable income.

Dividends

The Bank declared a dividend of USD 51.7m in 2024 to our shareholder, Stanbic Africa Holdings Limited.

Total assets

Total assets increased from USD 2.3bn to USD 2.4bn by the end of 2024, which is in line with the rise in the deposit base.

Loans and advances

Loans and advances to banks

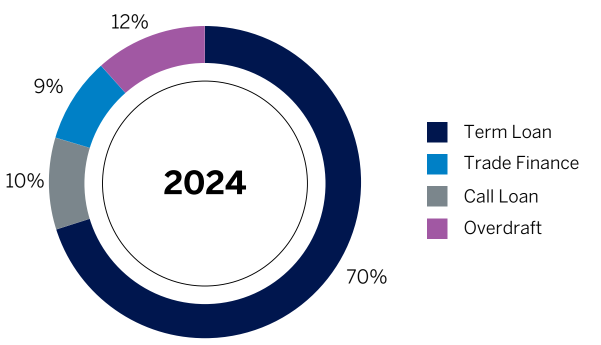
Gross loans and advances to banks are made up of bank placements, which dropped by 17.8% to reach USD 490.1m on the back of a higher loan book. Loans to banks under our regional treasury activities declined by more than 50%, closing at USD 10.4m, following scheduled repayments of term facilities by our Group counterparties.

Loans and advances to clients

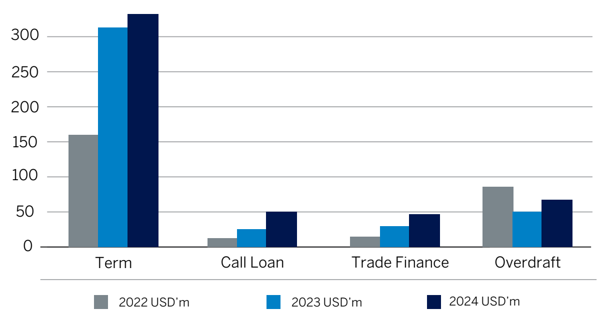
Assets growth is a key focus in our strategic execution, driven by client acquisition and diversification, while maintaining a prudent management of credit risk. The Bank's gross loans and advances to clients grew by 26.8% reaching USD 542.4m. Gross loans and advances comprise a mix of term-loan facilities and short-term advances, primarily driven by cross-border exposures.

Aligned with the Bank's strategy to expand its asset book, term-loan assets grew by 21.8% year-on-year, reaching USD 380.5m, driven by the disbursement of new term facilities. Short-term loans and advances are also on an upward trend, increasing by 40.3% to USD 161.9m, driven by higher client demand for facility utilisation. The loan-to-deposit ratio improved to 26.5% as at December 2024 (2023: 23.4%).

The product mix is detailed as follows:



Analysis of gross loans and advances

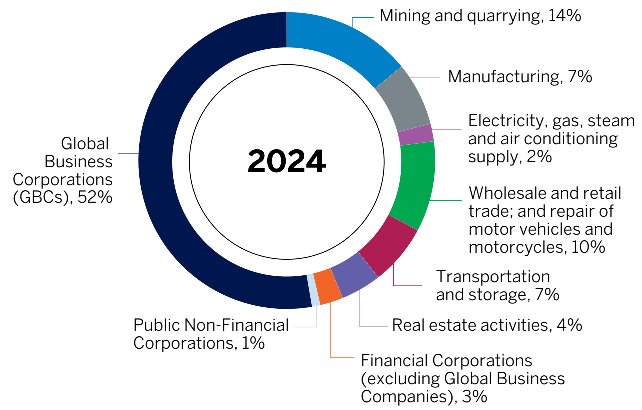


Credit exposure portfolio

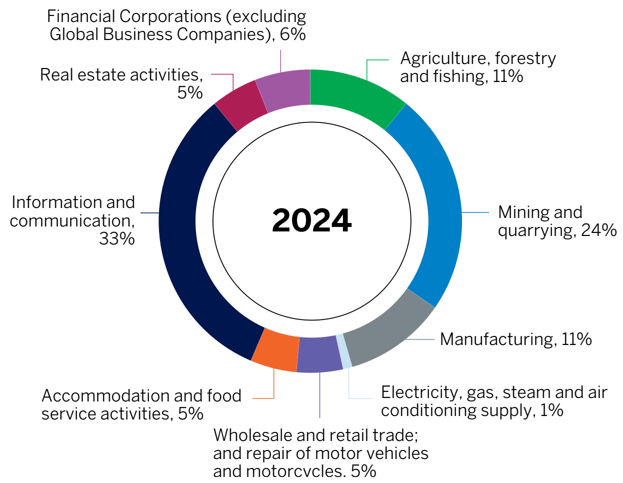
Our client segments consist of tier 1 multinational corporations and established tier 1 domestic counterparties. Periodically, we reassess our credit risk appetite in relation to evolving sector challenges and macroeconomic changes, exercising caution when appropriate. The sector appetite is a benchmark used to manage our current and future exposure to each sector based on each sector's key risks and outlook. This strategy enables us to establish a well-balanced and diversified asset book risk profile based on insightful sector information.

At year-end, the Bank's exposures to the Global Business Licence (GBL) and Mining and Quarrying sectors stood at 52.4% and 14.6%, respectively. Exposure within the GBL sector remained well-diversified and aligned with our sector appetite.

The credit exposure portfolio mix (%) highlighting its concentration across sectors is as follows:



Given the predominance of the GBC exposure in our asset book, a further breakdown of the GBL Holders portfolio mix (%) is provided below:



Credit concentration

The Bank of Mauritius defines 'a large credit exposure' as the aggregate of credit exposure to one customer or group of closely related customers for amounts exceeding 10% of the tier 1 capital. The Bank of Mauritius has set a regulatory limit for the aggregate of such exposures to not exceed 800% of tier 1 capital for MUR-denominated exposures and 1200% of tier 1 capital for foreign currency-denominated exposures. For all exposures above 25% of tier 1 capital, our parent company, Stanbic Africa Holdings Limited (SAHL), has been informed, as prescribed by the relevant section of the Bank of Mauritius Guidelines.

As at 31 December 2024, all credit exposures were within the regulatory limit. There were no single customers with exposures above 25% of the tier 1 capital base, nor a group of customers with exposures above 40% of the tier 1 capital base for MUR-denominated exposures and 75% of tier 1 capital for foreign currency-denominated exposures. The Bank's internal policies and practices are governed by the requirements of the Bank of Mauritius Guideline on Credit Concentration Risk and other relevant Bank of Mauritius regulatory guidelines.

The large credit exposures as at 31 December 2024 were as follows:

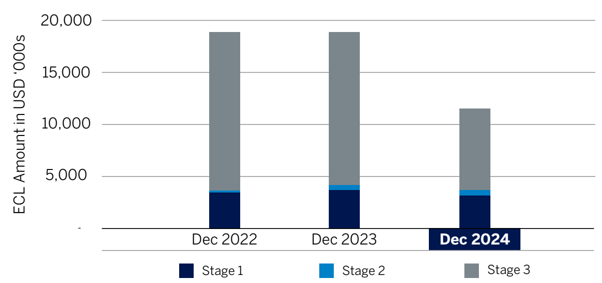
Sector	Number of customers	Exposure (USD'000)	Percentage of tier 1 capital
Mining and quarrying	2	67,308	34%
Manufacturing	1	20,342	10%
Wholesale and retail trade; and repair of motor vehicles and motorcycles	2	69,296	35%
Transportation and storage	1	35,554	18%
Real estate activities	2	23,741	12%
Global Business Corporations (GBCs)	20	432,443	218%
Total		648,684	327%

The Bank has an industry portfolio concentration model and a policy in place that actively regulate the management of our sector concentration. Limits defining the Bank's credit appetite have been set, with particular attention paid to sectors with potential credit concerns.

Credit quality

The Bank performed rapid risk review exercises on the credit portfolio using the latest available information on the counterparties and their respective sectors, taking into consideration the current global macroeconomic conditions, such as global inflation, geopolitical risk, FX liquidity issues and rising interest rates. The overall portfolio was deemed to be in a healthy position.

IFRS 9 - Provision analysis



The Bank has not experienced any weakening in its asset quality in 2024. Stage 3 credit impairment provisions decreased from USD 15.3m in 2023 to USD 8.03m in 2024. Our credit-loss ratio improved to 0.5% in 2024 as opposed to 0.8% last year. The total allowance for credit loan losses aggregated to USD 12.5m under IFRS 9 for all financial assets subject to credit risk.

The Bank of Mauritius Guideline on Classification, Provisioning and Write-off of credit exposures require additional prudential requirements over and above IFRS 9 expected credit losses with regard to asset classification, provisioning and write-off of credit exposures with a view to ensuring comparability across financial institutions. It is intended to complement the requirements under accounting standards by providing a prudential backstop for credit classification and provisioning and ensuring write-off of non-performing exposures in a timely manner.

Statutory requirements that exceed the amounts to be provided under IFRS 9 are dealt with in the statutory credit reserve as an appropriation of retained earnings.Statutory reserve represents accumulated transfers from retained earnings in accordance with local banking legislation and are not redistributable. The level of provision under IFRS 9 was lower than the new regulatory requirement provision at year-end. As such, an additional provision of USD 11.2m was maintained under the statutory credit risk reserve in line with the Bank of Mauritius Guideline on Classification, Provisioning and Write off of credit exposure.This consists of both performing and non-performing provision. Macropudential provision is not applicable for the Bank.

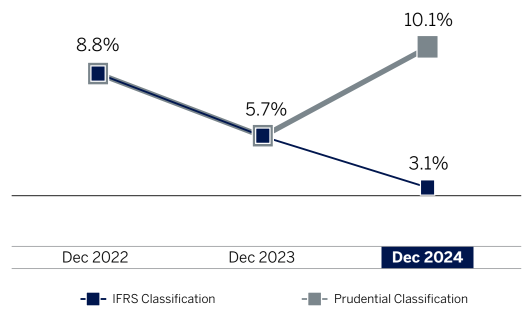
Five clients were restructured during the year, amounting to USD 56.8m. Three of these restructurings pertained to the relaxation of financial covenants; one modification entailed the reduction of limits, and one complete restructuring, which involved new exposures to a different entity within the Group. None of these restructurings impacted the cash flows of existing on-balance sheet exposure; thus, no modification gain or loss was incurred. On prudential norms, two of these restructured entities were reclassified from Special Mention Account (SMA) 2 exposure to Non-performing Substandard exposure.

Non-performing exposures

In line with regulatory norms, two new impaired exposures occurred during the year following the restructuring of SMA 2 exposures. Meanwhile, the existing impaired assets were reduced to USD 18.3m. All impaired assets are duly provided for in line with IFRS 9 accounting standards and prudential norms.

Non-performing loans (NPL) ratio (IFRS 9 Stage 3) to average credit loans reduced from 5.7% in 2023 to 3.1% in 2024 due to significant recoveries. Based on the Bank of Mauritius guideline, the prudential NPL ratio to average credit loans stood 10.1% as at year-end 2024 on account of the restructuring of SMA 2 exposures.

Non-performing-loan ratio



A detailed analysis of performing and NPLs is provided in the Financial risk management section on pages 139 to 159.

Our credit appetite is managed within the Bank's approved framework to ensure that an acceptable level of concentration risk and cross-border activities are managed under our country risk management policy and the Bank of Mauritius Guideline on Cross-Border Exposures. This policy is in line with both regulatory requirements and our business strategic deliverables as far as the asset build-up is concerned.

Cash and cash equivalents

Cash and cash equivalents consist of Nostro balances, balances with central banks and bank placements with a maturity of less than three months.The Bank's liquidity position remained strong with cash and cash equivalents closing at USD1bn.This short-term liquidity has increased by 15.1% compared to the prior year following the increase in better yielding short term assets held with banks.

Financial investments

Financial investments consist of MUR treasury bills and US treasuries measured at amortised cost, stemming from the Bank's requirement to maintain an adequate stock of unencumbered high-quality liquid assets (HQLA). The financial investment portfolio has remained stable at USD 370.2m (2023: USD 369.0m). The overall ratio of liquid assets as a percentage of deposits was 63.8% (2023: 60.3%) and was 54.1% of total assets as at December 2024 is reflective of the bank's ability to mitigate related risks. The consolidated liquidity coverage ratio closed at 132%.

Trading assets and liabilities

Trading assets primarily consist of MUR treasury bills. The trading portfolio increased to USD 0.3m on the back of client hedging activities towards the end of the year.

Trading liabilities of USD 10m is made up of dual currency deposits from clients, which are combined with foreign exchange options, offering the client the possibility of receiving higher yield compared to standard fixed deposits.

Derivative assets and liabilities

Derivative assets and liabilities comprise mark-to-market on foreign exchange derivatives, held mainly for trading purposes. Derivative assets and liabilities decreased slightly from the prior year, impacted by valuation and portfolio change from matured and new trades.

Pledged assets

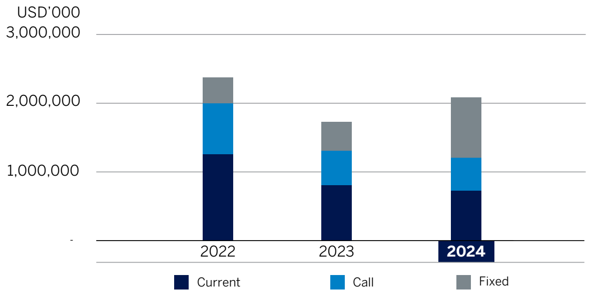
As part of the yield enhancement strategy, the Bank entered into a reverse repo agreement and pledged US sovereign bonds from its financial investment portfolio as collateral. Bonds with a nominal amount of USD 67m were pledged. The assets pledged by the Bank are strictly for the purpose of providing collateral to the counterparty. To the extent that the counterparty is permitted to sell and/or repledge the assets in the absence of default, they are classified in the statement of financial position as pledged assets. These transactions are conducted under terms customary to standard repurchase agreements and securities borrowing activities.

Deposits from customers

The Bank continued in its pursuit of strategy diversification and expanding its client base in building a stronger funding base along with a competitive client value proposition. In 2024 the Bank maintained a robust average deposit base of USD 2.0bn (2023: USD 1.8bn), supported by growth in term deposits on the back of growing and acquiring new depositors from various markets, with an emphasis on specific sectors.

Composition of deposits from customers (%)

Deposit splits



Deposits from banks

Deposits from banks dropped by 96.2% to reach USD 5.1m (2023: USD 133.8m) on the back of a change in group strategy as these deposits were mainly group related.

Off-balance-sheet exposure per sector

Sector	2024 USD'000	2023 USD'000	2022 USD'000
Agriculture, forestry and fishing	—	—	296
Mining and quarrying	**6,230**	4,706	23,495
Manufacturing	—	2	402
Electricity, gas, steam and air conditioning supply	—	1,000	—
Construction	**2**	4	4
Financial Corporations (excluding GBCs)	—	—	480
GBCs	**47,054**	42,801	33,866
Banks	**25,561**	25,596	492
	78,847	74,109	59,035

Off-balance-sheet exposure grew by 6.4% in 2024, with significant exposure in GBCs and Banks.

Off-balance-sheet exposure by geographical concentration

Country	2024 USD'000	2023 USD'000	2022 USD'000
China	**24,821**	24,455	240
France	**1,957**	1,452	883
Ghana	**1,350**	—	366
Italy	—	107	240
Luxembourg	**10,697**	10,697	10,697
Mauritius	**24,199**	28,423	19,346
Netherlands	**6,230**	4,706	5,650
South Africa	**3,103**	2,945	2,597
UK	—	1,000	400
DRC	—	—	17,845
Egypt	—	—	771
Nigeria	**6,490**	324	—
	78,847	74,109	59,035

Looking ahead

The Bank will continue to accelerate its speed of execution and operational excellence to offer clients relevant and targeted support through services and products across a range of channels.

We are confident that the Bank's ongoing strategy, together with our resilience, agility, proximity to our clients and innovative skills, will propel the Bank's future growth to new heights.

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ENSURING OUR SUSTAINABILITY

RISK AND CAPITAL MANAGEMENT REPORT

Introduction

Effective risk management is fundamental to successfully executing the Bank's strategy as it pursues its vision to build the leading financial organisation in, for and across Africa. The risk universe is managed through the risk process lifecycle, from identification to reporting. Our process includes rigorous quantification of risks under normal and stressed conditions up to and including, recovery and resolution.

How we manage risk

Our risk management approach ensures consistent and effective risk management and provides for appropriate accountability and oversight structures. Risk management is enterprise-wide, applied to to all business units and corporate functions and is a crucial to executing our strategy.

We take a holistic forward-looking view to identify the risks we face and in assessing threats and opportunities in our operating environment.

Risk culture
Our risk culture enables us to consistently do the right business, the right way to achieve our strategic objectives.

Organisational design
Risk management is enterprise-wide, applying to all entity levels and business units.

Risk management programme
Ensures consistent and effective management of risk within our board-approved risk appetite.

Risk governance
Our risk documents comprise governance frameworks, standards and policies.

Risk management lifecycle
Our risk universe is managed through the risk lifecycle from identification to reporting.

Enterprise risk management process

Identify
Assess and measure
Treat
Monitor and report

Governance: three lines of defence
Our lines of defence enable the group to maintain a strong and resilient risk culture.

1 **Risk ownership:**
Business unit and legal entity management

Design and implement an effective risk management programme across the enterprise.

2 **Direct, control and oversight:**
Risk and compliance management functions

Facilitate risk and capital management activities at an enterprise level and within different segments and entities.

3 **Risk advisory and assurance:**
Group internal audit

Provide assurance on the adequacy and effectiveness of the risk management programme.

Risk universe

Our risk universe comprises the core risk types of our business, grouped into strategic, financial and non-financial categories. We routinely scan our operating environment for changes to ensure that we respond appropriately to risks and opportunities that may arise.

Strategic Risks

The potential downside impact of an operating shortfall due to lower than expected performance in business volumes and margins not compensated for by a reduction in costs.

Strategy position risk
Risks relating to strategic position choices, such as value proposition, product, consumer segment and channel that result in unexpected variability of earnings and other business value drivers.

Strategy execution risk
Risks relating to strategy implementation failures where management execution capability and operational decisions do not meet strategic objectives.

Reputation risk
Risks relating to the potential or actual damage to our image which may impair the profitability and sustainability of our business.

Financial Risks

Credit risk
The risk of loss arising from the failure of obligors to meet their financial or contractual obligations when due. It comprises obligor risk, concentration risk and country risk and represents the largest source of risk exposure for our banking segments.

Market risk
The risk of changes in the market value, actual or effective earnings or future cash flows of a portfolio of financial instruments, including commodities, caused by adverse movements in market variables such as equity, bond and commodity prices, currency exchange and interest rates, correlations and implied volatilities in all these variables.

Funding and liquidity risk
The risk that an entity, although solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms.

Country risk
The uncertainty that obligors, including relevant sovereigns and our branches and subsidiaries in a country, will be able to fulfil obligations due to the group, given political or economic conditions in the host country.

Non-financial risks (NFRs)

NFRs cover operational risks from inadequate or failed processes, people and systems as a result of internal or external factors. They are managed separately from financial risks and exclude strategic risks. NFRs are complex as they are often difficult to anticipate and quantify. They evolve rapidly, with significant overlaps across risk types, and could have both financial and non-financial implications. The 17 NFR types are shown below.

Non-financial risks

Business disruption risks	ESG risks	Legal risks	Tax risks
Compliance risks	Financial accounting risks	Model risks	Technology risks
Conduct risks	Financial crime compliance risks	People risks	Third-party risks
Cyber risks	Information risks	Physical assets, safety and security risks	Transaction processing risks
Fraud risks			

Risk Governance

The Bank's approach to managing risk and capital is set out in the Bank's Risk Management Framework, which is endorsed by the Board of Directors. The framework has two components:

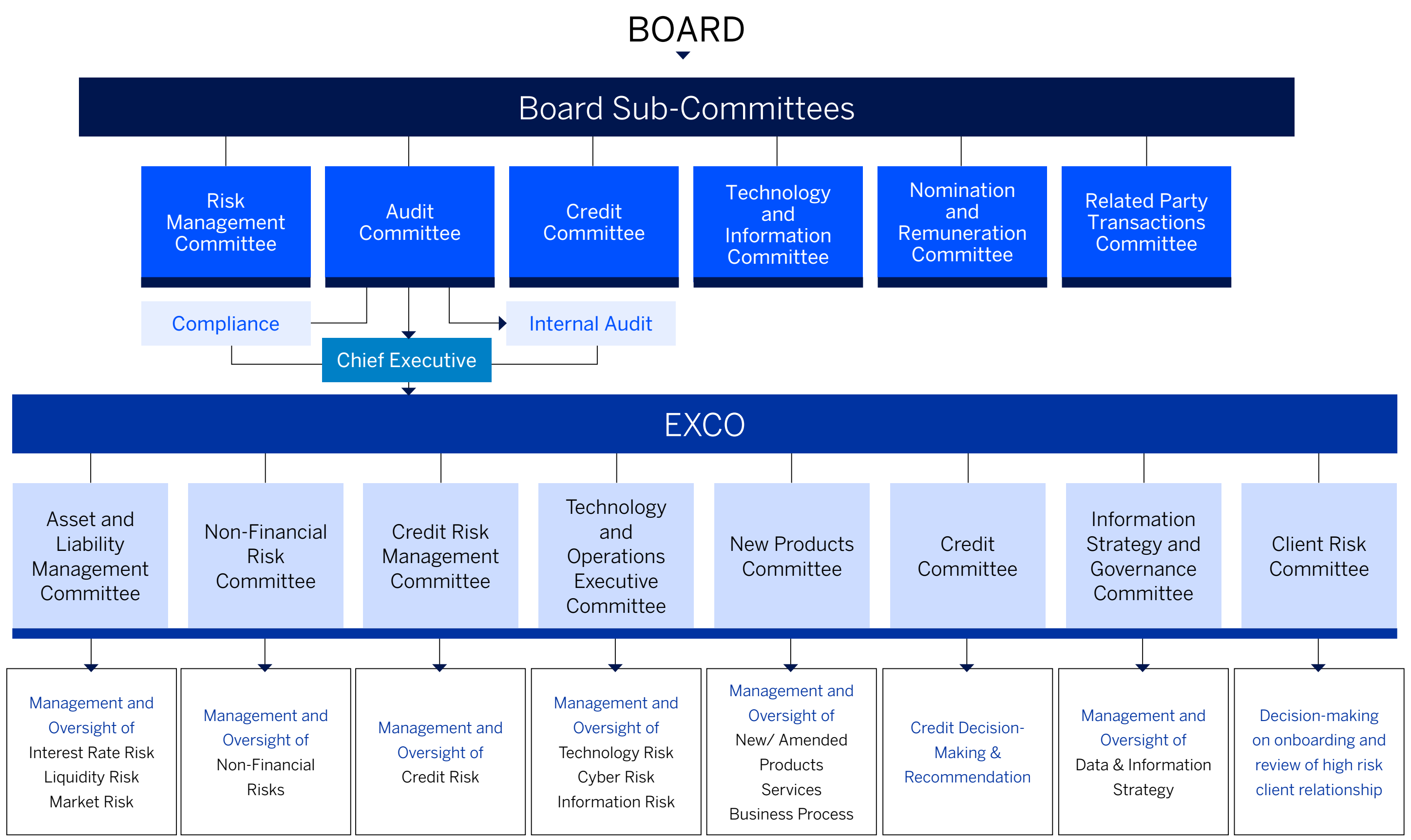
Governance Documents	**Governance documents** comprise standards, frameworks and policies which set out the requirements for the identification, assessment measurement, monitoring, managing and reporting of risks and the effective management of capital. Governance standards and framework are approved by the Board.
Governance Committees	**Governance committees** are in place at both a board and management level. These committees have mandates and delegated authorities that are regularly reviewed.

Risk governance standards have been developed for all major risk types the Bank is exposed to so as to ensure that all material risks related to the Bank's strategic and financial objectives are identified and managed proactively. The risk governance standards are part of the Group's governance infrastructure, reflecting the expectations and requirements of the Board and its committees concerning key risk areas. The standards set out minimum control requirements and ensure alignment and consistency in how the major risk types and capital management metrics across the Group are dealt with, from identification to reporting.

Policies are developed, where required, on specific items, as stated within the standards and are reviewed on a biennially, or earlier if required. These policies are localised to recognise in-country laws, regulations and the operating environment.

Details concerning the implementation of these policies within each business unit are set out in procedure manuals. The teams constituting the second line of defence oversee compliance with the standards, policies and procedures through a review of annual self-assessments by business units and assurance reviews. The third line of defence function also performs reviews per the annual internal audit plan.

Structure



Board and sub-committees

The Board of Directors of Standard Bank (Mauritius) Limited holds the ultimate responsibility for the oversight of risk. As at 31 December 2024, the Board is satisfied that:

- The Bank's risk, compliance, treasury and capital management and group internal audit processes operated effectively.
- The Bank's business activities have been managed within the Board-approved risk appetite.
- The Bank is adequately funded and capitalised to support the execution of its strategy.

In the instances where gaps were identified or where the Bank incurred losses and breached its risk appetite, the Board is satisfied that management has taken appropriate remedial and timely action.

Executive Committees

Details of the Executive Committees (EXCOs) are provided in the Corporate governance report section of this annual report. Other EXCOs of the Bank are detailed below.

New Products Committee (NPC)

The purpose of the NPC, a sub-committee of the EXCO, is to facilitate the introduction of new products, services, client channels and platforms in a coordinated and effective manner consistent with our overall strategic, business and risk management focus.The NPC is chaired by the Chief Finance Officer and consists of a minimum of five EXCO members depending on the type of product/service being introduced. The NPC meets as and when required. The objectives of the NPC are:

- To ensure that any significant risks that could arise from the introduction or amendment of businesses, products or services are properly identified and appropriately addressed by the relevant parties
- To achieve greater consistency in decision-making by standardising the requirements for the approval process of new products
- To ensure that feasible and viable support and control processes and systems are in place to support the deployment of new products
- To ensure that risks from interdependencies associated with the roll-out of products are properly identified and mitigated in a coherent manner
- To ensure adequate control and effective maintenance of the NPC process itself.

Credit Committee

The Credit Committee is the senior management legal entity credit decision-making function, with a defined, delegated authority as determined by the Board of Directors through the Board Credit Committee from time to time. The purpose of the Credit Committee is:

- To exercise responsibility for the independent assessment, approval, review and monitoring of all credit risk assets relating to the Bank's business
- To ensure that the origination and management of the assets in the portfolio are done in terms of the Group's Credit Standard and any other guidance given to it by Group governance committees from time to time.

The Credit Committee, a sub-committee of the EXCO, is chaired by the Head: Credit and comprises at least four core members. The Credit Committee meets at least monthly, as determined by business needs.

Information Strategy and Governance Committee

The Information Strategy and Governance Committee has been established as a sub-committee of the in-country EXCO. It is mandated to set, track, monitor, and report on the effective implementation of the Bank's data and information strategy for the country in line with country and Group data and information aspirations, goals and objectives.

The primary responsibilities of the committee include, inter alia, the following:

- Setting the priorities and agreeing on the critical data and information scope for the Bank
- Approving the Bank's operating model for data and information
- Making investment decisions on key data and information programmes
- Overseeing and supporting the delivery of strategic data and information projects
- Review, ratify and adapt Group data strategy principles, policies, standards and architecture
- Review and approve standards/frameworks/policies as per its mandate.

The Information Strategy and Governance Committee is chaired by the Head: Enterprise Data Office and meets at least quarterly.

Client Risk Committee

As a cornerstone of good practice and in line with regulatory requirements, the Bank is required to determine its appetite for establishing or continuing a business relationship with a potential or existing customer classified as high risk. The Client Risk Committee, a sub-committee of the EXCO, serves to give effect to the governance and control requirements of the Bank and is responsible for approving client relationships, where that relationship may have adverse reputational risk implications for the Bank. Potential reputational risks span a broad spectrum of parameters: country of operation, nature of business activity, connection with politically exposed persons and adverse information, among others. Through the Client Risk Committee, the Bank ensures that a review process is in place for all relevant clients falling within this category.

The Client Risk Committee is chaired by the Head: Client Coverage and comprises the Chief Executive, Head of Legal, Money Laundering Reporting Officer and other EXCO members (Operations, Risk or Transaction Banking). The committee meets fortnightly or as required, depending on business requirements.

Risk culture

We leverage the three lines of defence model to build and maintain a strong risk culture. We focus on multiple drivers to enhance our risk culture and emphasise doing the right business the right way.

We educate our people on risk management principles throughout the year through our dedicated learning platforms and through initiatives such as our NFR Academy and masterclasses. Our values, ethics, and conduct are driven by policies, performance management, and compliance training and embedded through whistle-blowing programmes. We have a policy in place to address any risks associated with the introduction or amendment of our products or services, including business processes, initiatives and partnerships.

Employees are empowered to act with confidence and drive meaningful behavioural changes that place clients at the centre of everything they do. Our various risk management platforms, are available across the organisation, enabling our people to proactively identify, manage, and monitor risks. Responsible risk taking is recognised and incentivised through our performance management processes.

In alignment with the Group's purpose, our mission is to drive Africa's growth while complying with laws and regulations in the jurisdiction in which we operate, which is entrenched in our business practices, We promote and reward responsible risk-taking that results in sustainable growth. Each business unit is responsible for monitoring behaviour contrary to our ethos and taking disciplinary action in line with our conduct risk management standards.

Risk management team

The risk management team provides day-to-day oversight of risk management and promotes a strong risk culture across the Bank. The function aims to reinforce the Bank's resilience by encouraging a holistic approach to managing risk and return throughout the Bank and effectively managing the Bank's risk, capital and reputational profile. The following principles underpin the Bank's risk culture:

- Business is undertaken within the defined risk appetite and approved risk management framework
- Continuous identification, monitoring and management of risks
- The Bank needs to be adequately compensated for risks taken.

The risk management team is responsible for creating and maintaining risk practices across the Bank as defined by Group Risk and ensuring that controls are in place for all risk categories.

The risk management team maintains its objectivity by being independent of operations. The Chief Risk Officer (CRO) has a direct reporting line to the Chief Executive, Group Risk and the Board Risk Management Committee.

Risk Appetite and Stress Testing

Overview

The key to the Bank's long-term sustainable growth and profitability lies in ensuring that there is a strong link between its risk appetite and strategy. The risk appetite is set and stress-testing activities are undertaken at a risk-type and legal-entity level.

Governance

The Assets and Liabilities Committee is the primary management-level governance committee responsible for overseeing the Bank's risk appetite and stress testing. It is guided by two principal governance documents: the risk appetite governance framework and the stress testing governance framework.

Risk appetite governance framework

The risk appetite governance framework guides:

- The setting and cascading of risk appetite by risk type and legal entity
- Measurement and methodology
- Governance
- Monitoring and reporting of the risk profile
- Escalation and resolution.

The Bank has adopted the following definitions:

Risk appetite: An expression of the amount or type of risk the Bank is willing to take in pursuit of its financial and strategic objectives, reflecting its capacity to sustain losses and continue to meet its obligations as they fall due, under both normal conditions and a range of stress conditions.

Risk appetite trigger: An early warning trigger set at a level that accounts for the scope and nature of available management actions and ensures that corrective management action can take effect and prevent a risk tolerance limit breach.

Risk tolerance: The maximum amount of risk the Bank is prepared to tolerate above its set risk appetite. The metric is referred to as a risk tolerance limit.

Risk capacity: The maximum risk the Bank can support within its available financial resources.

Risk appetite statement (RAS): The documented expression of risk appetite and risk tolerance approved by the Board. The RAS is reviewed and revised, if necessary, annually.

Risk profile: The risk profile is defined in terms of three dimensions, namely:

- Current or forward risk profile
- Unstressed or stressed risk profile
- Pre or post-management actions.

The following diagram provides a schematic view of the three levels of risk appetite and the integral role that risk types play in cascading risk appetite from dimensions such as regulatory capital, economic capital, stressed earnings and liquidity to more granular portfolio limits.

RISK APPETITE

LEVEL ONE

Risk appetite dimensions

Capital
- Economic Capital Coverage Ratio
- Total Regulatory Capital Adequacy Ratio
- Tier 1 Regulatory Capital Adequacy Ratio
- Common Equity Tier 1 Capital Adequacy Ratio

Earnings Volatility
- Stressed Earnings

Liquidity
- Liquidity Coverage Ratio
- Liquidity Stress Coverage
- Net Stable Funding Ratio
- Term Liquidity

LEVEL TWO

Portfolio limits by risk type

- Total Regulatory
- Credit Risk
- Operational risk
- Market Risk

Capital demand/earnings at risk utilisation per risk type

LEVEL THREE

Risk appetite dimensions by risk type

Credit Risk
- CLR
- IFRS9 stage 2 and stage 3 (NPL) ratios
- Watchlist
- Concentrations
- Climate Risk Concentration

Non-Financial risk
- Non-Financial risk losses as a % of gross income
- Overdue and repeat audit findings
- KYC Compliance
- Cyber extorsion
- Business disruption due to cyber-attacks and system downtime
- Information risk breaches
- System failures and outages

Market risk
- Normal value-at-risk (VaR) and stressed VaR (SVaR) limits

Interest rate risk
- Interest rate sensitivity

Liquidity risk
- Depositor concentration
- Interbank reliance

Business risk
- ROE
- Cost to income
- JAWS

RAS

RAS

Executive Management and the Board Risk Management Review Committee are responsible for recommending the RAS for approval by the Board. In developing the RAS, Executive Management considers the Bank's strategy and the desired balance between risk and return. The Board Risk Management Committee reviews the Bank's current risk profile quarterly and forward risk profile (both stressed and unstressed) at least annually. Risk appetite dimensions can be either quantitative or qualitative.

Quantitative level one risk appetite dimensions relate to available financial resources and earnings volatility. The standardised quantitative dimensions used by the Bank are:

- Stressed earnings
- Economic capital
- Regulatory capital
- Liquidity.

The Bank's qualitative RAS, set out below, serves as a guide for embedding the risk appetite framework into the strategic and operational decision-making across the Bank.

- Capital position: The Bank aims to have a strong capital adequacy position measured by regulatory and economic capital adequacy ratios. Capital levels are managed to support business growth, maintain depositor and creditor confidence, create value for shareholders and ensure regulatory compliance
- Funding and liquidity management: The Bank's approach to liquidity risk management is governed by prudence and is in accordance with the applicable laws and regulations. It also considers the competitive environment in which the Bank operates. The Bank manages liquidity risk on a self-sufficient basis
- Earnings volatility: The Bank aims to have sustainable and well-diversified earning streams to minimise earnings volatility through business cycles
- Reputation: The Bank has no appetite for compromising its legitimacy or knowingly engaging in any business, activity or relationship which, in the absence of taking mitigating actions, could result in a foreseeable reputational risk or damage to the Bank and Standard Bank Group

- Conduct: The Bank has no tolerance for illegal, unethical or dishonest behaviour which was knowingly conducted. Every employee is expected to uphold the highest levels of integrity and take accountability for their actions in line with our values and Code of Ethics and Conduct. Unintentional wrongdoing (unknowingly), provided it is investigated, remediated and not repeated will be handled on a case-by-case basis
- Climate Risk: The Bank is committed to achieving net-zero carbon emissions for our newly built facilities by 2030, existing facilities by 2040 and across our client portfolios by 2050 based on Africa's socio-economic context. We will actively and prudently manage our financial and non-financial climate risks caused by physical and transition risk drivers, taking into consideration the pace and nature of a Just Energy Transition to a lower carbon economy.

Risk appetite represents the allocation of level one risk appetite to risk types. Specifically, the contribution of individual risk types to earnings volatility and overall capital demand (both economic and regulatory) is controlled through triggers and limits. It consists of key metrics used to monitor the portfolio. Portfolio triggers and limits are required to be broadly congruent with level one and level two triggers and limits. These metrics are regularly monitored at a risk-type level and ensure proactive risk management.

Stress testing

Stress-testing governance framework

Stress testing is a key management tool within the Bank to evaluate the sensitivity of the current and forward risk profiles relative to different risk appetite levels. Stress testing supports several business processes, including:

- Strategic and financial planning
- The Internal Capital Adequacy Assessment Process and the integrated recovery plan, including capital planning and management and the setting of capital buffers
- Liquidity planning and management
- Informing the setting of risk appetite
- Identifying and proactively mitigating risks through various actions, such as reviewing and changing limits, limiting exposures, and hedging
- Facilitating the development of risk mitigation or contingency plans, including recovery plans, across a range of stressed conditions
- Supporting communication between internal and external stakeholders.

Stress testing within the Bank is subject to the Bank's stress-testing policy, which sets out the responsibilities for and approaches to stress-testing activities. Broadly aligned and fit-for-purpose stress-testing scenarios are implemented to ensure appropriate coverage of the different risks. The Bank's stress-testing policy is aligned with the Bank of Mauritius Guideline on Stress Testing.

Stress-testing programme

The Bank's stress-testing programme uses one or a combination of stress-testing techniques, including scenario and sensitivity analysis, to perform stress-testing for different purposes.

Macroeconomic stress testing

Macroeconomic stress testing is conducted across all major risk types on an integrated basis for a range of economic scenarios varying in severity from mild to very severe but plausible macroeconomic shocks. The impact, after consideration of mitigating actions, on the Bank's statement of profit or loss and other comprehensive income, statement of financial position and the Bank's capital demand and supply is measured against the Bank's risk appetite.

Macroeconomic stress testing for the Bank is performed, at a minimum, once a year for selected scenarios that are specifically designed to target the Bank's risk profile, geographical presence, and strategy. In 2024, the macroeconomic stress scenario was based on policy overtightening by central banks, leading to deep recession and cascading financial stress. In this scenario, the collapse in demand affects commodity pricing and causes the dollar to rise sharply due to extreme investor risk aversion. Inflation falls fast, and central banks are forced to cut policy rates rapidly and flood the market with liquidity via quantitative easing. While lower rates for debt funding aids government budgets, overwhelmed with collapsing growth, many governments suffer debt crises. The scenario results indicated that the Bank was well-capitalised and able to manage the stress.

Macroeconomic stress-testing results are presented at a Board level to consider whether the Bank's risk profile is consistent with the Bank's risk appetite buffer. Macroeconomic stress-testing results are submitted as part of the annual Internal Capital Adequacy Assessment Process (ICAAP).

Additional stress testing

Bank-wide macroeconomic stress testing results are supplemented with additional ad hoc stress testing at the Bank, which may be required from time to time for risk management or planning purposes. This stress-testing exercise aims to inform management of the risks that may not yet form part of routine stress testing, or where the focus is on a specific portfolio or business unit. Additional stress testing can take the form of a scenario or sensitivity analysis.

Integrated recovery planning (IRP)

Recovery and resolution planning is a global regulatory reform introduced to improve international financial stability and reduce the likelihood of the failure of systemically important financial institutions. The recovery plan identifies management actions that can be adopted during periods of severe stress to ensure the survival of our business.

The IRP is conducted on a biennial basis. The IRP identifies credible recovery options that address both capital shortfalls and liquidity pressures and that can be implemented in the short or medium term under a range of idiosyncratic and market-wide stress scenarios.

Severe stress scenarios proposed were primarily chosen in line with the Bank's operating model and key target markets and also included top macroeconomic concerns on a global and country-specific level.

The IRP highlighted circumstances where capital and liquidity ratios and earnings may be impacted under severe stress conditions. A list of mitigating actions was identified, and will be considered and activated as needed to recover our financial strength and viability under severe stress.

Risk type stress testing

Risk type stress tests apply to individual risk types. Risk-type stress testing could take the form of scenario or sensitivity analysis.

(Refer to the ICAAP section under Capital management on page 53)

1. Credit risk

Overview and definition

Credit risk is the risk of loss arising out of the failure of obligors to meet their financial or contractual obligations when due. It is composed of obligor risk, concentration risk and country risk.

Obligor risk

Obligor risk pertains to the risk of loss from a single customer.

Concentration risk

Concentration risk is the risk of loss arising from an excessive concentration of exposure to a single counterparty, industry, product, geography, maturity, or collateral.

Approach to managing credit risk

Credit risk is managed in accordance with the Bank's comprehensive credit risk management control framework. The credit standard sets out the principles and minimum control requirements under which the Bank is prepared to assume credit risk and is supported by multiple underlying policies and procedures.

Credit risk is managed through:

- Setting the appetite for credit risk concerning counterparty, sector and country concentrations, with regular monitoring to proactively adjust to changes in the client's economic environment. All countries to which the Bank is exposed are reviewed at least annually. Internal rating models are employed to determine ratings for jurisdiction, sovereign and transfer and convertibility risk
- Maintaining a responsible lending culture through a robust risk policy and control framework
- Ensuring expert scrutiny and approval of credit risk and mitigation through a strong delegated authority framework, independent of the business functions
- Identifying, assessing and measuring credit risk across the Bank, from an individual facility level to an aggregate portfolio level
- Monitoring the Bank's credit risk exposure relative to approved customer limits, risk appetites, changes in the economic environment (countries and sectors) and in the client's state of affairs to identify early signs of weakness in the exposure; this, in turn, will enable the Bank to take prompt action, such as the tightening of appetite for particular products, increasing collateral requirements or curtailing originations
- Independent credit risk reviews by the second and third lines of defence to assess the quality of credit evaluation and adherence to credit risk standards
- Defining, implementing and continually re-evaluating our risk appetite under actual and stressed conditions.

Credit risk mitigation

Wherever warranted, the Bank will attempt to mitigate credit risk to any counterparty, transaction, sector, or geographic region to achieve the optimal balance between risk, cost, capital utilisation and reward. Risk mitigation may include the use of collateral, the imposition of financial or behavioural covenants, the acceptance of guarantees from parents or third parties, the recognition of parental support, and the distribution of risk.

In the case of collateral where the Bank has an unassailable legal title, the Bank's policy requires collateral to meet certain criteria including:

- Being readily marketable and liquid
- Being legally perfected and enforceable
- Having a low valuation volatility
- Being readily realisable at minimum expense
- Having no material correlation to the obligor credit quality
- Having an active secondary market for resale.

The main types of collateral obtained by the Bank for its exposures include cash collaterals, fixed charges over commercial and industrial properties, floating charges, pledges of receivables and corporate guarantees.

Classification of non-performing loan (NPL) accounts as per Bank of Mauritius Guideline:

(a) Sub-standard credit
Credit that is currently performing but has weaknesses that cast doubt on the customer's ability to comply with the terms and conditions of the credit may warrant being classified as sub-standard. However, when it is impaired and past due between 90 and 180 days, it must, as a minimum, be classified as sub-standard.

(b) Doubtful credit
Credit that is not in arrears or in arrears less than 180 days but has weaknesses that make collection in full highly improbable may warrant being classified as doubtful. However, when it is impaired and is past due for a period exceeding 180 days but less than 360 days, it must, as a minimum, be classified as doubtful.

(c) Loss
Credit classified as loss and uncollectible, although there may be some salvage or recovery value of security available. Such credit should not be kept on the financial institution's book in the event that there might be some recoveries in the long term. An impaired credit that is past due by more than 360 days must be classified as loss.

Managing credit risk in the current environment

Mauritius is a sophisticated, transparent, and well-regulated international financial centre with a conducive ecosystem that offers a complete range of financial products and services. Over the years, this has served as the foundation for establishing the offshore sector and Global Business Licence companies. The main sectors of the Mauritian economy are tourism, manufacturing, finance and construction, which contributed to the 5.1% growth in 2024.

The challenging global economic environment continues to impact borrowers' capacity to repay their commitments as they see continued pressure on their revenue and cost lines. Drawing on our past experiences, our approach to managing credit risk centres on enhancing our client knowledge and that of their operating environment. We also leverage our African network to better understand the challenges faced by our clients. Our focus is on monitoring the existing credit portfolio, which requires staying close to clients and maintaining frequent communication to understand changes across the jurisdictions in which they operate.

The Bank implemented various initiatives to gain a deep understanding of the impact on clients' operations and took appropriate measures where required:

- Engagement with the Group business teams (Client Coordinators/Relationship Managers), relevant sector experts and Group Credit Managers to get their latest insights
- Reassessment of internal credit rating of counterparties informed by latest financial statements received and engagement with counterparties, deal teams and sector experts to inform our forward-looking views. The risk rating exercise is a continuous, ongoing process that is triggered as and when new information is received, whether of a financial or non-financial nature
- Conduct scenarios to understand the impact of provisioning for counterparties in best-case and worst-case scenarios
- Rapid risk reviews on the credit portfolio were carried out by the business support and resolution teams to identify potentially vulnerable clients and apply special focus on monitoring them closely
- On a monthly basis, a portfolio review call is conducted with Regional Executives, where feedback and updates are provided on the credit portfolio relative to macroeconomic and sectoral challenges
- Names under close monitoring and under watchlist and NPL are discussed at monthly forums attended by Executives from the business, credit and business support and resolution teams
- Credit lending remains governed by the guidelines established by the Group's Portfolio Risk Management Committee, which periodically reviews sectoral appetite indicators on sectors and countries.

Governance and reporting

Credit risk is managed and reported quarterly through the Bank's governance committees, the Credit Risk Management Committee (CRMC) and the Board Credit Committee (BCC).

2. Country risk

Overview and definition

By virtue of its strategy, the Bank is exposed to country risks. Country risk is the risk of default losses due to a country's political, economic, or business conditions. Under this definition, country risk can be split into two components:

- Jurisdiction risk: Losses because of, but not limited to, socio-political upheaval, nationalisation/ expropriation, fiscal and regulatory risks, deteriorating economic conditions (including business cycle, inflation, currency, and interest-rate risks) and financial dislocation
- Transfer and convertibility risk: The risk of closure of the capital account (transfer risk) and/or foreign exchange market (convertibility risk), forcing otherwise solvent private counterparties into default on foreign currency obligations.

Notably, a distinction also needs to be made between:

- Country risk, which is a broader concept covering all entities, public or private, in an economy
- Sovereign risk, which is the default risk of respective individual governments as counterparties.

Sovereign and country risk analysis enables us to develop a forward-looking assessment of the business environment, which is useful and required for proactive portfolio credit management.

Approach to managing country risks

All countries to which the Bank is exposed are reviewed at least annually. Our internal rating model is used to determine ratings for country, sovereign, transfer and convertibility risks. Once rated, the countries are categorised into high, medium or low risk.

Country risk is mitigated through several methods, including:

- Setting risk appetite thresholds
- Political and commercial risk insurance
- Co-financing with multilateral institutions
- Structures to mitigate transfer and convertibility risk include collection, collateral and margining deposits outside the country in question.

Governance and reporting

The Bank's CRMC and the BCC represent the primary management level governance overseeing this risk type. The principal governance document is the country risk policy.

3. Compliance risk

Compliance risk is defined as the risk of legal or regulatory sanctions, financial loss or damage to reputation that the Bank may suffer as a result of its failure to comply with laws, regulations, codes of conduct, internal policies, and standards of good practice applicable to the Bank's activities.

Compliance is an independent function as a second line of defence that identifies, assesses, and monitors the compliance risks the Bank faces, advises and reports to Senior Management and the Board of Directors about these risks.

The compliance team is a dedicated team with the required expertise and sound knowledge of the regulatory environment, including the Bank of Mauritius and the Financial Services Commission requirements.

The compliance team proactively supports Senior Management and the Bank through effective compliance risk management practices to ensure that all business is conducted in accordance with compliance requirements, thereby mitigating regulatory sanctions and reputational risk and ensuring that we do the right business the right way. The compliance function is subject to periodic internal audit.

Business and operational units own the compliance risks associated with their departmental processes.

Compliance is accountable for the implementation of an effective compliance framework, key activities of which are summarised below:

- Identifying and assessing compliance risks
- Providing advice on risk mitigation to compliance risk owners in the first line of defence
- Monitoring the adequacy of risk mitigation and controls in the first line of defence and reporting on the compliance risk status for the Bank.

4. Funding and liquidity risk

(a) Approach to managing liquidity risks*

The nature of the Bank's banking and trading activities gives rise to continuous exposure to liquidity risks. Liquidity risk may arise when counterparties who provide the Bank with short-term funding withdraw or do not roll over that funding or normally liquid assets become illiquid due to a generalised disruption in asset markets.

The Bank manages liquidity in accordance with applicable regulations and within the Bank's risk appetite framework. The Bank's liquidity risk management governance framework supports the measurement and management of liquidity to ensure that payment obligations can be met under both normal and stressed conditions and that regulatory minimum requirements are always met. This is achieved by maintaining adequate liquidity buffers and ensuring that cash flow requirements can be met. Liquidity risk management ensures that the Group has the appropriate amount, diversification and tenor of funding and liquidity to support its asset base at all times.

The Bank manages liquidity risk as three interrelated pillars, which are aligned with the Basel III liquidity requirements.

Liquidity management categories

Tactical (short-term) liquidity risk management	Structural (long-term) liquidity risk management	Contingency liquidity risk management
• Manage intra-day liquidity positions	• Ensure a structurally sound statement of financial position	• Monitor and manage early warning liquidity indicators
• Monitor interbank shortage levels	• Identify and manage structural liquidity mismatches	• Establish and maintain contingency funding plans
• Monitor daily cash flow requirements	• Determine and apply behavioural profiling	• Undertake regular liquidity stress testing and scenario analysis
• Manage short-term cash flows	• Manage long-term cash flows	• Convene ad hoc ALCO as a liquidity crisis management committee, if needed
• Manage daily foreign currency liquidity	• Aim for a diversified funding base	• Set liquidity buffer levels in accordance with anticipated stress events
• Set deposit rates in accordance with structural and contingent liquidity requirements as informed by the Asset and Liability Management Committee (ALCO)	• Inform term funding requirements	• Advise on the diversification of liquidity buffer portfolios
• Ensure compliance with the Bank of Mauritius Liquidity Coverage Ratio (LCR).	• Assess foreign currency liquidity exposures	• Ensure compliance with the Bank of Mauritius LCR.
	• Establish liquidity risk appetite	
	• Ensure appropriate transfer pricing of liquidity costs.	

The LCR is a metric introduced by the Basel Committee on Banking Supervision (BCBS) to measure a bank's ability to manage a sustained outflow of customer funds in an acute stress event over a 30-day period. The ratio is calculated by taking the Bank's high-quality liquid assets (HQLA) and dividing it by net cash outflows.

(b) LCR limit

As at 31 December 2024, the Bank was within regulatory compliance with a MUR LCR of 220%, a USD LCR of 143% and a consolidated LCR of 132%.

(c) Governance

The ALCO is the primary governance committee overseeing liquidity risk.

[*Information in this sub-section 4(a) has been audited]

(d) Liquidity characteristics and metrics

Overview of liquidity and funding metrics

	2024	2023	2022
Total liquidity reserves (USDm)	**1,307**	1,174	1,725
Eligible BOM LCR HQLA (USDm)	**334**	383	517
Single depositor (MUR%)	**16.12%**	18.91%	34.53%
Top 10 depositors (MUR%)	**73.87%**	67.42%	78.84%
Single depositor (FCY%)	**7.29%**	11.70%	15.48%
Top 10 depositors (FCY%)	**37.69%**	43.90%	58.58%
BOM LCR (Quarterly average of monthly observations%)	**127%**	126%	133%

(e) LCR disclosures

Consolidated in USD	TOTAL UNWEIGHTED VALUE (quarterly average of bimonthly observations)[1]	TOTAL WEIGHTED VALUE (quarterly average of bimonthly observations)[1]
HQLA	USD	USD
Total HQLA	359,949,791	359,949,791
CASH OUTFLOWS		
Retail deposits and deposits from small business customers (Less stable)	85,808,736	18,241,384
Unsecured wholesale funding (Non-operational deposits)	1,802,613,171	1,062,656,440
Outflows related to derivative exposures and other collateral requirements	1,699,777	1,699,777
Credit and liquidity facilities	271,537,103	33,507,061
Other contingent funding obligations	100,412,836	14,054,544
TOTAL CASH OUTFLOWS	2,262,071,623	1,130,159,206
CASH INFLOWS		
Inflows from fully performing exposures	1,047,330,914	1,031,723,622
Other cash inflows	520,123	—
TOTAL CASH INFLOWS	1,047,851,037	1,031,723,622
		TOTAL ADJUSTED VALUE
TOTAL HQLA		359,949,791
TOTAL NET CASH OUTFLOWS		282,539,802
LCR(%)		127%
QUARTERLY AVERAGE OF DAILY HQLA[2]		348,745,017

1 The quarterly average of bimonthly observations for the period October 2024 to December 2024.
2 The quarterly average of daily HQLA is based on close-of-day figures over the period October 2024 to December 2024.

The HQLA mainly comprise investments in US Treasury Bills, Government of Mauritius Treasury Bills, Bank of Mauritius Bills, coins and banknotes and qualifying central bank reserves. The cash outflows represent the funding of the Bank, which is categorised as per the BoM Guideline on Liquidity Risk Management and weighted at the appropriate run-off rate (most conservative between internal data and the regulatory guideline). The Bank's cash inflows mainly comprise group placements maturing within the next 30 days.

The Bank seeks to exceed the minimum LCR requirement with a sufficient buffer to allow for funding flow volatility as determined by its internal liquidity risk appetite. A buffer is maintained above the minimum regulatory requirement to cater for balance sheet and market volatility.

(f) Contingency liquidity risk management

(i) Contingency funding plans

Contingency funding plans are designed to protect stakeholder interests and maintain market confidence in the event of a liquidity crisis. The plans incorporate an early warning indicator process supported by clear crisis response strategies. Early warning indicators are monitored according to assigned frequencies and tolerance levels.

Crisis response strategies are formulated for the relevant crisis management structures and address internal and external communications and escalation processes, liquidity generation management actions and operations, and heightened and supplementary information requirements to address the crisis event. The updating of contingency funding plans, while considering budget forecasting, continues to be a focus area for the asset liability management team.

In September 2024, the Bank performed a desktop simulation on capital and liquidity for ALCO and relevant stakeholders to assess the effectiveness of the contingency funding plan under a stressed scenario. This provided comfort to ALCO, along with broader management and Board members, regarding the efficacy and relevance of the Bank's contingency plan within the current environment.

(ii) Liquidity stress testing and scenario analysis

Stress testing and scenario analysis are based on hypothetical and historical events. These are conducted on the Bank's funding profiles and liquidity positions. The crisis impact is typically measured over a 30 calendar-day period as this is considered the most crucial time horizon for a liquidity event. This measurement period is also consistent with the LCR requirements.

Anticipated on- and off-balance sheet cash flows are subjected to various Bank-specific and systemic stresses and scenarios to evaluate the impact of unlikely but plausible events on liquidity positions. The results are assessed against the liquidity buffer and contingency funding plans to provide assurance as to the Bank's ability to maintain sufficient liquidity under adverse conditions.

Internal stress-testing metrics are supplemented with the regulatory LCR in monitoring the Bank's ability to survive severe stress scenarios.

(g) Structural liquidity mismatch

Net Stable Funding Ratio (NSFR)

In June 2024, the Bank of Mauritius introduced the Guideline on NSFR. The NSFR aims to decrease funding risk and promote resilience over a one-year time horizon by creating incentives for banks to fund their activities with more stable sources of funding on an ongoing basis, thereby reducing the probability of distress.

The NSFR refers to the amount of available stable funding relative to the amount of required stable funding. This ratio should be equal to at least 100% on an ongoing basis.

The Bank is required to submit the NSFR return to the Bank of Mauritius on a quarterly basis. The ratio was introduced in a phased approach, and as at 31st December 2024, the regulatory limit stood at 100%.

	2024 USD
USD NSFR	123%
MUR NSFR	363%
Consolidated NSFR	122%

The NSFR disclosure has been provided below:

ASF Category	Unweighted USD	Weighted USD
Tier 1 and tier 2 capital	209,362,548	209,362,548
Retail deposits and deposits from small business customers	7,942,184	7,147,966
Wholesale funding	1,626,861,739	813,933,967
Other liabilities	109,652,785	105,778,453
Total available stable funding		1,136,222,934
RSF category		
Total NSFR HQLA	303,518,249	15,175,912
Deposits held at financial institutions for operational purposes	59,341,550	29,670,775
Performing loans and securities	1,907,260,266	770,422,465
Other assets	103,720,380	103,720,380
Off-balance sheet items	275,551,066	13,777,553
Total required stable funding		932,767,085
NSFR (%)		122%

Maturity analysis of financial liabilities using behavioural profiling

With actual cash flows typically varying significantly from the contractual position, behavioural profiling is applied to assets, liabilities, off-balance sheet commitments, and certain liquid assets. Behavioural profiling assigns probable maturities based on historical customer behaviour. This is used to identify significant additional sources of structural liquidity in the form of core deposits, such as current and savings accounts, which exhibit stable behaviour despite being repayable on demand or at short notice.

To highlight potential risks within the Bank's defined liquidity risk thresholds, structural liquidity mismatch analyses are performed regularly to anticipate the mismatch between payment profiles of statement of financial position items.

5. Market risk*

Overview and definition

The Bank defines market risk as the risk of a change in market value, actual or effective earnings or future cash flows of a portfolio of financial instruments, including commodities, caused by adverse moves in market variables, such as equity, bond and commodity prices, currency exchange rates and interest rates, credit spreads, recovery rates, correlations and implied volatilities in all of these variables. To ensure that all market risks are identified, all new products are required to be signed off by the NPC, where the Market Risk Unit's input is mandatory.

Managing market risk

The market risk management framework applied in the Bank is consistent with the Group's market risk management framework:

- The Board-approved market risk policy outlines the framework and principles designed to properly identify, measure, monitor, manage and report market risk to minimise the risk of financial loss
- The Board monitors compliance with the policy and ensures that an appropriately mandated ALCO is established to enforce compliance with the policy
- The risk appetite is set and approved by the Board and is expressed in terms of the following compulsory and optional measures for the Bank's trading operations:
  - A value-at-risk (VaR) and stressed VaR (SVaR) appetite (compulsory for trading portfolios and liquid investment portfolios)
  - An appetite for loss under stressed market conditions (compulsory)
  - A regulatory or economic capital value (optional).

The Market Risk Unit translates the risk appetite into limits and triggers and allocates these to individual trading desks in the form of trading limits and authorised product mandates. Stop loss triggers are also set to ensure that losses suffered in trading do not erode, or have the potential to erode, the income generated by the market-making and sales activity. As such, the overall objective is to preserve the Bank's revenue.

The Market Risk Unit ensures that the trading portfolio is carried at fair value by ensuring that the market risk models used to mark-to-market are appropriate (model validation) and that the inputs into those models are relevant and reflective of current market conditions (price validation).

The Market Risk Unit is independent of trading operations and accountable to ALCO.

Market risk measurement

Market risk is measured under both normal and stressed market conditions.

Metric: VaR

The measurement of trading exposures under normal market conditions is based on VaR. Normal VaR is calculated on a historical simulation basis with 250 days of market data and uses a 95% confidence interval and a one-day holding period. This means that losses are not expected to exceed the projected number with a likelihood of 95% (or 19 days out of 20). The VaR calculation assumes no corrective action is taken during the assumed holding period.

The measurement of daily trading exposures under stressed market conditions is based on VaR, defined with a 10-day holding period and incorporating worst-case and historical data spanning five years. If the worst 10-day market movement observed during the historical period were to recur, the loss recorded could be as high as the projected number.

The quality of the VaR model is continuously monitored by back-testing the VaR results for trading books. All back-testing exceptions and any exceptional revenues on the profit side of the VaR distribution are investigated. Stressed VaR is supplemented by cross-market stress tests, where the Bank measures the impact of abnormal exchange and interest rate movements.

Metric – FX Delta and PV01

Risk sensitivities highlight the extent to which a portfolio is exposed to certain market variables, notably exchange and interest rates. FX risk is monitored through FX Delta, FX Delta being the present value of foreign currency positions, reflecting how exposed the Bank is to fluctuations in exchange rates. Interest rate risk is monitored through PV01, PV01 being the change in the present value or mark-to-market value of the portfolio as a result of moving interest rates up by one basis point (0.01%).

Reporting

Exposures and excesses are monitored and reported daily to the Bank and Group, monthly to ALCO, and quarterly to the Board Risk Management Committee (BRMC). A breach of limits and triggers will prompt a sequence of actions, including traders seeking condonement of the breach, reducing the risk back within risk appetite or seeking approval for a temporary excess. Breaches are reported to Management, ALCO and BRMC.

[*Information in this section has been audited]

6. Interest rate risk in the banking book (IRRBB)

Interest rate risk results from the different repricing characteristics of banking book assets and liabilities. The Bank's IRRBB can be further divided into the following sub-risk types:

- Repricing risk: Timing differences in the repricing of assets and liabilities
- Yield curve risk: Shifts in the yield curve that have an adverse impact on the Bank's income
- Endowment risk: Exposure arising from the net differential between interest rate insensitive assets, such as non-earning assets, and interest rate insensitive liabilities, such as non-interest-bearing liabilities and equity.

Approach to managing interest rate risks

The adopted approach to mitigating IRRBB essentially involves managing the potential adverse effect of interest rate movements on the banking book.

A forward-looking net interest income forecast is used to quantify the Bank's anticipated interest rate exposure. This approach involves forecasting both changing balance sheet structures and interest rate scenarios to determine the effect these changes may have on future earnings. Balance sheet projections and the impact on net interest income due to rate changes cover a minimum of 12 months of forecasting and are compared to the set limits. Desired changes to the interest rate risk profile are achieved by restructuring on-balance sheet repricing or maturity profiles.

7. Non-financial risks (NFRs)

Overview and definition

NFRs are considered inherent in the operation of a business, evolve rapidly and are difficult to anticipate, oversee, measure and monitor. They generally do not have a financial upside; they cannot always be measured in financial terms and can lead to reputation damage. NFR refers to the risk of loss suffered due to the inadequacy of, or failure in, internal processes, people and/or systems or from external events.

Approach to managing non-financial risks through conscious risk-taking

We manage non-financial risks under the umbrella of operational risk.

Our approach adopts fit-for-purpose risk practices and well-established governance processes supported by digital tools that enable comprehensive escalation and reporting.

This assists management in understanding and managing their risk profile within risk appetite. Our non-financial risk management function forms part of the second line of defence and is an independent area, reporting to the Chief Risk Officer.

We manage 17 non-financial risk types:

Business disruption risk

The inability to effectively respond to a disruptive event, resulting in failure to continue the provision of services and reputational damage.

Compliance risk

The risk of legal or regulatory sanction, financial loss or damage to reputation that the group may suffer as a result of its failure to comply with laws, regulations, codes of conduct, internal policies and standards of good practice applicable to its financial/ services activities.

Conduct risk

The risk that detriment is caused to our clients, the markets, or the group itself, because of inappropriate execution of business activities.

Cyber risk

Cyber risk is the potential of a digital attack on the bank's systems for financial gain - either direct (through cash out attacks) or indirect (through stolen data).

Environmental, social and governance risk

Risks to our ability to achieve our strategy arising from the management of our environmental, social and governance risks. This includes the management of the direct and indirect impacts of our business activities on the environment and society in which we operate.

Financial accounting risk

The risk of misstatement of financial statements.

Financial crime compliance risk

The risk of products or services being utilised in a manner that leads to money laundering. terrorist financing, sanctions violation, bribery and corruption, facilitation of tax evasion.

Fraud risk

The unlawful and intentional misrepresentation committed to secure an unfair or unlawful gain.

Information risk

Information risk is the risk of accidental or intentional unauthorised use, access, modification, disclosure, dissemination or destruction of information resources, which would compromise the confidentiality, integrity and availability of information which would potentially harm the business.

Legal risk

The risk of financial or reputational loss that can result from lack of awareness or misunderstanding of, ambiguity in, or reckless indifference to, the way law and regulation apply to our business, its relationships, processes, products and services.

Model risk

Model risk arises from fundamental errors in models that may produce inaccurate outputs when viewed against the design objective and intended business uses, and the incorrect or inappropriate use of a model.

People risk

Undesirable impact on business objectives due to inability to attract, develop, manage and retain the required talent. It encompasses consequences due to the impact of decisions of people, inside and outside the organisation. The risk of breaching employment legislation and mismanaging employee relations.

Physical assets, safety and security risk

The risk of damage to our physical assets, client assets, or public assets for which the organisation is liable, and (criminal) injury to our employees or affiliates.

Tax risk

The risk of failing to meet statutory reporting and tax payments/filing requirements.

Technology risk

The risk associated with system (including hardware, software, networks) failure and/or outage, as well as failures in technology ownership, operation, adoption, IT practices, partner delivery and execution of IT operational changes, which has the potential for operational loss, reputational damage, regulatory sanctions and reduced competitiveness.

Third-party risk

The potential harm or negative impact to the group as a result of the actions or practices of external parties in our ecosystem and supply chain.

Transaction processing risk

Failure to process, manage and execute transactions and/or other processes (such as change programmes) correctly and or appropriately.

Reporting

Robust risk management reporting procedures are in place, with significant matters escalated to the Executive Committee and Group Domain. These matters include key and emerging risk exposures, risk management activities, regulatory interaction, and legislative developments.

As part of the Bank's risk simplification journey and provision of 'Risk as a Service', the capabilities of the central risk platform (Risk Market Place) have been enhanced. The platform includes modules for Incident Management, Risk Control Self-Assessment (RCSA), Key Risk Indicators (KRI), Information Asset Register, Business Continuity Plans, Information Risk Maturity Assessment and Combined Assurance. Risk Management Place also provides management with data and analytics to assist with well-informed decision-making.

RCSA

The Bank inculcates a culture of self-assessment, whereby each business unit is required to analyse its business activities and critical processes to identify the key non-financial risks to which it is exposed, and to assess the adequacy and effectiveness of its mitigating controls. For any area where management concludes that the level of residual risk is beyond an acceptable level, it is required to define action plans to reduce the level of risk. These assessments are facilitated, monitored and challenged by the non-financial risk team annually.

KRIs

KRIs are used to monitor the non-financial risk profile and alert the Bank to impending problems in a timely manner. Relevant risks and controls highlighted in the risk and control self-assessment are monitored through KRIs. Implementing the KRI process is an integral element in providing an early warning indicator through trigger thresholds of a potential increase in risk exposure and/or a potential breakdown of controls.

KRIs enable the monitoring of the Bank's control culture, business environment, and trigger mitigating actions, and facilitate the forward-looking management of non-financial risks based on early warning signals.

Incident management and reporting

NFR incidents are recorded and escalated as per the NFR Materiality matrix. These include events resulting in actual loss, and those resulting in non-financial impacts and near-misses. The continuous collection of NFR event information is a prerequisite for NFR management, including analysis and provision of timely information to Management. Reporting and analysis are undertaken for NFR incidents and near-misses.

This includes:

- Trends in previous events, near-misses, losses and the business environment in which such incidents occur
- Root cause analysis
- Review of control improvements and other actions to prevent or mitigate the recurrence.

During 2024, NFR focused on the following areas:

- Technology risk
- Cyber risk
- Business disruption risk
- Conduct risk
- Information risk.

Technology risk

Technology risk results in reduced competitiveness, inefficiency, reputational damage, heightened organisation risk or regulatory sanction due to failure to leverage emerging technologies, or ineffective implementation, maintenance, or operation of the Bank's technology assets.

In an evolving digital landscape, managing technology risks remains a key focus for the Bank. To strengthen resilience and enhance operational stability, we have prioritised the following areas:

1. Core banking platform decoupling

Decoupling the shared core banking platform helps mitigate risks associated with hardware and infrastructure obsolescence. This initiative also reduces the blast radius during outages, ensuring minimal impact on client services.

2. Automation for operational efficiency

Implementing automated processes has brought significant efficiencies, reducing manual intervention and errors while ensuring consistent service delivery.

3. Resource risk management

The scarcity and potential flight risk of key resources pose challenges to the delivery of strategic imperatives. Active measures are being taken to retain critical talent and build internal capabilities through targeted upskilling.

4. Cybersecurity and emerging technology risks

With increasing reliance on digital channels, the Bank remains vigilant against cyber threats. Ongoing investments in advanced security measures, regular risk assessments, and incident response frameworks are in place to protect client data and critical systems.

5. Third-party and vendor risk

Dependence on external technology partners introduces third-party risks. Strengthening vendor management frameworks and ensuring compliance with service-level agreements remain key priorities.

6. Regulatory compliance

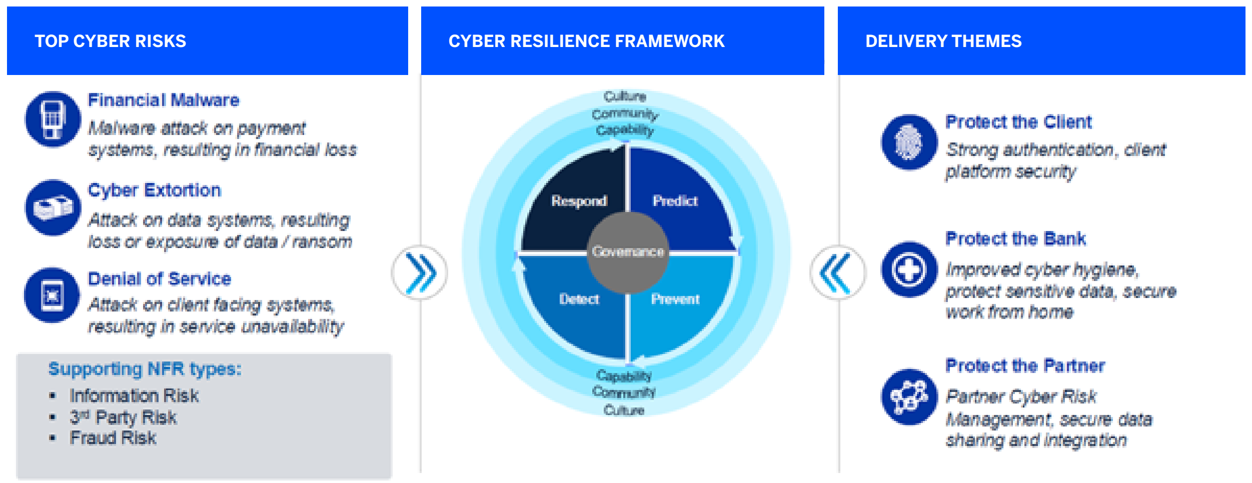
Technology-driven financial services must adhere to stringent regulatory requirements. Continued collaboration with regulators and proactive adoption of compliant technologies are integral to our risk management strategy.

Cyber risk

Cyber risk is the potential risk of a digital attack on the Bank's systems for financial gain – either direct (through cash-out attacks) or indirect (through stolen data or extortion). Cybercrime includes cyber fraud, data theft, extortion (ransomware) and malicious business disruption. As we navigate the rapidly evolving landscape of the financial industry, our commitment to maintaining a secure and resilient banking environment is paramount. In an era where technological advancements bring unprecedented convenience and efficiency to banking operations, they also expose us to an array of sophisticated cyber threats. The interconnected nature of our digital infrastructure, coupled with the rising sophistication of malicious actors, requires continuous efforts to fortify our cyber defences.

The Bank follows a Cyber Resilience Framework based on CPMI-IOSCO guidelines, designed to ensure robust governance, operational resilience, and the ability to address and recover from cyber incidents. This framework is tailored to address our top cyber risks, including financial malware, cyber extortion, and denial of service attacks.

By addressing these risks with a structured, risk-based approach, systems remain secure, reliable, and resilient, maintaining trust and confidence in operations and aligning with international best practices. The comprehensive framework focuses on governance with clear policies, accountability, and oversight; enhancing capability through improved tools, systems, and processes to identify, protect, detect, respond, and recover from cyber threats; fostering community collaboration with industry peers, regulators, and stakeholders to share insights and strengthen collective defences; and promoting a culture of awareness and a security-first mindset across the Bank.



Ensuring the stability and availability of our digital platforms and enhancing cybersecurity continued to be top priorities in 2024. We remained committed to investing in the appropriate technology to mitigate these risks.

In response to the increasing volume and sophistication of cybercrime incidents and attacks, our approach in 2024 included key delivery themes:

- Protect the Client – Implementing strong authentication and client platform security
- Protect the Bank – Improved cyber hygiene, protect the protect sensitive data, secure work from home
- Protect the Partner – Partner Cyber risk management, secure data sharing and integration

In 2024, we focused on improving our cybersecurity capabilities through:

- Implementing a unified estate management including workstations and users, including policy-based security enablement
- Enhancing of detection and response capabilities by implementing a cloud-native security information and event management
- Performing simulations and drills to ensure our team was well-prepared to respond swiftly and effectively to security breaches, minimising potential impacts
- Conducting third-party cybersecurity reviews.

Business disruption risk

Business disruption risk is defined as the inability to effectively respond to a disruptive event, resulting in the failure to continue the delivery of services and reputational damage.

Business resilience is the organisation's ability to anticipate, prevent (mitigate), respond/recover, adapt to incremental change and sudden disruptions, and learn from disruptive events. Business resilience enables our proficiency to maintain continuous business operations, thus delivering services to clients, safeguarding people, assets, reputation and trust, and ultimately contributing to the organisation's sustainability. Business resilience is implemented as the process to manage business disruption risk.

A comprehensive business resilience policy and standard are in place. They assist the Bank in effectively planning for and responding to incidents and business interruptions so that the Bank can resume critical activities within the briefest delay possible, thus safeguarding its reputation and the interests of key stakeholders. The Bank's business resilience framework encompasses emergency response preparedness and crisis management capabilities to manage the business from a crisis to full recovery.

We evaluated our recovery capabilities by performing our annual disaster recovery simulation, work area recovery simulation and conducted crisis simulations. We also had the opportunity to trigger our business continuity plan in adverse weather conditions to maintain client service.

Our crisis management plans were reviewed and new recovery playbooks were developed to cater for new disruptive scenarios.

Our bi-annual business resilience dashboard, which provides the minimum standard of what needs to be in place with respect to business continuity, indicates strong compliance with our business resilience programme.

The Bank leverages the following Group capabilities:

- Well-practised and well-rehearsed IT security and cybersecurity incident response teams, which convene on a regular basis, either in response to real-life incidents or during simulation exercises
- A documented cyber extortion response plan, which details specific actions to be carried out during cyber incidents
- A well-staffed 24/7 Cyber Security Operations Centre, which monitors all cyber-vulnerabilities and attacks, including malware.

Conduct risk

Conduct risk is the risk that detriment is caused to the Bank's clients, markets, or the Bank itself because of inappropriate execution of business activities. To effectively manage conduct risk, Standard Bank has developed a conduct framework that follows a culture-led strategy to embed culture and manage conduct. The conduct framework, including establishing and embedding the reporting architecture (i.e., metrics, management information, and conduct reporting), enables the Board and Executive Management in all legal entities across the Standard Bank Group to exercise oversight and evidence good conduct risk management. Governance structures ensure business ownership is in place to manage conduct risks. Conduct is closely monitored through the EXCO and the BRMC. The conduct framework facilitates a continuous process to identify conduct risk, which allows the Bank to keep abreast of economic and regulatory developments to meet regulatory expectations.

Conduct reporting to Senior Management and the Board includes both quantitative and qualitative metrics. The conduct dashboards consider different reporting pillars, such as strategy, culture, governance, product, quality sales and advice, and have been updated in 2024.

To supplement the conduct risk framework and policy, a conduct risk governance standard was rolled out in 2024. The standard sets out the principles and minimum requirements for effective conduct risk management at the Bank.

Information risk

Information risk is the risk of accidental or intentional unauthorised use, access, modification, disclosure, dissemination or destruction of information resources, which would compromise the confidentiality, integrity and availability of information that would potentially harm the business. The Bank leverages the Group's information risk management framework to maintain the confidentiality, integrity and availability of information assets stored, processed and transmitted.

Information risk management falls under the ambit of the risk unit, which is responsible for executing set policies and practices in relation to information security. Our information risk profile remained stable in 2024 and collaboration with stakeholders and industry leaders was strengthened to take information risk and data privacy initiatives even further.

In 2024, we continued our effort to protect our information assets through rigorous and regular risk assessments to identify and address vulnerabilities in our IT systems, applications and processes.

In our effort to drive and enable conscious risk-taking, an information risk maturity assessment is performed on a quarterly basis to continuously monitor the set of critical controls underpinning our information security landscape.

The right to privacy is a fundamental component of our client-centric strategy and we have continued investing significant effort to comply with the data privacy regulations that are applicable to the Bank. Awareness sessions on data privacy and secure data handling, recognising phishing attempts and incident reporting have been carried out throughout the year, focusing on adopting the privacy and security by-design approach. Regular audits have also been carried out in 2024 to ensure adherence to data protection laws and the Bank's information risk policies and frameworks.

Environmental, social and governance (ESG) risk

TRANSITION RISK

Policy risk

Uncertain long-term demand for fossil fuels increasing financial risk

Technology risk

Risk of evolving technology to our clients' businesses

Liability risk

Increased potential for climate-related litigation driven by evolving regulation

Market risk

Driven by changing client and investor expectations

Reputation risk

Arising from negative stakeholder and media sentiment on projects on activities with negative impacts.

PHYSICAL RISK

Acute risk

Potential for increase in frequency and intensity of extreme weather events driven by climate change

Chronic risk

Climate change presents material risk for clients and insurance business.

OPPORTUNITIES

Products and services

We will continue to expand our offering of sustainable finance solutions and partner with clients to support climate smart and sustainable practices

Client engagement

We engage with a broad range of clients on their climate transition plans and readiness, and monitor their commitments

Portfolio resilience

We will continue to increase the proportion of our energy loan book committed to lending to green energy

Emissions reduction for own operations

We commit to achieving net zero carbon emissions from our own operations for newly built facilities by 2030, for existing facilities by 2040 and from our portfolio of financed emissions by 2050

Stakeholder engagement

We continue to engage with a broad range of stakeholders to develop solutions to climate risk challenges.

Legend

Short term | Medium term | Long term

Short term: Up to five years (2023 to 2027), Medium term: five to 10 years (2028 to 2033), Long term: Over 10 years (2034 to 2051)

We have continued to build on and enhance our understanding and approach to ESG risks, with particular emphasis on financial risks associated with climate change. We continue to work closely with the Standard Bank Group as they focus on implementing advanced sustainability measures to enhance the Group's credibility and meet their sustainability targets for 2025.

For further details, refer to the Climate-related and environmental financial risk section.

Governance and reporting

A number of governance committees are responsible for overseeing non-financial risks. The primary governance documents are the non-financial risk governance framework and the non-financial risk management (NFRM) policy. NFR subtypes have governance documents applicable to each risk subtype.

Committee	NFR
Non-Financial Risk Committee	Compliance Environmental, Social and Governance Financial Crime Legal Physical assets, Safety and Security Third Party Transaction Processing Model Fraud People
Technology and Operations Executive Committee	Technology Cyber Information Business Disruption
Internal Financial Control Committee	Financial Accounting Tax
Executive Committee	Conduct

Insurance cover

The Bank has contracted insurance cover to mitigate non-financial risks. This is reviewed on an annual basis. The Board, through the risk function, ensures that an adequate insurance programme is in place to protect the Bank against loss resulting from its business activities. The principal insurance policies in place are outlined below:

- Crime insurance

Compensates the Bank for direct financial losses arising from criminal actions by internal or external parties. It offers protection when insured loss events occur and complements the Bank's risk management strategy.

- Professional indemnity

Compensates the Bank for any court-enforced legal awards and costs arising from claims made by third parties against it. Such claims can arise when clients allege to have suffered financial loss due to any negligent acts committed by the Bank, including breach of duty, errors or omissions.

- Directors' and officers' liability

Protects the Bank and the Bank's Directors and officers (former and present) against the effects of claims arising from wrongful acts committed by the Directors and officers in their official capacity or as a result of their position.

- Cyber protection

Complements the crime and professional indemnity covers. Indemnifies the Bank for first-party costs associated with a cyber event, such as emergency response, privacy breach notification, loss of electronic data, extortion demands, expenses incurred as a result of responding to regulatory investigations (including the costs of forensic investigations), and business interruption. The policy also provides coverage for third-party legal liability costs owed by the Bank to external parties as a result of a cyber event.

- Employers' liability

Cover for claims made by employees against the Bank for injuries or illness occurring in the workplace that falls outside the scope of cover provided by the Group personal accident cover.

- Group personal accident cover

All of the Bank's employees are covered on a 24-hour basis for bodily injuries sustained following accidents. This scheme additionally covers death and disability (partial and permanent) cases and provides for medical expenses.

- Public liability

Liability towards the public for accidental bodily injury/damage to property, including tenant risks in respect of all rented and leased premises.

- Political violence and terrorism

Covers the Bank against physical loss and damage, as well as business interruption costs as a result of a terrorist act or acts of political violence.

- Assets, all risks including business interruption

Cover for tenant improvements in rented offices/premises, electronic equipment, costs of restoration and reproduction of archives, cash on premises, debris removal and claims preparation costs, data/media restoration or replacement, auditors' fees, claims preparation costs and loss or damage following burglary.

8. Strategic risk

Strategic risk is the potential downside impact of an operating income shortfall due to a lower-than-expected performance in business volumes and margins not compensated for by a reduction in costs.

The components of strategic risk are strategy position risk, strategy execution risk and reputational risk.

Strategy position risk

Strategy position risk refers to strategic choices like value proposition, product, consumer segment and channel that result in the unexpected variability of earnings and other business value drivers:

- Unexpected changes in the intensity or nature of competition within the financial services industry, such as aggressive action from competitors in the form of new entrants, price wars, technology innovation and substitute products
- Adverse and unexpected changes in external stakeholder sentiments – this includes changes in the public opinion of consumers, media, analysts, politicians, rating agencies, regulator and investors
- Unexpected changes in partnerships, joint ventures or subsidiaries and failed strategic relationships.

The Bank mitigates strategy position risk in several ways, including:

- The Bank's business plans and strategies are discussed and approved by Executive Management and the Board and, where appropriate, subjected to stress tests
- Alignment with Group strategy is sought
- Being alert and responsive to changes in market forces.

Strategy execution risk

Strategy execution risk results from strategy implementation failures, where management execution capabilities and operational decisions do not meet the strategic objectives. This includes:

- Failed execution of strategic initiatives or signature projects
- Changes in the business environment of other countries in the African region or internationally, like government attitude towards foreign companies, change of tariffs and the rules that make doing business for foreign companies difficult
- Unexpected changes in a third party's environment, including change of production or service capacity and quality, business failure, change of costs and reputation
- Corporate governance practices not functioning as designed and expected
- Unanticipated changes in laws and regulations that may cause the business value to change from expectations.

The Bank mitigates strategy execution risk in several ways, including:

- Detailed analysis of business cases
- The application of new product processes per business line, through which the risks and mitigating controls for new and amended products and services are evaluated
- Stakeholder management to ensure favourable outcomes from external factors beyond the Bank's control

- Monitoring the profitability of product lines and customer segments
- Maintaining tight control over the Bank's cost base, including the management of its cost-to-income ratio, which allows for early intervention and management action to reduce costs
- A strong focus in the forecasting process on achieving headline earnings growth while containing cost growth and building contingency plans into the budget that allow for costs to be significantly reduced if forecasted revenues do not materialise
- Increasing the ratio of variable costs to fixed costs, which creates flexibility to reduce costs during an economic downturn
- Stress-testing techniques applied to assess the resilience of the Bank's planned earnings under macroeconomic downturn conditions.

The Executive Committee is the primary governance committee for overseeing this risk.

Reputational risk

Reputational risk is the risk of potential or actual damage to our image, which may impair the profitability and sustainability of our business. The Bank's reputation can be harmed by an actual or perceived failure to fulfil the expectations of its stakeholders due to a specific incident or from repeated breaches of trust.

Reputational harm can adversely affect the Bank's ability to maintain existing business, generate new business relationships, access capital, enter new markets, and secure regulatory licences and approvals.

Safeguarding and proactively managing the Bank's reputation is of paramount importance. There is growing awareness of reputational risks arising from compliance breaches, social and environmental considerations, as well as from ethical considerations linked to countries, clients and sectors.

The Bank manages reputational risk from a tactical and reactive perspective, as well as from a strategic and proactive perspective. With respect to crisis response, the Bank's crisis management processes are designed to minimise the reputational impact of such events or developments. A crisis management team is in place at the Executive level. This includes ensuring the Bank's perspective is fairly represented in the media. In addition, more attention is being paid to leveraging opportunities to proactively bolster the Bank's reputation among influential stakeholders through various programmes, including stakeholder engagement, advocacy, sponsorships and corporate social initiatives.

The principal governance document is the reputational risk governance standard, and the Bank's qualitative risk appetite statement includes a statement on reputation. The Bank's Code of Ethics is an important reference point for all staff. The Bank has appointed an Ethics Officer whose role is to ensure an ethics framework is in place at the Bank, together with a Code of Ethics and values embedded across the Bank. The Ethics Officer reports, on a quarterly basis, on matters of ethics to Executive Management and to the Board Risk Management Committee.

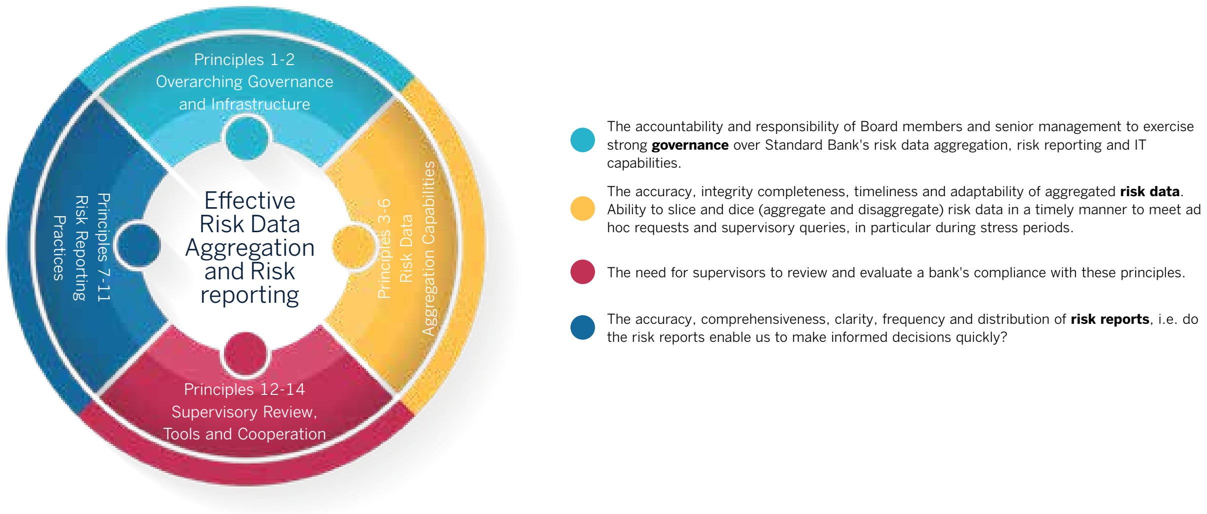
Reporting

The Bank's risk appetite, risk profile and risk exposures are reported on a regular basis to the Board and Senior Management through various governance committees. Risk management reports are tabled at the formalised governance structures at both Board and Management Risk Committees levels.

Risk data aggregation and risk reporting (RDARR)

The Basel Committee on Banking Supervisions (BCBS) published principles for effective RDARR in 2013, with the aim of improving the quality of information that banks use in decision-making, particularly as it pertains to risk management. The 14 principles, aimed at improving the risk data aggregation and risk reporting capabilities of banks, set out the criteria for governance, risk data aggregation, risk reporting practices and supervisory review as pictured below.

Risk exposures are reported on a regular basis to the Board and senior management through our governance



committees. Risk management reports comply with standards set out by BCBS239.

Looking ahead

Our portfolio remains vulnerable to a combination of macro, sector and specific risks that we will manage effectively to deliver profitable growth and remain sustainable. The top risks and emerging threats processes provide for the continuous assessment and monitoring of current risks and emerging threats, thereby equipping the Bank to proactively identify these potential risks and manage and mitigate them effectively. Top risks and emerging threats are regularly tabled at Board and Board sub-committees for proactive assessment and impact on the business. The top risks identified for 2025 include:

- Geopolitical rivalry and polarisation
- Uncertain and challenging economic environment
- Operational vulnerabilities
- Cyber attacks
- Regulatory changes and scrutiny
- Climate change

The Bank will continue to instil conscious risk-taking, thereby making strategically informed risk decisions in pursuit of its identified growth opportunities. This consistent approach to risk helps ensure the Bank manages its business and the associated risks in a manner that balances the interests of clients and other key stakeholders, while protecting the safety and soundness of the Bank.

9. Capital management*

Overview and objectives

The Bank's capital management function is designed to ensure that regulatory requirements are always met and that the Bank is capitalised in line with its risk appetite and target ratios, both of which are approved by the Board.

It further aims to facilitate the allocation and use of capital, such that it generates a return that appropriately compensates shareholders for the risks incurred. Capital adequacy is actively managed and forms a key component of the Bank's forecasting process. The capital plan is tested under a range of stress scenarios as part of the Bank's annual Internal Capital Adequacy Assessment Process (ICAAP) and Integrated Recovery Plan (IRP).

The capital management function is governed primarily by management level sub-committees that oversee the risks associated with capital management, namely ALCO. The principal governance documents are the capital management governance framework.

Regulatory capital

The main regulatory requirements to be complied with are those specified in the Banking Act 2004 and related regulations, which are aligned with Basel III.

Basel III

Basel III aims to strengthen the regulation, supervision and risk management of the banking sector. The recommended measures aim to:

- Improve the global banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source
- Enhance risk management and governance
- Strengthen banks' transparency and disclosures.

The Bank of Mauritius has adopted a phased approach to the implementation of Basel III, with the issue of the BoM Guideline on Scope and Application of Basel III and Eligible Capital. Regulatory capital adequacy is measured through three risk-based ratios:

- Ordinary share capital, share premium, retained earnings, other reserves and qualifying non-controlling interest less impairments divided by total risk weighted assets (RWA)
- Tier I: CETI plus perpetual, non-cumulative instruments with either contractual or statutory principal loss absorption features that comply with the Basel III rules divided by total RWA

[*Information in this section has been audited]

- Total capital adequacy: Tier I plus other items, such as general credit impairments and subordinated debt with either contractual or statutory principal loss absorption features that comply with the Basel III rules divided by total RWA. The ratios are measured against internal targets and regulatory minimum requirements.

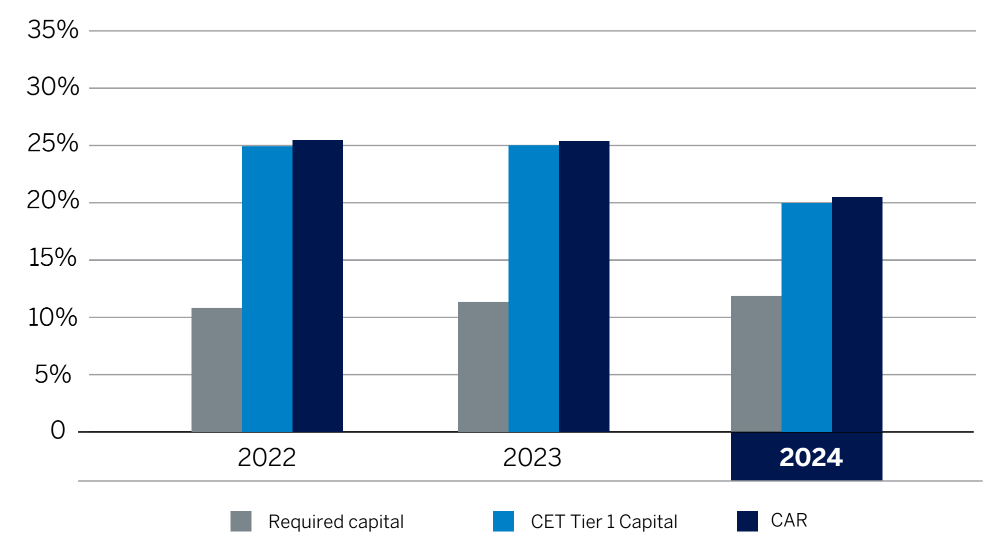
Basel III introduced the concept of a capital conservation buffer (CCB), which aims to promote the conservation of capital and the build-up of adequate buffers above the minimum during normal times (i.e., outside periods of stress), which can be drawn down as losses are incurred during a stressed period.

The calculation of regulatory capital is based on net counterparty exposures after recognising a limited set of qualifying collateral. A prescribed percentage, the risk weighting of which is based on the perceived credit rating of each counterparty, is then applied to the net exposure. An additional capital conservation buffer of 0.625% was added each year to reach 2.5%. The total CAR requirement (including the capital conservation buffer) currently stands at 12.50%.

For exposures that have been rated by approved credit assessment institutions, the process prescribed by the Bank of Mauritius is used to ascribe public issue ratings into comparable assets. For counterparties for which there are no credit ratings available, exposures are classified as unrated and a 100% risk weighting is applied for determining regulatory capital charge.

The following graph discloses the Bank's total capital adequacy and the components thereof and indicates that the Bank's capital is well above the required level of capital.

Capital adequacy (%)



The Bank's capital position based upon common equity tier I and total capital ratios stands as per the tables below.

Capital structure under Basel III

	Basel III 2024 USD'000	Basel III 2023 USD'000	Basel III 2022 USD'000
Common equity tier I capital			
Share capital	**35,000**	35,000	35,000
Statutory reserve	**35,000**	35,000	30,487
Other reserves	**139,708**	125,227	81,114
Less: Deductions			
Intangible assets	**(10,347)**	(11,627)	(13,098)
Deferred tax	**(531)**	(1,200)	(319)
Adjustment to additional tier 1 capital	**(390)**	(345)	–
Common equity tier I capital	**198,440**	182,055	133,184
Provision for performing and non-performing loans	**10,923**	5,233	4,024
Total capital base	**209,363**	187,288	137,208
Risk-weighted assets for:			
Credit risk	**873,849**	632,087	457,342
Operational risk	**142,267**	104,408	69,463
Aggregate net open foreign exchange position	**3,288**	607	5,847
Total risk-weighted assets	**1,019,404**	737,102	532,652
Common equity tier I capital	**19.5%**	24.7%	25.0%
CAPITAL ADEQUACY RATIO	**20.5%**	25.4%	25.8%

Total equity grew as a result of retained earnings, whilst risk-weighted assets grew by 38.3%, reflective of an optimisation of capital consumption. The Bank's common equity tier 1 capital ratio was 19.5% (2023: 24.7%) and the total capital adequacy ratio closed at 20.5% (2023: 25.4%).

The Bank uses the ratings assigned by Moody's Investors Service to banks to determine the risk weighting of exposure with banks.

On-balance sheet netting

As part of the Bank's credit risk mitigation, the Bank uses the net exposure of loans and deposits as the basis for calculating its capital adequacy ratio, aligned with the Bank of Mauritius Guideline on Standardised Approach to Credit Risk.

Off-balance sheet netting

The Bank nets off-balance sheet claims and obligations for capital adequacy purposes. The net-off is for market-related contracts with a single counterparty across both the banking and trading books, where the relevant obligations are covered by eligible bilateral netting agreements.

The Bank collateral valuation guidelines describe the processes for managing our collateral valuation to mitigate credit risk. The policy provides the minimum valuation requirements that need to be adhered to, based on the types of assets held.

The Bank uses the following collaterals for credit risk mitigation:

(1) Cash – Cash collateral deposited on account held with the Bank

(2) Listed shares – Shares listed on the stock exchange or on a licensed exchange

(3) Fixed or immovable property – Residential, commercial and agricultural property taken under a fixed charge

(4) Floating/movable assets – Plant, equipment and machinery, stock, receivable and other assets taken under a floating charge.

Under the standardised approach to credit risk, the Bank's eligible guarantors are sovereign entities, public sector enterprises, banks and securities firms with a lower risk weight than that of the counterparty.

The following table shows details of mitigations taken by the Bank in 2024.

Mitigation	USD'000
Cash collateral	6,351
Total	6,351
Total credit risk exposures	3,004,244
% exposure covered by collaterals	0.2%

Exposures subject to the standardised approach per risk weighting as at 31 December 2024

	2024				2023	2022
	Nominal amount	Mitigation	Risk weight	Risk-weighted assets		
CREDIT RISK	USD 000		%	USD 000		
On-balance sheet assets						
Cash items	**87**		**0-20**	**—**	—	—
Claims on sovereigns	**370,602**		**0-100**	**—**	—	—
Claims on banks	**1,472,039**		**20-100**	**208,626**	91,050	135,450
Claims on central banks	**27,181**		**0-150**	**—**	—	—
Claims on PSE	**—**		**20-150**	**—**	—	—
Claims on corporates	**504,829**	**—**	**20-150**	**504,829**	392,448	227,049
Claims secured on residential property	**—**		**35-125**	**—**	—	—
Past due claims	**8,027**		**50-150**	**6,254**	9,913	10,045
Other assets/fixed assets	**10,798**		**100**	**10,799**	14,739	13,628
Total	**2,393,563**	**—**		**730,508**	508,150	386,172
Non-market related off-balance sheet risk-weighted assets						
Direct credit substitute	**84,104**	**77,753**	**20-100**	**77,753**	68,100	36,149
Transaction-related contingent items	**24,293**	**24,293**	**20-100**	**12,146**	10,200	8,800
Trade-related contingencies	**—**	**—**	**20-100**	**—**	—	—
Other commitments	**275,551**	**275,551**	**20-100**	**47,841**	39,157	19,309
Total	**383,948**	**377,597**		**137,740**	117,457	64,258
Market-related off-balance sheet risk-weighted assets						
Interest rate contracts	**—**	**—**		**—**	—	—
Foreign exchange contracts	**226,733**	**—**		**5,601**	6,480	6,912
Total	**226,733**	**—**		**5,601**	6,480	6,912
Total credit risk	**3,004,244**	**377,597**		**873,849**	632,087	457,342
Operational risk				**142,267**	104,408	69,463
Aggregate net open foreign exchange position				**3,288**	607	5,847
Total risk-weighted assets	**3,004,244**	**377,597**		**1,019,404**	737,102	532,652

Internal Capital Adequacy Assessment Process (ICAAP)

ICAAP considers the qualitative capital management processes within the organisation and includes the organisation's governance, risk management, capital management and financial planning standards and frameworks. Furthermore, the quantitative internal assessments of the organisation's business models are used to assess capital requirements to be held against all risks the Bank is or may become exposed to, in order to meet current and future needs, as well as to assess the Bank's resilience under stressed conditions.

The Bank has embedded sound internal capital adequacy assessment processes and implemented the Bank of Mauritius Guideline on Supervisory Review Process since 2010. The ICAAP document is reviewed on an annual basis and is approved by the Board with periodic reviews made to ensure that the Bank remains well-capitalised after considering all material risks.

The Bank consciously maintains a risk management culture and practices that are conservative and rigorous, recognising risk appetite as an integral part of the Bank's strategy and business plans. As a result, all material risks are appropriately managed and mitigated, and contingency plans have been identified for execution should the capital levels of the Bank ever fall below levels deemed acceptable by the Board, Management or Bank of Mauritius.

Credit risk consumes approximately 86% of total regulatory capital usage as at 31 December 2024 and, as such, represents the largest source of risk to which the Bank is exposed. Such risk therefore attracts a high degree of management focus, with adequate resources assigned to ensure that the risk is mitigated.

Year under review – Stress scenarios

The economic headwinds, volatility in markets and competitive pressures accelerate the need to continuously assess the Bank's forward-looking risk profile under normal and stressed conditions against the stated risk appetite. The appropriateness of the macroeconomic stress scenarios and the severity of the relevant scenarios are approved by the Board and Senior Management on an annual basis.

Macroeconomic stress scenarios as well as Bank-specific scenarios based on the composition of the loan book and liquidity profile are used for stress testing and these are performed annually as part of the Bank's ICAAP process. Stress results are analysed, and any departure from our risk appetite statement trigger mitigating actions.

During 2024, the Bank ran several stress tests to understand the impact that potential stress events would have on its profitability and capital position on a forward-looking basis. These events included macroeconomic scenarios that assessed the impact of macroeconomic changes on all relevant risk factors, assuming policy overtightening across the globe leads to deep recession and financial stress and a Management Expertise scenario relating to an expert judgment approach, where the Bank's senior management identify vulnerabilities in the portfolio that could result in a stress on earnings. This year, an economic financial distress in Nigeria coupled by flooding in the country was used as the scenario.

The Bank will remain alert to the possible deterioration of economic conditions and will initiate early remedial action should circumstances dictate. In instances where the results of the stress tests breach risk appetite or tolerance, the Board ensured that Management has mitigating actions in place to minimise the impact.

For the purpose of ICAAP, the Bank maintained a capital buffer of 2% above the regulatory requirement.

10. Related-party transactions

The Bank's Related Party Transaction Policy establishes and defines the framework for the governance, risk management, and reporting of related-party transactions. The policy fulfils the requirements of the Bank of Mauritius Guideline on Related-Party Transactions to effectively identify, monitor, control and report related-party transactions within the Bank and to take appropriate steps to mitigate the risks arising from these transactions.

As per the Bank of Mauritius Guideline on Related-Party Transactions, a "related party" is defined as:

- A person who has significant interest in the financial institution or the financial institution has significant interest in the person
- A Director or senior officer of the financial institution
- Close family members of the above
- An entity that is controlled by a person described above
- A person or class of persons who has been designated by the Bank of Mauritius as a related party.

Related-party transactions include intra-Group transactions, as well as the following transactions:

- Credit, non-fund-based commitments, such as documentary credits, guarantees on behalf of a related party, acquiring a loan made by a third party
- Placements made by the Bank with the related party
- Vendor agreements with related parties
- Consulting or professional service contracts with Directors and related parties
- Investment in equity of a related party

- Deposits placed by related parties with the Bank
- The acquisition, sale or lease of assets with related parties
- Any pecuniary relationship or other transactions or arrangements with a related party (including by way of service arrangements or contracts).

The Bank has policies and processes in place to avoid conflicts of interest when carrying out related-party transactions and to ensure that same are conducted at arm's length.

The Board of Directors has established approval authorities to approve related-party transactions in line with the Bank of Mauritius Guideline on Related-Party Transactions.

The Bank has established processes to report to the Board on a quarterly basis regarding services provided by related parties, as well as other arrangements and contracts involving related parties. The report includes:

- New services provided by related parties to the Bank
- The performance of the services provided by related parties as per the service level agreements.

All credit exposures to related parties are reported to the Board Credit Committee and the Board of Directors.

The top six related-party exposures at 31 December 2024 are outlined below:

Counterparty	Exposure USD	% of Tier 1 Capital
The Standard Bank of South Africa Ltd. Isle of Man Branch	275,330,566	138.75%
The Standard Bank of South Africa Ltd.	214,803,514	108.25%
Stanbic Bank Nigeria	10,361,007	5.22%
Industrial and Commercial Bank of China (ICBC), Beijing	191,630	0.10%
Stanbic Bank Kenya	48,598	0.02%
Stanbic Bank Uganda	1,120	—%
	500,736,435	

The Bank has exempt related-party exposures with members of the Standard Bank Group as part of interbank transactions.

A detailed analysis of related-party transactions is available in note 38.

CLIMATE-RELATED AND ENVIRONMENTAL FINANCIAL RISKS

This section provides information about how the Bank is managing the risks and responding to the opportunities presented by climate change, which is in line with the approach taken by Standard Bank Group (SBG). Climate-related disclosure is evolving, and at present, there is limited data regarding clients' exposures to climate risks and emissions generated from their operations. Therefore, comprehensive quantitative assessments across all portfolios are not possible. However, we are making progress and will continue to work towards enhancing our disclosures going forward.

The Bank is committed to ensuring that our business strategy is consistent with, and contributes to, society's needs and priorities. With that in mind, the Bank has in place a framework governing environmental and social risks that includes climate risks.

In April 2022, the Bank of Mauritius issued a Guideline on Climate-Related and Environmental Financial Risk Management. The objective of the guideline was to set out a prudent approach to climate-related and environmental financial risks and enhance the resilience of banks against these risks. Banks are required to embed sound governance and risk management frameworks to identify, assess, manage, and disclose the climate-related and environmental financial risks they face in relation to their activities.

The main requirements include:

- Governance – Board oversight of climate-related risks and opportunities. Management's role in assessing and managing climate-related risks and opportunities
- Strategy – To identify climate-related risks and opportunities over the short, medium, and long term on the Bank's strategy and financial planning
- Risk management – To develop processes for identifying, assessing, and managing climate-related risks
- Metrics and targets – To develop metrics to assess climate-related risks and opportunities in line with our strategy and risk management process
- Disclosures – Climate-related disclosures in financial statements.

The Bank has implemented the ESG framework and Climate Risk Policy in line with the Bank of Mauritius Guideline.

Strategy

The Bank, together with the Group, is committed to driving sustainable and inclusive economic growth and human development across Africa, and to ensuring that our business activities create net-positive social, economic, and environmental (SEE) impacts. By adopting SEE as a value driver, we have made it clear that we take a long-term view, and that every decision we make needs to be based on an assessment of the positive and negative impacts not only for the Bank, but for the societies in which we operate. We make conscious and deliberate trade-offs to ensure we generate a net-positive impact.

Our strategic value drivers

For our strategic value drivers, please refer to page 8 of the annual report.

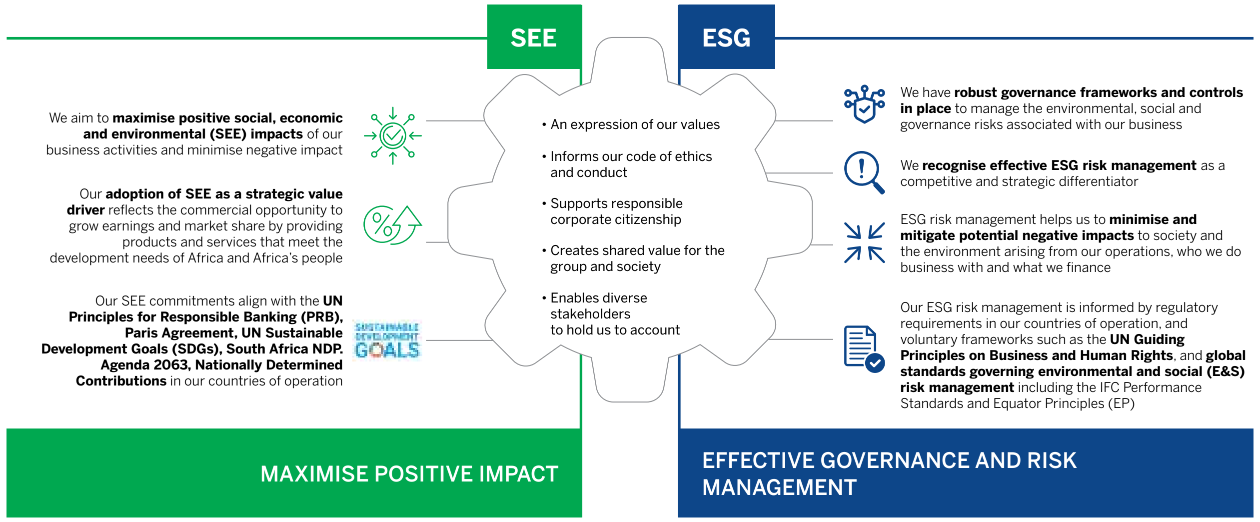
Climate risks identification and opportunities

Transition risk	
Policy risk Medium to long term	• Uncertain long-term demand for non-renewable energy sources, especially coal, owing to regulatory changes and associated risk of stranded assets • Financial risk stemming from loss in value of clients' assets and collateral resulting in increased risk of client default and the non-viability of their businesses • Increasing pressure and potential obligations to identify, measure and report emissions, including financed emissions.
Technology risk Short to medium term	• The risk that evolving technologies designed to meet the transition to a lower emissions and energy efficient future may render the business models of some of our customers uncompetitive, leading to reduced demand for their products and services.
Market risk Short to medium term	• Changing client expectations, as clients seek greener solutions and more transparency, impacting business opportunities • Changing investor expectations, pressure to reduce financed emissions and improve transparency, impacting access to capital.
Reputation risk Short term	• Arising from negative stakeholder sentiment and negative media coverage related to support of projects or activities with negative impacts on the climate, including oil- and gas-related infrastructure projects.

Physical risk	
Acute Short to medium term	• The potential for an increase in the frequency and intensity of extreme weather events driven by climate change poses a risk to our own operations and those of our customers • Increased likelihood of more severe wildfire events, exacerbated by drier conditions, poses risk for customers in a number of sectors, particularly agriculture and real estate, where operations, infrastructure and supply chains are vulnerable • Potential for more frequent and more intense flooding, expected in some regions, poses a significant asset destruction and earnings reduction risk to individuals and businesses in affected areas.
Chronic Medium to long term	• Changes in precipitation patterns, including declining mean precipitation in already-dry regions and extreme variability in weather patterns, presents risk for clients in the coal mining, coal-power, oil, and gas sectors, impacting production capacity, and for agriculture impacting viability of traditional crops in some areas • Rising mean temperatures impacting all sectors in terms of labour productivity and occupational health and safety, and potential risks to physical infrastructure • Rising sea levels, risk of inundation of coastal zones and deltas creates risk for clients in coastal and low-lying regions, particularly in the real estate sector • Risks for insurance business related to pricing changes, upward costs of claims, potential for reinsurer defaults, underestimation of exposures to higher-risk geographic regions.

Opportunities	
Products and services Short term	• Develop our offering of sustainable finance solutions, including use of proceeds and sustainability-linked instruments • Work with clients to support climate-smart and sustainable initiatives.
Client engagement Short to medium term	• Engage with a broad range of clients across the business on their climate transition plans and readiness.
Portfolio resilience Medium to long term	• Target to increase lending to green and transition assets and activities, with lending committed to non-renewable energy.
Emissions reduction for own operations Medium term	• Base our head office in energy efficient building (LED lighting, motion sensors, efficient heating, and air conditioning system across the building and, where possible, premises having capacity to produce electricity from solar panels) • Reduction in paper consumption through digitisation of paper-based processes • Efficient waste management and recycling.
Stakeholder engagement	• Continue to engage with the Bank of Mauritius and climate-risk experts from SBG to improve our understanding and reporting of climate-related financial risks and identifying opportunities to support a just transition.

We recognise that effective ESG risk management is crucial to minimise direct and indirect harm to the environment and society arising from our operations, who we do business with and what we finance, and how we balance Africa's need for affordable energy with climate considerations and the need for a just transition. We understand the harmful environmental impacts associated with the use of non-renewable energy, and the transition risk associated with doing business with companies in non-renewable energy industries. Our sustainability strategy is summarised below:



Climate Risk Policy

A Climate Risk Policy has been drafted and approved with this objective in mind, aligning with SBG's phased and progressive approach to understanding climate-risk exposures and setting appropriate targets to reduce exposure and maximise opportunity. The Bank has identified five sectors with elevated levels of climate risk or significant climate-related opportunities and has developed tailored risk management strategies for each. These sectors are:

- Energy Integrated
- Upstream Oil
- Hydrocarbon Infrastructure
- Coal Mining (Extractors)
- Non-Renewable Power Generation

Accordingly, the Bank has set a portfolio-level climate-risk appetite to responsibly manage our financed emissions. The following transaction-level credit appetites have also been set:

Gas: Continue to finance gas responsibly in the medium to long term as a transition fuel in Africa (from coal and oil).

Agriculture: There is no appetite for the following unsustainable form of agriculture:

- Deforestation of natural forests and indigenous trees, excluding de-bushing in farming blocks where grazing and cropping will have a positive impact
- Production or trade in wood and other non-indigenous forestry products other than from sustainably managed forests
- Unsustainable fishing methods.

Oil sector financing:

- No appetite for companies with unrestricted flaring for new assets. From existing clients with flaring, seek time-bound plans to eliminate flaring for existing assets
- No appetite for the extraction of tar sands or construction of associated export facilities, exploration and production of tight oil resources, and pipelines transporting a significant volume of tight oil and export terminals supplied by a significant volume of tight oil
- No appetite for new oil-fired power plant construction or expansion in the generating capacity of existing oil-fired power plants, except where such plants provide support services as part of integrated renewable energy power plants.

Coal mining financing:

- Only new coal mines when there is an overall positive environmental impact
- Restrictions to companies that derive more than 50% of their revenues from thermal coal mining activities
- No appetite for the construction of new coal-fired power plants, nor the expansion of existing coal-fired power plants.

Governance

Board oversight of climate-related risks and opportunities

The Board of Directors has oversight and is ultimately responsible for the approval and the implementation of the Climate Risk Policy and the Environmental and Social Risk Policy. The Board Credit Committee (BCC) is responsible for monitoring credit exposures to sectors identified as being vulnerable to climate risks. The Board Risk Management Committee (BRMC) monitors that exposures are within approved climate-risk appetites and reviews climate-risk stress testing results as part of our Internal Capital Adequacy Assessment Process (ICAAP). Committee chairs provide feedback to the Board of Directors through quarterly Board meetings.

The Board is regularly trained on ESG and Climate Risk to ensure they are well-equipped to exercise oversight.

The Board reviews and approves the Bank's ESG Framework, ESG Policy and Climate Risk Policy on a biennial basis.

Management oversight of climate-related risks and opportunities

ESG risk management, including climate risk management, is integrated into the Bank's existing enterprise risk management framework, and is overseen by the Bank's existing governance structure.

Staff involved in the management of climate risk and ESG are trained on a regular basis.

The following management committees are responsible for the implementation and oversight of the ESG risk management framework:

Non-Financial Risk Committee (NFRC)

The NFRC oversees 17 non-financial risk types, including ESG. The NFRC is responsible for monitoring ESG risks faced by the Bank and ensures the implementation of the ESG framework and policies. The NFRC provides quarterly reports to the Board Risk Management Committee on any material ESG issues.

Credit Risk Management Committee (CRMC)

CRMC ensures that the ESG policy is adhered to at credit origination and annual reviews and monitors the Bank's climate risk credit exposures against the approved risk appetite limit. Quarterly reports on the Bank's climate risk credit exposures are submitted to the Board Credit Committee.

Credit Committee

The Credit Committee is the senior management credit decision-making function with a defined delegated authority as determined by the Board of Directors through the Board Credit Committee. The Credit Committee is responsible for ensuring that ESG risks, including climate-related and environmental financial risks impacting our credit counterparties, are properly identified, and mitigated at the origination stage and upon annual reviews and that lending decisions are in line with the Bank's Environmental and Social Risk policies and risk appetite.

New Business Approval Committee (NBAC)

Before the credit process is invoked, all material lending proposals are reviewed by the NBAC, which is a business-led committee. NBAC ensures that appropriate ESG screening is conducted at both client and transaction levels to identify risks upfront. It also facilitates internal consultation within the Bank and engagement with the client to determine the best approach for managing and mitigating these risks. The NBAC is also responsible for ensuring that the Equator Principles are adhered to, where applicable, for project financing.

Assets and Liabilities Committee (ALCO)

The ALCO monitors the Bank's depositor concentration at a sector level. The liquidity risks arising from those depositors are managed as part of the normal liquidity risk processes in place at the Bank. ALCO monitors the Bank's risk profiling, including climate-risk appetites. ALCO reviews and recommends the Bank's stress-testing scenarios and results, including stress testing on climate-risk scenarios, to the BRMC.

Social, Economic and Environmental (SEE) Committee

The SEE Committee is mandated to operationalise the SEE value drivers and to maximise our positive SEE impact on society. Refer to the sustainability report.

Risk management

ESG risk management, including environmental issues and climate-related risks, is integrated into our enterprise risk management (ERM) framework.

The Bank is exposed to both transition and physical climate-related risks, primarily, but not limited to, client-related credit risk. Our lending exposure to clients associated with the non-renewable energy sector gives rise to client-related transition and stranded asset risks due to potential policy, legal, technology and market-related changes and costs associated with transitioning to a lower-carbon operating model. We recognise that these risks, in turn, could impact the creditworthiness of our customers and their ability to repay outstanding exposures. Our physical risk exposure extends across the lending portfolio in all sectors, varying in degree. It is dependent on the location of assets and businesses that we finance, and the vulnerability of those to physical hazards, accentuated by the acute and chronic effects of climate change, specific to those locations.

Our Environmental & Social Risk Management Standard

Environmental and social (E&S) risk refers to the threat of adverse impacts on society and the natural environment arising from our business activities. Such impacts may include, for example, the production of GHG emissions and associated impacts on climate change, waste production, resource depletion, or risks to community members' health, livelihoods, and cultural heritage. E&S risk creates potential credit risk, operational risk, business risk and reputational risk.

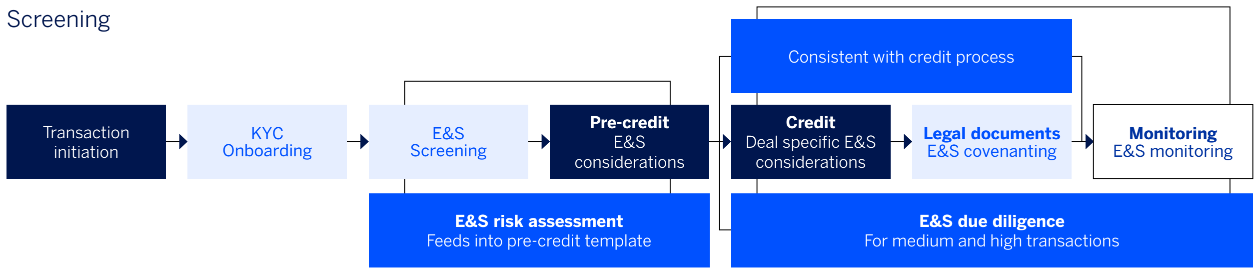
The E&S risk governance standard sets out the Bank's E&S risk management framework, which provides for the governance, identification, measurement, management, and reporting of E&S risks associated with the Bank's financing and investment activities. The standard is supported by the E&S risk policy, which details how the framework should be implemented. The standard and policy are supported by the Bank's human rights statement, our exceptions list, our climate policy, and related policies. Our E&S risk management processes are based on international good practice and align with the requirements of the Equator Principles, the IFC Performance Standards, and the Principles for Responsible Banking. The standard and policy have been revised to strengthen climate-related risk management across our operations.

Client engagement on E&S risk

- We assess the E&S performance of our clients before entering a transaction, investment, or business relationship with them
- We encourage our clients and partners to meet internationally accepted E&S standards and to develop action plans to close the gaps between these and their current E&S performance
- We work with our clients to manage their material ESG impacts and risks, improve their performance and guard against unforeseen risk
- We have implemented a checklist to facilitate discussions between our business teams and our clients to better identify the ESG issues faced by our clients and implement suitable mitigation plans. ESG training was provided to equip the frontline staff.

E&S screening

Screening



We apply E&S risk screening to all commercial transactions (project and non-project related). We use a Board-approved exceptions list and a digital E&S screening tool to provide an initial indication of possible environmental, social, financial, credit, reputational, regulatory, and operational risks associated with a client's ability to manage E&S issues and with the transaction itself. This determines whether or not to proceed with a transaction, or whether further assessment is required, as well as the level of E&S risk review required. Additionally, the climate-related financial impact on our counterparties is factored in as part of the credit assessment process.

E&S screening tool

We use our digital E&S screening tool to assess E&S risk for different risk categories of transactions. The screening process helps us to assess the extent to which E&S risks have been appropriately assessed, managed, and mitigated. This includes assessing the following issues, in accordance with the potential risks posed by the business relationship/transaction/project/sector:

- Workers' rights are protected; workers are treated fairly and provided with safe and healthy working conditions; vulnerable categories of workers, such as migrant workers, are protected
- Child labour, forced, and compulsory labour is prohibited
- Risks to communities, including health and safety, have been/will be assessed, avoided, or minimised to comply with human and ecological health thresholds
- Safeguarding of personnel and property will be carried out in accordance with relevant human rights principles and will avoid/minimise risks to affected communities
- Adverse impacts on communities and persons from land acquisition, restrictions on land use, displacement or forced eviction will be anticipated and avoided where possible. Where avoidance is not possible, impact will be minimised and livelihoods and standards of living of displaced persons improved or restored
- Cultural heritage is protected
- Potential adverse impacts on indigenous people are identified and avoided where possible. If unavoidable, engagement has taken/will take place with the impacted community and actions taken to minimise, restore and/or compensate for adverse impacts in a culturally appropriate manner commensurate with the nature and scale of such impacts
- Pollution from business and/or project activities is minimised
- Sustainable use of resources, including energy and water, is promoted and GHG emissions reduced
- Direct and indirect impacts on biodiversity and ecosystem services are identified and avoided or mitigated. Practices that integrate conservation needs and development priorities will be adopted to promote the sustainable management of living natural resources.

The tool rates the ESG risks related with the client and the specific transaction on a scale of High, Medium, and Low.

Risk	Impacts	Examples
High	Transactions with potential significant adverse E&S risks and/or impacts that are diverse, irreversible, or unprecedented.	Resettlement of people, critical habitat impact, cultural heritage impacts (often associated with extractives, linear, hydropower etc.). Client has negative press or has previous E&S transgressions, NGO campaigns, E&S fines, child/forced labour accusation etc.
Medium	Transactions with potential limited adverse E&S risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.	Extending project footprint, chemical manufacture, new projects in previously disturbed areas. Historical (past five years') negative press or E&S transgressions, NGO campaigns or fines etc.
Low	Transactions with minimal or no adverse E&S risks and/or impacts.	Expansion within existing footprint, refurbishment, upgrade of technology etc. No negative press, E&S transgressions, NGO campaigns, track record of good E&S management.

We undertake careful analysis of the relative benefits, risks and costs associated with managing these factors to identify the most appropriate course of action and optimal mitigation actions.

All new and existing lending is screened for compliance with national laws, international laws, established best practices and standards, aligned with the Group's requirements, including alignment with the exceptions list and relevant policies, including the E&S framework. Where applicable, we also apply the IFC Performance Standards and the Equator Principles. By embedding E&S risk assessment processes into lending practices at an early stage, we ensure E&S consideration and accountability in decision-making and monitoring.

E&S screening includes client and transactional risk:

- Client Risk Assessment (CRA): Risks associated with a client due to labour issues, negative media attention, NGO or activist focus, community issues or reputational risk to the Bank, and client's ability to manage E&S risks
- Transactional Risk Assessment (TRA): Risks associated with a transaction due to the sector, activities to be undertaken and nature of finance and risks associated with security over assets, for example, contamination of land.

Exception list

We have an exception list in place that specifies the type of activities for which the Bank will not provide banking or lending facilities. The exclusions include:

- Production or activities involving harmful or exploitative forms of forced labour or harmful child labour
- Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, including ozone depleting substances, polychlorinated biphenyls, and specific hazardous pharmaceuticals, pesticides and herbicides or chemicals; wildlife or products regulated under CITES; unsustainable fishing methods and commercial whaling; use of unbonded asbestos fibres; narcotic drugs
- Production or trade in radioactive materials, excluding uranium mining, medical equipment, quality control equipment or equipment where the radioactive source is understood to be trivial and/or adequately shielded
- Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations
- Production or trade in weapons or munitions, excluding hunting and sports equipment
- Production and distribution of racist and/or neo-Nazi media
- Illegal logging or purchase of illegally harvested timber
- Arctic oil and gas exploration and development
- Mountaintop removal
- Mining or trading of diamonds not certified under the Kimberley Process Certification Scheme.

High-risk sector guidelines

High-risk industries, sectors and jurisdictions that require additional due diligence before a transaction or investment may be approved include:

- Mining and metals: Prohibited lending as per exceptions list above, restrictions as per the Bank's policies, enhanced due diligence for uranium mining and where site decommissioning and remediation are not adequately addressed
- Oil and gas: Prohibited lending as per exceptions list above, enhanced due diligence for shale gas and shale oil, including hydraulic fracturing and transnational pipelines
- Power: Enhanced due diligence for transactions directly related to large dams; construction of new or upgrading existing nuclear power plants; transactions where site decommissioning and remediation and/or response for oil spills/gas leaks are not adequately addressed
- Infrastructure: Enhanced due diligence for linear infrastructure (roads, railway, electricity transmission lines, bulk water supply pipelines); transnational developments; ports, harbours, and ship-loading terminals
- Industrial: Enhanced due diligence for iron and steel foundries and smelters; petrochemical refineries and downstream industries; manufacture of hazardous materials; manufacture of toxic materials
- Agriculture, animal husbandry and fishing: Prohibitions as per exceptions list; enhanced due diligence for activities in high conservation value forests or primary tropical forests; commercial logging; activities relating to palm oil or soy production; excessive fertilisation/runoff.

Monitoring

First line is responsible for ongoing monitoring of their portfolios. Frequency and type of monitoring is determined by the type of transaction and the level of risk.

Escalation

- Significant E&S incidents are reported in line with the non-financial risk materiality matrix to ensure appropriate escalation. E&S incident reporting to the Bank is included as a condition in loan agreements with clients
- If clients are not compliant with E&S covenants, we work with them to close the gaps and achieve the necessary standards.

Management of climate-risk impact on liquidity risk

Climate-related and environmental financial risk may result in increased liquidity risks, such as reduced access to stable sources of funding due to changes in climate-risk policies and increased cash outflows by depositors impacted by climate-risk drivers. Our liquidity risk management is governed by our Liquidity Risk Management Policy and the Bank of Mauritius Guideline on Liquidity Risk Management. The Bank has started monitoring its depositor concentration at a sector level to respond to any sudden net cash outflows.

Climate risk appetite

The Bank has set a climate risk appetite limit on sectors identified as being exposed to climate risks. Adherence to the limit is monitored, reported and breaches are escalated as part of our existing risk appetite framework. The climate risk appetite is reviewed on an annual basis.

Scenario analysis and stress testing

Given the limited availability of forward-looking climate change data and stress testing models, we have started by stress testing our portfolio based on simplified climate risk scenarios as part of our ICAAP.

CORPORATE GOVERNANCE REPORT

Holding structure

Standard Bank Group Limited

Primary listing on the JSE Securities Exchange South Africa

Secondary listing on the Namibian Stock Exchange

Stanbic Africa Holdings Limited

Company incorporated in the United Kingdom

Standard Bank (Mauritius) Limited

Holder of:

- Banking Licence (from the Bank of Mauritius)
- Custodian Services Licence (from the Financial Services Commission)
- Investment Adviser (Corporate Finance Advisory) Licence (from the Financial Services Commission)

Our governance philosophy

Our governance philosophy is rooted in promoting strategic decision-making in a way that balances short-, medium- and long-term outcomes to reconcile the interests of the Bank, stakeholders and society in creating sustainable shared value. Our approach to governance extends beyond regulatory compliance. Instead, we believe that good governance creates shared value by underpinning responsive thinking, and protects shared value by ensuring responsible behaviour, effective leadership, robust risk management, clear performance management and greater transparency while deepening competitive advantage through enhanced accountability.

Standard Bank (Mauritius) Limited (the Bank) is directly held by Stanbic Africa Holdings Limited (SAHL), a company incorporated in the United Kingdom. The ultimate holding company is Standard Bank Group Limited. The Standard Bank Group is committed to applying local and international best practices in corporate governance and ensures that good governance is integrated across the Group's operations. The Group and its subsidiaries adhere to the principles of the Code of Corporate Practices and Conduct (King Code), while also ensuring adherence to the legal and regulatory requirements on corporate governance under the local jurisdiction.

The Bank operates within a clearly defined, Board-approved governance framework, which outlines mechanisms for the Bank to implement robust governance practices and provides clear direction for decision-making across all disciplines. The Bank's corporate governance framework empowers the Board to provide strategic oversight of the Bank's direction, financial goals, resource allocation and risk appetite, and to hold executive management accountable for the execution of these objectives. The Board also ensures that management embodies the governance culture established by the Board in alignment with the Bank's values through a comprehensive framework of principles and structures designed to create and protect stakeholder value.

The Board maintains overall responsibility and accountability for governance across the Bank and serves as the custodian of the Bank's corporate governance. Through its approved delegation of authority framework, the Board enables effective management of the Bank's operations while retaining oversight through clearly defined mandates, authorities, and regular reporting mechanisms.

The Board is also responsible for providing ethical and effective leadership to the Bank. It agrees on the Bank's strategic direction and approves the policy frameworks used to measure organisational performance. This is achieved through transparent reporting from management and active Board oversight.

The Bank, being a public interest entity, adheres to the principles set out by the National Code on Corporate Governance for Mauritius (2016) (the Code). To the best of the Board's knowledge, the Bank has complied with and applied the Code throughout the year ended 31 December 2024, and explained how these principles have been applied. The Bank also subscribes to and is fully compliant with the Bank of Mauritius Guideline on Corporate Governance (2017), demonstrating our commitment to the highest standards of corporate governance.

Board of Directors

The Board of Directors is set up in accordance with the Bank's constitution and in line with the provisions of the Mauritian Companies Act, the Mauritian Banking Act and any applicable law or binding regulatory provisions. The Board currently comprises ten Board members with a relevant and wide breadth of backgrounds and professional experience in the banking, financial, legal, accounting, IT and commercial sectors. The Bank maintains a unitary board structure with an optimal mix of executive Directors, non-executive Directors and independent Directors, ensuring effective oversight and objectivity in decision-making.

The Board recognises that innovation is fundamental to maintaining the Bank's competitive edge and client relevance. It maintains a dynamic approach to Board composition, regularly reviewing and adjusting its collective skillset to align with evolving client needs, technological advancement, and stakeholder expectations. The composition and size of the Board is considered effective and appropriate to meet the requirements of the business in terms of setting the direction of the Bank and monitoring management for the Bank to achieve its objectives. The Board has a sufficient breadth and depth of skills and capabilities, diversity of experience, as well as gender balance to provide the Bank with the appropriate direction and guidance to meet the expectations of its stakeholders.

As a wholly owned subsidiary of Standard Bank Group Limited operating in a highly regulated and dynamic financial services sector, the Bank ensures continuous professional development of its Directors through comprehensive training programmes delivered by internal specialists, Group experts, and external consultants. New Directors undergo a thorough induction programme covering their legal and fiduciary responsibilities. All Directors maintain a clear understanding of their duty to exercise the degree of care, skill, and diligence expected of a prudent and competent Director.

The Bank is predominantly regulated by the Bank of Mauritius, and operates in accordance with its guidelines, instructions and directives. The Bank of Mauritius Guideline on Corporate Governance encourages subsidiaries of foreign banks to have at least one independent Director on the Board. As at 31 December 2024, the Bank has four independent Directors serving on the Board: Mr Sanjeev Manrakhan, Mrs Sheila Ujoodha, Mr Devalingum Naiken Gopalla and Mrs Laurence Do Rego. Having completed six years of service as an independent director, the status of Mr Arvind Hari changed to non-executive Director of Standard Bank (Mauritius) Limited as from 11 October 2024. The strong presence of independent and non-executive Directors continues to ensure robust debate and constructive challenge to management decisions.

The Board is committed to achieving high standards of corporate governance through transparency, accountability, good performance, effective controls, integrity and a sound ethical culture across all its dealings. Board members are bound by the Code of Ethics and fiduciary duties owed to the Bank. The Board is responsible for providing ethical and effective leadership towards the achievement of the Bank's strategy. It agrees on the strategic direction and approves the policy framework used to measure organisational performance. This is achieved by ensuring transparent reporting by management and active Board oversight. By so doing, the Board continuously analyses the Bank's operations and its environment in which it operates to ensure that the Bank meets all legal and regulatory requirements. The Chief Executive and Executive Team deliver against agreed performance targets aligned with the Bank's strategy, and in the best interests of the Bank and its stakeholders. Management is open and transparent in its engagements with the Board and escalates material matters requiring the Board's consideration in a timely manner. Ad hoc special Board meetings are convened, as and when needed.

The Board is committed to acting in the best interests of the Bank, in good faith, while avoiding conflicts of interest. The Board has established robust governance practices that require the Board to review and approve, at least on a yearly basis, the mandates of the Board and its sub-committees. The mandates of the Board and its sub-committees were reviewed at the Board of Directors' meeting held in November 2024. The Board maintains oversight of key governance documents including the Bank's Code of Ethics, senior governance position descriptions, organisational structure, and Executive Management accountability statements, all of which are publicly available on the Bank's website.

The Board has the ultimate responsibility for the affairs of the Bank:

- Link between the Bank and its Shareholder
- Decision-makers responsible for setting and monitoring the strategic direction and key policies
- Responsible for governance
- The Chairman of the Board is the spokesperson for the Board
- The Chief Executive is the spokesperson for the Bank
- Empowering Executive Management to take actions to drive the Bank towards achieving the set strategies
- Approving the Bank's corporate plan, encompassing short- and long-term business objectives, the strategy, together with appropriate policies to execute the strategy, including those relating to risk management, financial, capital adequacy, liquidity, compliance, operational and risk appetite, among others
- Responsible for the appointment and monitoring of senior management while assessing the performance of senior management in delivering and achieving corporate objectives
- Responsible for the appointment of the Chief Executive and other senior officers
- Ultimately accountable to the Shareholder.

Composition

The Bank recognises that a balanced Board is vital for sustainable value creation. The Bank has a unitary board, which is considered effective and appropriate for the size of the Bank.

On 27 January 2025, the Bank appointed Mrs Laurence Do Rego as Independent Director on its Board.

On 13 February 2025, the Bank appointed Mr Ademola Sogunle as non-executive Director on its Board.

The Board, to date, comprises ten Directors, including two executive Directors, four non-executive Directors and four independent Directors.

The Board believes that its composition is both qualitatively and quantitatively balanced in terms of skills, gender, nationalities, experience and tenure. The Directors have deep experience and diverse skills, which collectively ensure that the Board operates effectively to protect and create value in the design and delivery of the Bank's strategy, and in the execution of its duties. They have the necessary competence to discharge their duties and to provide strategic direction and control of the Bank in accordance with the Board mandate and the constitution of the Bank. There is a clear division of responsibilities, ensuring that no one Director has unfettered powers in the decision-making process, while ensuring that there is an appropriate balance of power.

The collective background of the Board members provides for a balanced mix of attributes and skills that enables the Board to fulfil its duties and responsibilities. The composition of the Board and its committees is regularly reviewed to ensure that the balance and mix of diversity is preserved and that the Board maintains its effectiveness and efficiency at all times.

Board of Directors	Mr Arvind HARI (Chairman)
	Mr Francois GAMET (Chief Executive)
	Mrs Michele AH SEE (Chief Risk Officer)
	Mr Roderick Terner Forbes POOLE
	Mr Sanjeev MANRAKHAN
	Mr Helmut ENGELBRECHT
	Mrs Sheila UJOODHA
	Mr Devalingum Naiken GOPALLA
	Mrs Laurence DO REGO
	Mr Ademola SOGUNLE

Changes to the Board's composition during 2024 and 2025:

- On 26 January 2024, Mr Devalingum Naiken Gopalla was appointed by the Bank as an independent Director.
- On 20 March 2024, at the annual meeting, Clive Tasker and Stephen Scali retired as non-executive Directors following nine years of tenure.
- On 11 October 2024, following completion of his six-year tenure as an independent Director, Mr Arvind Hari's status changed to non-executive Director.
- On 27 January 2025, Mrs Laurence Do Rego was appointed by the Bank as independent Director.
- On 13 February 2025, Mr Ademola Sogunle was appointed by the Bank as non-executive Director.

Chairman and Chief Executive

The role of the Chairman is separate from that of the Chief Executive, with a clear division of responsibilities. Care is taken to ensure that no single Director has unfettered powers in the decision-making process. While the Chairman and Chief Executive are collectively responsible for the leadership of the Bank and for promoting the highest standards of integrity and probity, these roles are carried out by two different people. Each plays a distinctive role but complements the other to ensure that there is a balance of power and authority.

Chairman

The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company.

Role of the Chairman:

- Sets the ethical tone for the Board and Bank
- Builds and maintains stakeholder trust and confidence
- Provides leadership and governance of the Board to create the conditions for the effectiveness of the overall Board and each individual Director
- Ensures that all key and appropriate issues are discussed by the Board in a timely manner
- Ensures that all members of the Board are provided with timely, adequate and accurate information
- Ensures that the strategies and policies adopted by the Board are effectively implemented by the Chief Executive and management
- Conveys feedback in a balanced and accurate manner between the Board and the Chief Executive
- Monitors the effectiveness of the Board and assesses the individual performance of Directors.

Chief Executive

The Chief Executive is the face of the Bank and engages with material stakeholders, including clients, regulators and employees on an ongoing basis.

Role of the Chief Executive:

- Shoulders the responsibility for the execution of the day-to-day running of the Bank's affairs
- Develops the Bank's strategy and long-term plans for consideration and approval by the Board
- Runs the daily business supported by the Executive Committee, which he chairs
- Establishes an organisational structure for the Bank that is appropriate for the execution of the strategy
- Appoints and ensures proper succession planning of the executive team, and assesses their performance
- Reports to the Board on the performance of the Bank in line with the approved risk appetite, and its compliance with applicable laws and corporate governance principles
- Sets the tone for ethical leadership, creating an ethical environment and ensuring a culture that is based on the Bank's values.

BOARD OF DIRECTORS

Executive Directors

The executive Directors are members of the Board and in full-time employment with the Bank. The executive Directors during 2024 included:

Francois GAMET

PERSONAL PROFILE
- Aged 55
- Holder of a Master's Degree in Management/ Finance from Sup de Co Amiens Grande Ecole, France
- Executive Management Programme from INSEAD, France and Singapore

CURRENT
- Appointed as executive Director in September 2021
- Chief Executive of Standard Bank (Mauritius) Limited and Head: Corporate and Investment Banking
- Member of the Board Risk Management Committee, Board Credit Committee, Board Related-Party Transactions Committee and Board Technology and Information Committee.

PREVIOUS
- Joined Standard Bank Group in 2004
- Occupied various key positions, including serving as Chief Executive Officer of Standard Advisory (China) Limited from August 2015 to August 2021 and Head of Asia, Standard Bank Group
- Former Head of West Africa and Mauritius Corporate and Investment Banking, Standard Bank Group, from 2012 to 2015
- Former Standard Bank Group Representative and Investment Banking Consultant, Russia, from 2011 to 2012
- Former Head of Corporate and Investment Banking, Standard Bank Russia, from 2008 to 2011
- Former Global Head Power and Infrastructure at Standard Bank Group, UK, from 2007 to 2008
- Former Director Energy Finance at Standard Bank Plc., UK, from 2004 to 2007.

Ordinarily Resident in Mauritius

COMMITTEE MEMBERSHIP

Michele AH SEE

PERSONAL PROFILE
- Aged 58
- Holder of an MA (Ord) in Accountancy and Economics from the University of Aberdeen (Scotland)
- Member of the Institute of Chartered Accountants of England and Wales

CURRENT
- Joined Standard Bank (Mauritius) Limited in February 2009
- Occupies the post of Chief Risk Officer in the Bank
- Appointed as executive Director in February 2014
- Member of the Board Related-Party Transaction Committee.

PREVIOUS
- Served as Acting Chief Executive from December 2020 to September 2021, pending the appointment of a new Chief Executive
- Worked 10 years at the State Bank of Mauritius. Headed the Value Management Office, the Credit Underwriting Division and the Corporate Banking Division
- Worked for Somers Baker in the UK and PricewaterhouseCoopers Mauritius in Audit.

Ordinarily Resident in Mauritius

COMMITTEE MEMBERSHIP

COMMITTEE MEMBERSHIPS Executive Directors Non-executive Directors Independent Directors

Non-executive Directors

The non-executive Directors during 2024 included:

Arvind HARI

PERSONAL PROFILE
- Aged 64
- Holder of a Bachelor in Commerce and Bachelor of Accountancy from the University of Witwatersrand
- Holder of a Master of Commerce from the University of Pretoria
- Member of the South African Institute of Chartered Accountants and the Mauritius Institute of Directors.

CURRENT
- Appointed as independent Director in October 2018. Following completion of his six-year tenure as an independent Director in 2024, Mr Arvind Hari's status changed to non-executive Director on the Board
- Appointed as Chairman of the Board of Directors of Standard Bank (Mauritius) Limited in October 2021
- Member of the Board Nomination and Remuneration Committee.

PREVIOUS
- Served as Partner at KPMG Inc. in South Africa for 21 years
- Served as Member of KPMG's Policy Board for 11 years
- Former Partner in Charge of the IT Audit and Advisory Business Unit of KPMG
- Former Executive Partner responsible for KPMG's Finances, Executive Remuneration, People (Human Resources) and internal IT unit.

Ordinarily Resident in Mauritius

COMMITTEE MEMBERSHIP

Roderick Terner Forbes POOLE

PERSONAL PROFILE
- Aged 63
- Holder of a Bachelor of Commerce from the University of South Africa.

CURRENT
- Appointed as non-executive Director in November 2016
- Chairman of the Board Nomination and Remuneration Committee
- Member of the Board Technology and Information Committee, Board Audit Committee and Board Credit Committee.

PREVIOUS
- Occupied various key positions in Finance, IT and HR within the Standard Bank Group from 1984 to 1991
- Former Head: Human Resources CIB Standard Bank Plc, London in 2007
- Former Head: Human Resources CIB, Standard Bank of South Africa in 2008
- Former Head: Human Capital, Marketing and Communications CIB Standard Bank of South Africa from 2012 to 2014
- Former Chief of Staff, CIB until November 2016
- Former Chief: Change and Business Transformation Officer of the Standard Bank Group until his retirement in February 2022.

COMMITTEE MEMBERSHIP

Non-executive Directors

Helmut ENGELBRECHT

PERSONAL PROFILE

- Aged 58
- Qualified as a South African Chartered Accountant in 1991
- Holder of an LLB from Rand Afrikaans University, South Africa
- Holder of a B.Com Accounting (Hons) from Rand Afrikaans University, South Africa
- Completed an executive education course in Advanced Strategic Management from IMD Business School, Switzerland.

CURRENT

- Appointed as non-executive Director in January 2022
- Chairman of the Board Related-Party Transactions Committee
- Member of the Board Nomination and Remuneration Committee
- Currently Regional Chief Executive Officer Africa Regions of the Standard Bank Group.

PREVIOUS

- Joined Standard Bank of South Africa Limited in November 1999
- Held various key positions within the Standard Bank Group in product teams (mostly Investment Banking)
- Former Head of Acquisition Finance of the Standard Bank Group from 2004 to 2008
- Former Head of Investment Banking Africa Regions (Rest of Africa) of Standard Bank Group between 2008 to 2014
- Former Head of Investment Banking Africa (Africa Regions and South Africa) of the Standard Bank Group between 2014 to 2015
- Former Head of Client Coverage Africa Regions of the Standard Bank Group between 2015 to 2021

COMMITTEE MEMBERSHIP

Ademola SOGUNLE

PERSONAL PROFILE

- Aged 60
- Advanced Management Program (AMP) from Harvard Business School, USA.
- Treasury Dealership Certificate, CIBN & FMDA
- PhD in Land Resource Evaluation and Management from University of Ibadan, Nigeria
- MBA in Banking and Finance from ESUT Business School, Lagos
- M.Sc. Agronomy (with Distinction), University of Ibadan, Ibadan
- BSc Agriculture (First Class Honours) from University of Ibadan

CURRENT

- Appointed as non-executive Director in February 2025.

PREVIOUS

- Chief Executive, Stanbic IBTC Holdings PLC (July 2020 to October 2024)
- Chief Executive, Stanbic IBTC Bank (January 2017 to June 2020)
- Deputy Chief Executive, Stanbic IBTC Bank PLC (December 2015 to January 2017)
- Chief Executive, Stanbic IBTC Pension Managers Limited (August 2011 to December 2015)
- Head, Group Risk and Chief Compliance Officer (2007 to 2011)
- Interim Head of Market Risk – Stanbic IBTC Bank PLC, Lagos (2008 to 2010)
- Head, Treasury and Financial Services at IBTC Chartered Bank Plc (2000 to 2007)
- Manager, Treasury & Financial Services – Investment Banking & Trust Co Ltd (1993 to 2000)

COMMITTEE MEMBERSHIP

Independent Directors

Sanjeev MANRAKHAN

PERSONAL PROFILE

- Aged 54
- Holder of an MBA in Information strategy from l'Ecole des Hautes Études Commerciale (EDHEC) in Nice, France
- Holder of a Post Graduate Certificate in Télécommunications from BailBrook College in Bristol, United Kingdom
- Holder of a Bachelor of Business Science (BBusSc) degree in Services Marketing with sub-majors in Statistics and Economics from the University of Cape-Town (UCT), South Africa
- Skilled in Business Analysis and Planning, Information and Financial Technologies, and Digital Transformation (Industrial Internet of Things, Big Data and Machine Learning Essentials).

CURRENT

- Appointed as independent Director in April 2020
- Chairman of the Board Technology and Information Committee
- Member of the Board Risk Management Committee, Board Credit Committee and Board Audit Committee.

PREVIOUS

- Held various positions such as Head of Marketing and International Roaming with Mauritius Telecom (Cellular Division), Consultant to the GM of France Télécom (Mexico), Regional Director of Central, Eastern and Southern Africa with Gemalto (Telecom, Banking and ID), Advisor to the Chairman of Bharti-Airtel and Senior Advisor to the President of Huawei SSA (Networks) during the last 20 years
- Turned serial entrepreneur with a successful run in the technology and financial services industry with startups such as InfoSystems (IT), NanoBNK (Fintech) and DigiConsult (Proptech).

Ordinarily Resident in Mauritius

COMMITTEE MEMBERSHIP

Sheila UJOODHA

PERSONAL PROFILE

- Aged 54
- Holder of a Bachelor of Science in Accounting from the University of Mauritius
- Fellow Member of the Association of Chartered Certified Accountants
- Member of the Institute of Internal Auditors (UK), Mauritius Institute of Professional Accountants and Mauritius Institute of Directors.

CURRENT

- Appointed as independent Director in January 2023
- Chairman of the Board Audit Committee and the Board Risk Management Committee
- Member of the Board Technology and Information Committee and Board Nomination and Remuneration Committee
- Currently Chief Executive Officer of the Mauritius Institute of Directors.

PREVIOUS

- Former Managing Director of SmarTree Consulting Ltd
- Former Chief Risk and Audit Executive of CIM Group.

Ordinarily Resident in Mauritius

COMMITTEE MEMBERSHIP

Independent Directors

Devalingum NAIKEN GOPALLA

PERSONAL PROFILE
- Aged 46
- Barrister at Law admitted in England and Wales and Mauritius
- Holder of an LLM from Kings College, University of London
- Holder of an LLB from the University of Wolverhampton
- Member of Honourable Society of Gray's Inn, New York State Bar Association and Mauritius Bar Association.

CURRENT
- Appointed as independent Director in January 2024
- Chairman of the Board Credit Committee
- Member of the Board Risk Management Committee and Board Audit Committee
- Currently Partner at Dentons Mauritius.

PREVIOUS
- Former Head of Legal of Investec Bank Mauritius
- Former Director of Eastern and Southern African Trade Development Bank (Kenya)
- Former Head of Legal of Accenture Mauritius

Ordinarily Resident in Mauritius

COMMITTEE MEMBERSHIP

Laurence DO REGO

PERSONAL PROFILE
- Aged 60
- Over 20 years experience in Banking, Finance
- Master (DSCG) from Academie de Nantes, France
- Certified account US and French GAAP from Stragrefi, France
- Chartered Accountant (mémorialiste) from Paris
- Postgraduate Diploma in Accounting and Finance (DESCF), Universite de Valenciennes, France
- 1st Degree in Accounting (DUT), Universite de Valenciennes, France

CURRENT
- Appointed as Independent Director in January 2025
- Independent Director on multiple boards:
- FAGACE (Chairperson of Audit Committee)
- Baobab (Burkina)
- Baobab (Côte d'Ivoire)
- KDB Fintech Limited (UK)
- UIAfrica (Belgium).

PREVIOUS
- Group Executive – Chief Regulatory and Compliance Officer at Ecobank Group (2019 to 2020)
- Group Executive – Senior Advisor to the Group CEO (2018 to 2019)
- Group Executive – Commercial Bank (2016 to 2018)
- Group Executive Director, Finance (2014 to 2016)
- Group Executive Director, Finance and Risk (2010 to 2014)
- Group Chief Financial Officer (2005 to 2009)
- Financial Controller (2003 to 2005)
- Country Chief Financial Officer - Ecobank Benin (2002 to 2003)

COMMITTEE MEMBERSHIP

Appointment of Directors

The Board is responsible for the oversight of succession planning, the nomination process and the short listing of candidates. The Board has a formal and transparent process in place for the appointment of Directors. Apart from a candidate's skills, experience, availability and likely fit, the Board also considers the candidate's demonstrated integrity and proven leadership, as well as other directorships and commitments to ensure that they will have sufficient time to discharge their role effectively. Due diligence is conducted on the candidates, following which the Board considers and discusses the results thereof. The candidates are also required to satisfactorily meet the fit and proper test, as required by the Mauritian Banking Act. This robust appointment process was followed for the following appointments:

- Mr Devalingum Naiken Gopalla as independent Director (January 2024)
- Dr Ademola Sogunle as non-executive Director (February 2025)
- Mrs Laurence Do Rego as independent Director (January 2025).

The Board Nomination and Remuneration Committee assists the Board in fulfilling these duties. Additionally, the Directors' Affairs Committee, a Committee set up at the parent level of the Bank, reviews the recommendations for the appointment of the candidates. This Committee considers the current Board's skills matrix, a candidate's skills, experience, availability, possible conflicts of interest and likely fit, as well as demonstrated integrity, proven leadership and other time commitments. The salient terms and conditions of the appointment of independent and non-executive Directors are available on the Bank's website.

As per the Bank's constitution, each Director is required to retire annually from office and, if available and eligible, to stand for re-election at the annual meeting upon recommendation by the Board. Where the Board believes that a Director is not discharging his/her duties and responsibilities to its satisfaction, it may consider the removal of the Director. Once a decision is taken, the Board, through the Chairman, shall recommend the removal of the Director to the Shareholder or shall not recommend the Director for re-election at the annual meeting, as the case may be.

The Chairman provides feedback on each individual Director to the Shareholder at each annual meeting, prior to the re-election of the Directors. At the 2024 annual meeting, the Chairman provided feedback on each individual Director to the Shareholder on whether the Director's performance continued to be effective, following which all Directors who presented themselves for re-election were re-elected.

The Board believes that Board succession planning is key for an organisation to continue meeting the challenges of a constantly changing business environment. To that effect, in August 2024, the Board Nomination and Remuneration Committee reviewed and recommended the 2024 methodology and key principles for the Board's succession plan to the Board. The key principles approved were as follows:

- Board composition to contain a mix of independent Directors and non-executive Directors, gender balance and locally-based directors
- Maximum tenure of office for independent Directors and non-executive Directors
- Review of skills set, expertise and experience of Board members on an annual basis.

Director

- Bank's constitution provides for annual re-election of all directors
- After six years of tenure, a director no longer qualifies as an independent director
- Non-executive director or independent director may serve on the board for a maximum of 9 years, subject to re-election and continued satisfactory performance
- Directors' remuneration is recommended by the Board to the shareholder for approval
- Independent directors and qualifying non-executive directors receive fixed fees for service on Board and Board committees
- Appointed by the shareholder at the annual meeting held in March every year

Directors' induction and ongoing training

Newly appointed Directors are provided with the Bank's governance manual, which contains all relevant governance information, including the Bank's founding documents, mandates, governance structures, significant reports, relevant legislation and policies. One-on-one meetings are organised with executive heads of various departments, during which the Director is introduced to the Bank and its operations. Site visits are also scheduled at the Bank's premises and its disaster recovery sites. Meetings may also be scheduled with key executives at Group level. The induction programme is tailored to each new Director's specific requirements.

Dates for training are scheduled in advance and form part of the Board-approved annual calendar. Directors are kept abreast of applicable legislations and regulations, changes to rules, standards and codes, as well as relevant sector developments that could affect the Bank and its operations.

Topics considered in 2024 included:

- Cyber Risk
- Subsidiary Governance Framework
- Introduction to Large Language Models and Generative AI
- SBG Sustainability Update

The above trainings were delivered by the Standard Bank Group's trainers.

Additionally, an online learning platform has been made available to the non-executive and independent Directors, enabling them to undertake and complete trainings on:

- Anti-money laundering and combating the financing of terrorism
- Anti-bribery and corruption
- Business, personal and client conduct.

Assessing the Board's effectiveness

The annual Board evaluation provides an opportunity to consider views from all members, identify development areas, maximise strengths and explore ways to increase efficiencies for the Board to continuously improve its performance. The Chairman, with the support of the Company Secretary, leads the Board in considering and responding to the review of its effectiveness, which also includes a review of its sub-committees and an assessment of the contribution of individual Directors through peer reviews. The performance evaluation of the Chairman is carried out by the Board, led by a non-executive or independent Director. All training needs are also identified, and the Company Secretary facilitates such trainings during the course of the year.

The Board Nomination and Remuneration Committee also provides feedback to the Board on the contribution of the individual Directors towards the achievement of the Bank's corporate objectives, as well as on the regularity of their attendance at the Board and Board sub-committee meetings. The Board thereafter recommends the re-election of Directors retiring by rotation to the Shareholder at annual meetings.

For 2024, the Board evaluation was conducted internally using Qualtrics, an online board evaluation tool, under the supervision of the Company Secretary and with oversight from the Board Chairman. The comprehensive evaluation process commenced in August 2024, with Directors completing the assessment through a secure online platform accessible via computer or mobile device.

The Board effectiveness review assessed the following key components:

- Board of Directors evaluation
- Board Committee evaluations covering:
  - Audit Committee
  - Risk Management Committee
  - Credit Committee
  - Technology and Information Committee
  - Nomination and Remuneration Committee
  - Peer Evaluation.

The evaluation process was designed to enable the Board to assess its performance, maximise current strengths, and address any potential areas for improvement. The assessment was structured to ensure continuous delivery of the highest governance standards. Directors were required to complete the evaluation by 7th October 2024, allowing sufficient time for comprehensive analysis and feedback.

The results of the evaluation have been analysed and presented to the Board. One-on-one meetings were scheduled in November 2024 between the Board Chairperson and each Director to discuss the peer review results. These individual sessions provided an opportunity for constructive dialogue on personal contributions and areas for development, ensuring continuous improvement in Board effectiveness.

Remuneration of Directors

Effective governance is essential to ensure that the remuneration process is fair and supports the Bank's strategy.

The Board Nomination and Remuneration Committee is mandated by the Board to review the remuneration of the Chairman and the independent and non-executive Directors on an annual basis. Additionally, the Group Directors' Affairs Committee, set up at Group level, provides guidance to the Board Nomination and Remuneration Committee and the Board to ensure that Directors' remuneration (including Directors' fees) promotes the long-term success of the Group and adheres to best practices in determining any Director's remuneration, including an annual review and benchmarking against local peers, in accordance with the subsidiary governance framework and principles of the Standard Bank Group.

Proposed fees are based on a carefully considered assessment of the Directors' responsibility, including the significant amount of work involved at committee level. The Board, and particularly its committees, Chairs and committee members, spend a significant amount of time carrying out in-depth analyses of matters relevant to the Bank's performance and regulatory requirements. Once the proposed fees are considered by the Group Director's Affairs Committee and the Board, a recommendation for approval is made to the Shareholder by the Board at each annual meeting.

Eligible non-executive and independent Directors receive a Director's fee for their service on Boards and Board committees, payable on a quarterly basis. They do not receive annual incentive awards, nor do they participate in any of the Bank's or Group's long-term incentive schemes. For the remuneration of the executive Directors, please refer to the statement of remuneration philosophy on page 98.

Company Secretary

Directors have access to the services of the Company Secretary. The current incumbent in the role of Company Secretary is Mrs Reshmee Kistnamah. The main duties of the Company Secretary are as per below:

Company Secretary

- Ensures the Board remains cognisant of its duties and responsibilities
- Facilitates evaluation of Board and committee effectiveness
- Provides guidance to the Board
- Monitors compliance with regulations and inform Board of relevant changes in legislations and governance best practices
- Training of directors
- Oversees the induction of new directors
- Ensures good information flows within the Board and its committees and between senior management and non-executive/ independent directors.

Board composition 2024

Board									
Arvind HARI (Chairman)	Sanjeev MANRAKHAN	Sheila UJOODHA	Roderick POOLE	Ademola SOGUNLE	Laurence DO REGO	Dev Naiken GOPALLA	Helmut ENGELBRECHT	Michele AH SEE	Francois GAMET

Legends Executive Director | Non-Executive Director | Independent Director

- On 26 January 2024, Mr Devalingum Naiken Gopalla was appointed by the Bank as an independent Director
- On 20 March 2024, at the annual meeting, Clive Tasker and Stephen Scali retired as non-executive Directors following nine years of tenure.
- On 11 October 2024, following completion of his six-year tenure as an independent Director, Mr Arvind Hari's status changed to non-executive Director
- On 27 January 2025, Mrs Laurence Do Rego was appointed by the Bank as Independent Director
- On 13 February 2025, Mr Ademola Sogunle was appointed by the Bank as non-executive Director.

Role and duties of the Board

The Board has ultimate responsibility for the affairs and safety and soundness of the Bank. It oversees the Bank's business strategy, internal organisation and governance structure, its risk management and compliance practices, and key personnel decisions. The Board provides ethical and effective leadership towards the achievement of the Bank's strategy while ensuring sustainable value creation through balancing the interests of the Bank, its stakeholders, and society.

The Board operates through a clearly defined, Board-approved governance framework that provides mechanisms for implementing robust governance practices and clear direction for decision-making. There is a clear demarcation of responsibilities and obligations between the Board and management, with the Board maintaining independence from management while ensuring effective accountability of the executive team.

To effectively discharge its duties, the Board has established various committees with clearly defined mandates:

- Board Audit Committee
- Board Risk Management Committee
- Board Credit Committee
- Board Technology and Information Committee
- Board Nomination and Remuneration Committee
- Board Related-Party Transactions Committee.

Each committee operates under Board-approved terms of reference, which are reviewed annually. In determining the composition of committees, the Board ensures that members have the necessary skills, experience, and knowledge to fulfil their responsibilities effectively. Committee Chairpersons are accountable for the effective functioning of their committees. They provide verbal updates to the Board of Directors on committee activities at each quarterly Board meeting, and highlight significant matters discussed at the committees that require attention and consideration. The minutes of meetings are also included in the Board packs for noting.

The Board reviews and approves their terms of reference on an annual basis. To this end, at its meeting held on 6 November 2024, the Board reviewed and approved its mandate and those of its sub-committees.

Summary of key terms of reference of the Board of Directors

Strategy	• Map out the Bank's goals and plans for achieving those goals • Ensure that any action is aligned with the Bank's values, performance and sustainability • Continuously monitor financial performance • Ensure that an adequate budget and planning process is in place.
Corporate governance	• Ensure that sound corporate governance practices are implemented within the Bank • Assess achievements against set objectives on an annual basis • Delegate power, authorities and discretions to the Chief Executive and sub-committees for an efficient decision-making process • Propose the remuneration of independent and non-executive Directors to the Shareholder for approval • Recommend external auditor's fees to the Shareholder for approval following recommendations from the Board Audit Committee • Review matters such as the Code of Ethics, as well as environmental and social issues • Ensure the approval of the Bank's Code of Ethics by the Board and its adherence to the highest set of standards for responsible business practices.
Board members' appointment, and overall effectiveness and evaluation of the Board	• Conducts a fit and proper assessment before recommending the appointment of Directors to the Shareholder • Approve the appointment of the Chairperson and membership of all Board committees on an annual basis • Assume the responsibilities for succession planning and for the appointment and induction of new Directors to the Board • Ongoing Board education to ensure that Directors are kept abreast of all applicable legislations and regulations, changes to rules, standards and codes, as well as relevant sector developments that could affect the Bank and its operations • Undergo an annual assessment of the Board's performance against set objectives to review and further its effectiveness.
Risk and compliance	• Ensure proper and effective compliance, and implementation of risk management policies and procedures • Implement policies and procedures to identify conflict of interest situations and steps to redress such situations.
Dividend policy, finance and capital funding	• Prepare accounts that fairly present the state of affairs of the organisation and that comply with international reporting standards • Ensure that policies and systems in place help to achieve a prudential balance between risks and returns to the Shareholder • Approve dividend payments to the Shareholder • Consider and approve capital expenditure recommended by the Executive Committee • Ensure an adequate budget and planning process is in place, and that performance is measured against budgets and plans.
Access to information and resources	• Regular interaction between the Board and executive management • Directors have free and unrestricted access to the management team and to the Bank's information • Directors are provided with the services of external legal advisors when required.

Priorities for the year ahead

- Implement Board succession plans
- Consider the impact of regulatory changes
- Measure progress against strategic objectives
- Continue to monitor the Bank's operational and financial performance.

Summary of key terms of reference

Board Audit Committee

Board Audit Committee

- **Sheila UJOODHA** Chairperson
- **Sanjeev MANRAKHAN**
- **Dev Naiken GOPALLA**
- **Rod POOLE**

The Board Audit Committee assists the Board in honouring its responsibilities for monitoring the quality of the Bank's financial statements. It reviews the accounting policies, financial reporting and regulatory compliance practices, as well as the Bank's systems and standards of internal controls, and monitors processes for internal audit and external audit.

Summary of key terms of reference

- Review interim and audited annual financial statements and other financial information required to be submitted to the Shareholder
- Consider reports by the Executive Management on measures implemented to ensure compliance with the statutes, internal policies and procedures and controls, including accounting systems and record keeping controls, information systems and technology controls, internal audit processing, management information systems and reports applied to the day-to-day management of the business and review
- Review the basis on which the Bank has been determined 'a going concern' and make recommendations to the Board
- Recommend the appointment of external auditors and the terms of reference to the Board
- Evaluate reports produced by the internal audit department of the Bank detailing the adequacy and overall effectiveness of the Bank's internal audit function
- Consider reports from the external auditors
- Review the Bank's compliance plan, with specific reference to the procedures for identifying regulatory risks and controlling their impact on the Bank, as well as ensuring that the Bank's policy complies with relevant regulatory and legal requirements
- Review complaints handling and complaints reporting procedures.

Audit process

With a view to ensuring the overall adequacy of the Bank's internal control framework, the Audit Committee evaluates the independence and effectiveness of the external auditor on an ongoing basis before making a recommendation to the Board on their appointment and retention.

On a quarterly basis, the Board Audit Committee Chairman meets with the internal auditors independently of management to discuss any issues of concern that were raised. The Chairman engaged with the external auditors to discuss critical issues, policies, judgements and estimates. The external auditors are invited to attend the various Audit Committee meetings where they are given the opportunity to present their audit plan, audit findings and any significant or material changes in accounting policies and principles.

External audit

To ensure an effective external audit process, engagements are held with the Board Audit Committee Chair to discuss areas of focus prior to the engagement. The external auditors prepare their audit plan, which is then presented to the Board Audit Committee for approval. The auditors are actively encouraged to participate at the Board Audit Committee on matters under discussion and raise any concerns at each quarterly meeting. In addition, they are kept informed of any significant changes or critical issues that can impact the Bank. The relationship with the external auditors is open and transparent. On a yearly basis, the Board Audit Committee convenes to assess the external auditors through a questionnaire. Results thereof are then discussed with the audit partner for improvements, where required. PricewaterhouseCoopers was first appointed for the financial year ended December 2016, following a competitive tender. The appointment of the external auditors for the years ended 31 December 2024 and 31 December 2025 has been approved by both the Board Audit Committee and Board of Directors in March 2024 and March 2025 respectively, in line with the provisions of the Mauritian Banking Act 2004. Following a thorough evaluation process in November 2024, the Board Audit Committee has recommended the appointment of Deloitte as the Bank's external auditors effective from the year ending 31 December 2026, subject to regulatory approvals.

It is recognised that the external auditors have detailed knowledge of the Bank's business processes and this often enables them to provide better service than other consulting firms in certain instances. In addition, the number of firms with specialised technical skills required for consulting in the Mauritian banking environment is limited. The Bank has set up a non-audit services policy, which ensures that the Board Audit Committee and the Bank's external auditors will be independent of the Bank, both in fact and in appearance, in order to maintain their credibility and effectively fulfil their primary role as the Bank's auditors. The provision of extensive levels or certain types of non-audit services to the Bank will not impair their independence or be perceived to do so. A pre-approval of any proposed agreement with the auditors for the provision of non-audit services to the Bank is required.

As a general guideline, and to facilitate implementation, the Bank's authorised spend on non-audit services provided by the external auditors in any one financial year should not exceed 33.33% of the amount incurred on audit services as disclosed in the annual financial statements in the immediately preceding financial year. The actual spend is reviewed on an ongoing basis by the Board Audit Committee. In 2024, there were no non-audit services provided by the external auditor.

Auditor's fees and fees for other services

The audit fees payable for the financial year under review is tabled hereunder.

	2024 USD	2023 USD	2022 USD
PwC			
Audit fees	**173,250**	165,285	153,250
Non-audit fees	**—**	—	—
	173,250	165,285	153,250

Internal audit (IA)

The IA function plays a pivotal role within the Bank's corporate governance framework, outlining its commitment to transparency, accountability, and risk management.

IA operates independently to assess and strengthen internal controls, risk management, and governance processes. To preserve the independence of the IA function from any business unit or function and to establish the standing of IA, the Country Head of IA (HoA) (and consequently all audit staff) report functionally to the Chairman of the Board Audit Committee (BAC) and Head of CIB Africa Regions audit as per Standard Bank Group regional construct, and administratively to the Country Chief Executive. The Head of CIB Africa Regions audit and HoA for Africa Regions draw their authority from the Group Chief Audit Executive (CAE) and constitute the Group Internal Audit (GIA) matrix for the Country HoA who reports to the Group CAE. The Head: Internal Audit communicates and interacts directly with the BAC during sessions held between committee meetings as appropriate, including meetings with the BAC Chairman and/or committee members, without the presence of management.

As a subsidiary of a foreign bank, the country team develops a risk-based audit plan from risk assessments and, for execution, leverages Group IA's resources, skills and expertise to derive effective audit outcomes. The IA function conduct is guided by its Code of Ethics and its purpose, authority, and responsibility.

The BAC monitors the independence and objectivity of the internal audit function and assesses its performance against relevant standards and key deliverables. The BAC approves the IA Charter on an annual basis, which defines the purpose, authority, and responsibility of the Bank's IA function. Operating under a well-defined charter, the IA function regularly reviews and updates its charter to reflect changes in the regulatory environment and industry standards. This commitment ensures the function remains robust and responsive to emerging risks.

Employing a risk-based audit approach, the IA function focuses on areas with the highest impact on the Bank's strategic objectives and potential risks. This approach enables the IA function to tailor its audit efforts to the evolving risk landscape, prioritising areas that demand the most attention. The audit plan is formally approved by the BAC on an annual basis and ensures that significant areas are covered on a risk-based approach.

Transparent communication with stakeholders is paramount. The IA function communicates its findings and recommendations to the Board, Executive Management, and relevant stakeholders, fostering a culture of accountability and proactive risk management.

The Head: IA (appointed in January 2023) holds the following academic qualifications:

- Certified Internal Auditor (CIA), Institute of Internal Auditors (US)
- IIA Certificate in Internal Audit and Business Risk (UK)
- ACCA Certificate in Accounting and Business (UK)
- BSc (Hons) Finance with Law, University of Mauritius.

Priorities for the year ahead

- Ensure adherence to IIA Global Standards during execution of risk-based audit plan
- Continue to monitor internal financial controls and key accounting developments that are likely to affect the Bank
- Assess the adequacy and effectiveness of strategy execution
- Continue to monitor the compliance activities as they pertain to the regulatory and internal control environment of the Bank
- Portfolio monitoring through engagement with stakeholders, participation and attendance of key management committee meetings
- Issue tracking that includes monitoring, tracking and closure of internal audit findings.

Board Risk Management Committee

The Board, through the Board Risk Management Committee, is responsible for the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.

The Board Risk Management Committee provides oversight and advice to the Board on the current and potential future risk exposures of the Bank, and on future risk strategy. It reviews the Bank's compliance with the approved risk appetite and oversees the operation of the Bank's policy framework.

Board Risk Management Committee

Sheila UJOODHA Chairperson	Sanjeev MANRAKHAN	Francois GAMET	Dev Naiken GOPALLA

Summary of key terms of reference

- Responsible for advising the Board on the Bank's overall current and future risk appetite, overseeing senior management's implementation of the risk appetite framework, and reporting on the state of risk culture in the Bank
- Review and assess the integrity of the risk control systems and ensure that risk policies and strategies are effectively identified, managed and monitored in order to contribute to a climate of discipline and control, thereby reducing the opportunity for risk, including fraud, in all areas of operations
- Establish an enterprise-wide risk framework for implementation that will include the following disciplines: credit risk, operational risk, liquidity risk, market risk, legal risk, Basel II, balance sheet and regulatory capital management and risk assurance
- Consider legal issues that could have a significant impact on the Bank's business
- Ensure the independence of the Chief Risk Officer from the Bank's operational management
- Evaluate the efficacy of insurance coverage
- Consider all ethics-related matters.

Refer to the Risk and capital management report for further details on risk and capital management on page 24.

Priorities for the year ahead

- Continue to monitor the Bank's current and future risk profile to ensure it is managed within the risk appetite relative to its strategy
- Continue to monitor the Bank's capital adequacy and review the impact of significant transactions on capital.

Board Credit Committee

Board Credit Committee

Dev Naiken GOPALLA Chairperson	Sanjeev MANRAKHAN	Francois GAMET	Rod POOLE

The purpose of the Board Credit Committee is to ensure that effective credit governance is in place to provide for the adequate management, measurement, monitoring and control of credit risk, including country risk.

Summary of key terms of reference

- Review and approve, on an annual basis, the terms of reference of management committees set up to consider credit risk, namely the Credit Risk Management Committee and the Credit Committee, with clearly defined mandates. Oversee the delegated authority to the Credit Committee, which approves credit facilities within approved thresholds
- Approve agreed credit risk appetite framework as required under the Credit Risk Governance Standard as adopted by the Bank
- Review the credit risk portfolio reports, the credit risk impairment adequacy and any other credit-related reports submitted by management
- Consider any other credit-related matters that may be necessary.

Priorities for the year ahead

- Continue to monitor credit portfolios
- Continue to monitor the Bank's current and future credit risk profile to ensure it is managed within the credit risk appetite relative to strategy
- Continue to ensure that the appropriate credit governance framework is in place.

Board Technology and Information Committee

The Board ensures that prudent and reasonable steps have been taken with respect to fulfilling its responsibilities for technology and information governance. To achieve this, the Board has delegated authority to the Board Technology and Information Committee, which is responsible for overseeing the governance of data, technology and information in a way that supports the organisation in setting and achieving its strategic objectives. The Board Technology and Information Committee is responsible for all matters related to data, technology and information.

Board Technology and Information Committee

Sanjeev MANRAKHAN Chairman	Roderick POOLE	Francois GAMET	Sheila UJOODHA

Summary of key terms of reference

- Review and approve technology and information capability-related standards and frameworks
- Consider management's strategies relating to technology and information, cyber and enterprise data management, and their alignment with the Bank's overall strategy and objectives
- Ensure the establishment of effective technology and information management functions in the Bank
- Review technology and information reports
- Consider the IT budget as a component of the Bank's approved budget and assess the suitability and affordability of significant IT investments in relation to the budget
- Consider any material technology outsourcing arrangements or contracts
- Ensure there is a digital strategy and data governance framework in place
- Review the Bank's assessment of risks associated with cyber, technology and information, including disaster recovery, business continuity and IT security
- Oversee the implementation of data-led products for solving operational and compliance challenges.

Priorities for the year ahead

- Oversee the technology and information governance framework
- Review the Bank's assessment of risks associated with technology and information, including disaster recovery, business continuity and IT security
- Consider management's strategies related to technology and information.

Board Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee assists the Board in proposing new nominees to the Board, assessing the Board's composition and its effectiveness, and recommending to the Board the remuneration of non-executive and independent Directors, and executive/senior management.

Board Nomination and Remuneration Committee

Rod POOLE Chairman	Helmut ENGELBRECHT	Arvind HARI	Sheila UJOODHA

Summary of key terms of reference

- Periodically evaluate the balance of skills, knowledge, experience and diversity on the Board and recommend the criteria, description of the role and capabilities required for the selection of Board candidates
- Review and recommend candidates for Board positions to the Board, including the Chairperson of the Board, Chairpersons of the Board sub-committees, Chief Executive and other executive Directors
- Establish and make recommendations to the Board regarding succession plans for non-executive Directors, independent Directors and executive Directors
- Set out the criteria for measuring the performance of Board members
- Review the findings of the Board and sub-committee performance evaluation process that relate to the composition of the Board and Board sub-committees, and make recommendations to the Board
- Review and make recommendations on the re-election of Directors retiring by rotation and continuation of service of Directors who have reached the retirement age having due regard to their performance
- Consider any matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of an executive Director as an employee of the Company
- Review and recommend the appointments of Senior Officers of the Company
- Review and recommend to the Board the remuneration of the Board Chairperson, independent Directors and non-executive Directors, including members of committees
- Provide oversight on the remuneration and compensation of executives, senior managers and other key personnel
- Review the annual incentive pool and merit increases, and oversee any major changes in employee benefits structures.

Priorities for the year ahead

- Review the Board composition and recommend succession plans to the Board
- Ensure that remuneration fees are reflective of the responsibilities borne by the Board members
- Ensure a sustainable and equitable balance and mix of employee salaries and benefits.

Board Related-Party Transactions Committee

The Board established the Board Related-Party Transactions Committee to consider related-party transactions in line with the Bank of Mauritius Guideline on Related-Party Transactions. The Board has established approval authorities and processes for related-party transactions, commensurate with the risk level, size and complexity of the transactions.

The Board Related-Party Transactions Committee shall approve related party transactions above certain thresholds and where related-party transactions pose special risks to the Bank. The senior management of the Bank may approve related-party transactions that are below certain thresholds as approved by the Board of Directors.

Board Related Party Transactions Committee

Helmut ENGELBRECHT Chairman	Francois GAMET	Michele AH SEE

Summary of key terms of reference

- Approve credit exposures to related parties where the aggregate of credit exposures to any single related party and/or its group of connected counterparties exceed 2% of the Tier 1 capital of the financial institution or MUR 500 million, whichever is lower
- Approve transactions with related parties where the aggregate amount due by/to any single related party and/or its group of connected counterparties exceed 2% of the Tier 1 capital of the financial institution or MUR 500 million, whichever is lower
- Approve all related-party transactions posing special risks to the financial institution
- Ensure that all transactions with related parties are carried out on terms and conditions that are at least as favourable to the Bank as market terms and conditions.

Priorities for the year ahead

- Review and approve related-party transactions as per its mandate
- Ensure that related parties transactions are carried out on terms and conditions that are at least as favourable to the Bank as market terms and conditions.

Board and committee meetings

Board and Board sub-committee meetings are held every quarter, with an additional annual Board meeting to consider the Bank's strategy, except for the Board Related-Party Transactions Committee, which meets on an ad hoc basis as required. Ad hoc meetings are called if and when necessary. Directors are provided with comprehensive Board documentation at least four days prior to each scheduled meeting to enable members to apply their minds to the content and allow adequate opportunity for formal and informal discussions. The Board uses an electronic board paper system that provides quick, easy and secure access to Board papers and materials (including a resource centre that contains comprehensive reference materials). Board packs are circulated via this system prior to meetings. Information regarding the latest issues affecting the Bank is also circulated as appropriate.

Standard Bank (Mauritius) Limited		Board of Directors	Board committees				
			Board Audit Committee	Board Risk Management Committee	Board Credit Committee	Board Technology and Information Committee	Board Nomination and Remuneration Committee
Number of meetings held		4	4	4	4	4	4
Chairman		Arvind Hari	Sheila Ujoodha	Clive Tasker	Stephen Scali	Sanjeev Manrakhan	Rod Poole
Attendance							
Executive	Francois Gamet	4	N/A	4	4	4	N/A
	Michele Ah See	4	N/A	N/A	N/A	N/A	N/A
Non-executive	*Clive Tasker	1	1	1	N/A	N/A	1
	*Stephen Scali	1	1	1	1	N/A	N/A
	Roderick Poole	4	3*	N/A	4	4	4
	Helmut Engelbrecht	4	N/A	N/A	N/A	N/A	4
	Arvind Hari	4	N/A	N/A	N/A	N/A	4
Independent	Sanjeev Manrakhan	4	4	4	3*	4	N/A
	Sheila Ujoodha	4	4	3*	1*	4	3*
	Dev Gopalla	4	3*	3*	3*	N/A	N/A

*Clive Tasker and Stephen Scali retired from the Board at the annual meeting in March 2024 following nine years of tenure as non-executive directors.

*In March 2024, the composition of the board sub-committees were reviewed (after the first quarterly meetings) and a new composition was approved by the Board: Roderick Poole joined the Board Audit Committee, Dev Gopalla joined the Board Audit Committee, the Board Risk Management Committee and the Board Credit Committee, Sanjeev Manrakhan joined the Board Credit Committee and Sheila Ujoodha joined the Board Risk Management Committee and the Board Nomination and Remuneration Committee and left the Board Credit Committee.

During the course of the year, the Board Related-Party Transactions Committee considered and approved two related-party transactions by written resolutions.

Codes, regulations and compliance

The Bank has established a number of processes and policies to ensure its long-term success and sustainability. The Bank ensures that it remains compliant with all legislations, regulations and codes in its journey to achieve its goals.

The Board, through the relevant Board committees, considers compliance reports submitted by executive management, internal auditors and external auditors on measures implemented to ensure compliance with regulatory and other legislative requirements.

The Bank also consults with regulators and other stakeholders when applying legislative and regulatory controls. The Bank aims to ensure that regulatory requirements are embedded in the Bank's operations in a way that drives long-term business value.

Dealing in securities, conflicts of interest and related-party transactions

In its quest to ensure that business is conducted professionally and in an ethical manner, the Bank has implemented guidelines to restrict Directors and embargoed employees from dealing in its securities.

The Bank has a personal account trading policy in place, which prohibits Directors and employees from trading in securities during closed periods. Continuous compliance with the policy is ensured and any breaches of policy are dealt with in line with the provisions of the policy.

The Board is committed to acting in the best interest of the Bank, in good faith while ensuring there are no conflicts of interest. All Board decisions are consistently based on ethical foundations in line with the Bank's values. A conflict of interest policy is in place, requiring Directors and employees to disclose any conflict of interest situation, including the disclosure of any directorships held in any other legal entity. The Company Secretary maintains a register whereby all disclosures of interests of the Directors are recorded. The register is available for consultation to the Shareholder upon written request to the Company Secretary. The register is tabled annually at Board meetings and any changes to the disclosures are submitted to the Board at quarterly Board meetings. The Board is aware of the Directors' commitments outside of the Bank and is satisfied that the Directors allocate sufficient time to discharge their responsibilities effectively. A summary of the conflict of interest policy is available on the Bank's website.

Directors are also required to declare whether there are any conflicts of interest in relation to matters on the agenda at the beginning of each meeting. When the Board is considering matters in which any Director may be conflicted, concerned Directors do not participate and recuse themselves from the meeting.

In line with the Bank of Mauritius Guideline on Related-Party Transactions, the Board constituted the Board Related -arty Transactions Committee to approve related-party transactions above certain thresholds and where related-party transactions pose special risks to the Bank. The Board has delegated to management the approval of related-party transactions that are below certain thresholds as approved by the Board.

The Bank is committed to protecting the privacy and data of persons. To this end, it has in place a data privacy policy that ensures that the Bank manages data privacy risks, maintains and continuously improves its data privacy culture and promotes the safeguarding of personal information. It also aims to guarantee that the Bank processes personal information in a lawful and reasonable manner, thus ensuring that the Bank is protected from criminal sanction, reputational damage, fines and penalties. The Bank has published on its website a data privacy statement that details how it collects and processes personal information.

Directorships held in listed companies are as follows:

Names of Directors	Names of companies
Michele Ah See	Nil
Rod Poole	Nil
Arvind Hari	Nil
Sanjeev Manrakhan	Nil
Helmut Engelbrecht	Nil
François Gamet	Nil
Sheila Ujoodha	United Docks Ltd, Vivo Energy Mauritius Ltd, Alteo Limited and Innodis Ltd
Devalingum Naiken Gopalla	Nil
Laurence Do Rego	Nil
Ademola Sogunle	Nil

Evolving our ethical framework

Our ability to achieve our purpose depends on our reputation as a trusted partner. In turn, our reputation rests on the ethics and values that shape the culture and conduct of our people. Our Code of Ethics requires all employees to act with integrity and to place the interests of our clients, and the communities impacted by our business, at the centre of our decision-making. It sets out clear principles to help our employees decide on the correct course of action. All employees must undertake an annual mandatory training on the Code of Ethics, personal conduct, business conduct and societal conduct.

Our approach to ethics involves considering the following three types of conduct:

1. Personal conduct: How we are expected to behave as staff of Standard Bank
The following policies are in place to govern personal conduct:

- Company and culture
- Anti-discrimination
- Sexual harassment
- Recruitment and selection
- Performance management, promotions and remuneration
- Leadership identity
- Occupational health and safety
- Leave
- Employee relations.

2. Business conduct: Doing the right business in the right way
The following policies are in place to govern business conduct:

- Anti-bribery and corruption
- Whistleblowing
- Financial crime control
- Data privacy and security
- Market abuse control
- Treating customers fairly (TCF)
- Ethical conduct standards.

3. Societal conduct: How we are expected to behave in society
The Bank has in place a human rights statement and adheres to the Equator Principles.
The following policies are in place to govern societal conduct:

- Environmental and social risk management
- Corporate social investment policy
- Competition policy
- Trade association engagement policy
- Stakeholder engagement policy.

We aim to understand the impacts of our business activities – direct and indirect, including impacts on environmental, societal and economic growth.

Developing and driving a strong conduct culture

Conduct has become a key strategic value driver to achieve sustainable growth and is a stand alone risk type in its own right with a governance framework and standard. As such, the Board sets the tone from the top through the risk appetite statement on conduct and exercises continuous oversight of executive management's efforts to foster a culture of ethics and appropriate conduct within the Bank. Executive management is ultimately responsible for continuously reinforcing and championing the Bank's ethics, conduct and culture.

We track conduct through the regular quarterly reporting of specific metrics against their target to the Executive Committee and the Board Risk Management Committee through our Conduct dashboard.

We conduct an annual anonymous employee survey, which provides employees with a safe way to speak out. It enables us to assess how employees view the integrity of their line managers and provides insights on how employees feel about working for the Bank through the Employee Net Promoter Score (eNPS).

We also conduct an annual Client Survey Insights (CSI) to ensure we are delivering on our promise to our clients in terms of operational excellence and treating them fairly.

Relationships with the Shareholder

An important part of the Bank's approach to governing its stakeholder relationships is ensuring the Shareholder's views are heard and fully considered. The annual meeting provides an opportunity for the Board to interact with and be accountable to the Shareholder. In turn, it also provides an opportunity for the Shareholder to ask questions and vote on resolutions.

The Board has the important role of overseeing management's performance on behalf of the Shareholder. The Shareholder necessarily has little voice in the day-to-day management of corporate operations, but has the right to elect representatives (Directors) to look out for its interests and to receive the information needed to make investment and voting decisions.

Connecting with our stakeholders

Stakeholder engagement is central to the Bank's everyday business. The Bank engages with different stakeholders in different ways and through various mediums, and strives to be responsive to their concerns and expectations.

The Bank's stakeholder management approach involves the application of the Bank's resources to build and maintain positive relationships with stakeholders. This approach ensures that the Bank understands the expectations of society, minimises reputational risk and forms strong partnerships with all stakeholders, with the goal of supporting commercial sustainability. It also maintains and strengthens the Bank's legitimacy and social licence to operate, builds trust with stakeholders, and enhances its reputation as a socially relevant and responsible corporate citizen.

The Bank's stakeholders are those individuals, groups, and organisations that materially affect, or could be materially affected by, its business activities, products and services and associated performance, and who have a stake in our performance. The Bank believes that stakeholders provide it with the resources needed to achieve its strategy and purpose, influence the environment in which it operates, and confer legitimacy on its activities. They are the providers of financial, human, intellectual, natural, manufactured, and social and relationship capitals. The Bank understands that its business activities directly and indirectly impact stakeholders' wellbeing and success, and, as a result, strives to minimise any harmful impacts and optimise positive impacts on its stakeholders.

Our stakeholders can be categorised into two primary groups:

- The first group comprises stakeholders with whom we have a direct, contractual relationship: namely, our people, our clients, our partners, our suppliers, and our Shareholder
- The second group comprises stakeholders who do not necessarily have a contractual relationship with us, but still fall within the Bank's sphere of influence, and thus have a stake in our performance; this includes civil society organisations, professional bodies, regulators, policy-makers, academia, legislators, the diplomatic community, political parties, special-interest and advocacy groups, analysts, researchers and think tanks, the media, and non-governmental organisations.

Given the scale of our operations and the diversity of our stakeholders, the Bank has adopted a decentralised stakeholder engagement approach. Different teams in the Bank regularly meet with their respective stakeholders to address matters of mutual interest, explore potential partnerships and search for opportunities to create value.

Connecting with our stakeholders

Our proactive engagement with stakeholders informs the identification of our material issues, business strategy and operations; shapes products and services; helps us to manage and respond to their concerns and expectations; minimises reputational risk; and influences our operating environment. Underpinning the de-centralised operating model is our ethos of closely listening to, and constructively engaging with, legitimate stakeholders. We engage with our stakeholders in the following ways:

STAKEHOLDER ENGAGEMENT

Clients

WHY we engage

Our robust client-centric model prompts us to place our clients at the centre of everything we do. We need a consistently updated and clear understanding of our clients' strategy, the environments in which they operate and the opportunities that exist to promote sustainable partnerships and solutions.

WHAT issues matter most to them

- Ensuring a consistent and world-class client experience
- Affordable and appropriate solutions for our clients and their ecosystems
- Safety and security of client data and assets
- Reliable systems and processes that work efficiently and cost effectively across all markets in which we operate.

HOW we respond and engage

The Bank conducts a client survey annually whereby key clients are requested to evaluate various aspects of their interactions with the Bank. The 2024 client survey requested client feedback on areas such as: the client's experience with the various business units, the client's perception of the Bank relative to its peers, the professionalism, support and expertise of the Bank's teams, as well as the Bank's physical presence on the continent, the perception of the quality of systems and innovative offerings and areas for improvement.

The results of the survey showed a positive client experience and good perception of the Bank at 8.7/10, similar to 2023.

This was the highest rating we have received since inception, with our relationship management team receiving special acknowledgements as the second highest rated team in Africa Regions.

Our people

WHY we engage

Our people drive the purpose of the Bank. It is important that our people connect with our purpose and find meaning and growth. Therefore, we engage our people through innovative programmes and a commitment to open communication. Our People and Culture team actively engage and empower our people to achieve their potential.

WHAT issues matter most to them

- Providing a personalised employee experience that allows them to actively contribute in the work environment
- Enable our people to grow and thrive through tailored learning opportunities and structured development plans that lead to career development
- A fair, diverse and inclusive work environment
- Market-aligned remuneration.

HOW we respond and engage

We design personalised human experiences that are strictly aligned with our business strategic and individual career objectives. We continuously transform our business to be future-ready through adequate organisational designs, structures, robust change management and skills updates.

We consistently strengthen our leadership effectiveness and have made significant strides in developing leadership capabilities through the implementation of the new Habits Framework. This initiative aligns with our commitment to establishing a shared vision that is consistent with the Group's leadership aspirations.

Our future-ready learning strategy involves continuous upskilling, embracing digital tools, encouraging cross-functional and cross-border collaboration and leveraging online resources.

We monitor progress on organisational alignment, engagement dimensions and employee advocacy as demonstrated by our annual Are You A Fan (AYAF) employee survey scores.

Shareholder

WHY we engage

Our Shareholder provides the financial capital that allows our business to grow, and we have a fiduciary duty to manage its investment with care. We need to provide the Shareholder with a compelling value proposition to retain its confidence and support.

WHAT issues matter most to them

- Strengthening efficiency and return on investment
- Responding to increased competition in challenging market conditions
- Competitiveness and growth potential
- Climate risk management
- Strength of ESG risk management
- Effectively managing Social, Economic and Environment (SEE) Impacts
- Carbon trading and carbon offsetting initiatives.

HOW we respond and engage

We engage with the Shareholder via calls, meetings and conferences, and at interim and annual results announcements. We convey its key issues and concerns to relevant internal stakeholders, including the Board, and take these issues into account in our planning and reporting.

The views of the Shareholder are disseminated to the Board through the Board Chairman. Any concerns or feedback communicated by the Shareholder are discussed at Board meetings with appropriate actions implemented, if required. The Chairman also acts as an intermediary between the key stakeholders of Standard Bank Group and the Board.
The Bank has on its Board the Regional Chief Executive in Africa Regions, who acts as the primary point of contact between the country Board and the Group.

During the year, a delegation from SBG visited the Bank and presented the SBG Shareholder Compact to the Board and to key stakeholders so as to establish a shared understanding between the Group and its subsidiaries regarding how the Group and its subsidiaries should interact to derive maximum benefit from joint competitive advantages. It was also an opportunity for the Bank's employees to interact with the guests.

SBG regularly engages with shareholders and investors on ESG, sustainability and climate matters.

Regulators

WHY we engage

We highly value effective engagement and collaboration with our regulators in supporting their objective of ensuring the financial stability and soundness of the financial system in Mauritius and internationally. To this end, we ensure that regulatory requirements are being met at all times.

WHAT issues matter most to them

- Managing threats of money laundering, financing of terrorism and dealing with sanctioned entities
- Good practice and conduct in the foreign exchange market
- Promptly responding to and resolving customer complaints
- Monitoring and addressing credit risks of financial institutions
- Conduct of good corporate governance
- Guarding ourselves against cloud and cybersecurity risks and threats
- Data management and data security.

HOW we respond and engage

The Chief Executive ensures that the Board is kept abreast of any material legal or regulatory matter through management reports tabled to the Board for consideration.
The views of the Board are sought, and management is informed through the Chief Executive on any action required to be taken.
The Bank also adopts a transparent approach with the regulators and ensures that they are up-to-date with every aspect of our business strategy and vision.
This approach has proven to be fruitful in gaining their support and collaboration.

Civil society groups

WHY we engage

The Bank applies sustainable principles to drive growth and development, which are inextricably linked to the prosperity and well-being of the society in which we operate.

Sponsorships are an important component of the Bank's social investment and communication strategies. They provide us with the right platform to engage with our different stakeholders and are a major contributor in enhancing our brand and creating relevance in our market.

WHAT issues matter most to them

- Accelerating inclusive economic growth, job creation, financial inclusion and transformation
- Contributing to and promoting a just and equitable society.

HOW we respond and engage

The Board has delegated the authority to its sub-committees to consider the views of other key stakeholders with respect to consumer complaints, ethical matters, conflicts of interest, as well as environmental, social and health and safety matters. Management provides quarterly reports on these issues to the Board and its sub-committees for consideration. We carry out corporate social responsibility (CSR) initiatives throughout the year focused on the following three areas of intervention: Education, health and wellness and the environment.

Education pillar: A number of scholarships were provided to students pursuing their undergraduate courses in Mauritius. The Bank also provided support, mentorship and coaching programmes to students from underprivileged regions.

Health and wellness pillar: Blood donation drives were organised in support of thalassemia patients. The Bank also collaborates with the Society for Aid to Children Inoperable in Mauritius to support children from low-income families in Mauritius.

Environment pillar: The Bank is compliant with the five steps of climate action and is proud to be ClimatePartner certified. The Bank also continues to collaborate with the Mauritian Wildlife Foundation.

For more information on our various CSR/SEE initiatives, please refer to the Sustainability Report section.

Sponsorships
Sponsorships are an important component of the Bank's social responsibility and communication strategies. We remain committed to supporting initiatives that drive economic growth and development in Africa. The sponsorship initiatives carried out in 2024 are set out on page 3 of the annual report.

Client event
The Bank hosted the Mauritius Business Conference 2024 at Maritim Hotel, Balaclava in May 2024. With Mauritius's strong reputation as a resilient International Financial Centre, the conference aimed at focusing on the Bank's expertise in 'Energy and Infrastructure', while harnessing the inherent synergy within Standard Bank to seamlessly connect stakeholders across the continent.

We welcomed more than 130 guests from various African countries to discuss topics ranging from the strength and resilience of the Mauritian banking sector to Africa's journey to net zero and sustainable finance powered by Standard Bank. Clients also shared their experiences of working with us as their partner in expanding and conducting business in Africa.

The Bank also hosted a Mountain Bike Adventure, at La Vallee De Ferney in September 2024. Our clients had the opportunity to navigate the challenging valley trail, concluding their adventure with a networking lunch in the garden of the Colonial House.

Shareholder's calendar

	Reporting date
Financial Year End	December
Annual General Meeting of Shareholders	March
Publication of Financial Statements	March
Annual Report	
Quarterly Unaudited Financial Statements	
31 March	May
30 June	August
30 September	November

Sustainability

Through our stakeholder engagement processes, the Bank is committed to understanding and being responsive to the interests and expectations of stakeholders and to partnering with them to find solutions to sustainability challenges in line with the Group's values. The Group's annual ESG report provides comprehensive information on the Group's sustainability and transformation efforts, as well as key non-financial performance indicators. The report aims to present a balanced view of relevant and material information to the Group's stakeholders. The report is also published on the Standard Bank Group's website.

Refer to the Sustainability report of the Bank on page 99 for further details.

Going concern

On the recommendation of the Board Audit Committee, the Board annually considers and assesses the going concern basis for the preparation of financial statements at the year end. At the interim reporting period, a similar process is followed to enable the Board to consider whether there is sufficient reason for this conclusion to be affirmed.

Executive Management

François Gamet **Chief Executive**	Please refer to his profile on page 66.
Michele Ah See **Chief Risk Officer**	Please refer to her profile on page 66.
Nathalie Pompon-Nemorin **Chief Financial Officer** 	• Appointed as Chief Financial Officer in 2012 • Joined Standard Bank (Mauritius) Limited in 2001 as Financial Manager and acceded to Head of Finance in 2006. • Fellow Member of the Association of Chartered Certified Accountants (FCCA) • Previously employed at Kemp Chatteris, Clay Ratnage Chartered Accountants in London • Previously worked at Investec Bank (Mauritius) Ltd as an accountant.

GENERAL MANAGEMENT

THOMAS Fiona
Head: Client Coverage

- Appointed Head: Client Coverage in July 2021
- Holder of a BCompt (Auditing) from the University of South Africa, Associate Chartered Management Accountant (ACMA) and Chartered Global Management Accountant (CGMA) post graduate qualifications from CIMA (UK)
- Joined Standard Bank in 1996 and held various positions within the Group, including the role of Executive: Client Coverage, Consumer Sector
- 14 years of experience in Coverage, primarily responsible for a portfolio of Global Multinational Corporates and key Group strategic clients.

SANDRASAGREN Meenakshi
Head: Global Markets

- Joined Standard Bank (Mauritius) Limited in 2011 as Head: Global Markets
- Holder of an MBA from the City University Business School (UK) and a Master's in International Economics and Finance from Brandeis University (USA)
- Fellow member of the Association of Chartered Certified Accountants (FCCA)
- Previously employed at Air Mauritius as Head of Treasury for a period of 13 years
- Worked for MEDIA as financial controller
- Worked for De Chazal Du Mée and Philips ELL & Gross.

LIM KONG Stephane
Head: Transaction Banking

- Joined Standard Bank (Mauritius) Limited in 2008 and held various roles in CIB. Appointed as Head: Transaction Banking in July 2023.
- Holder of an MBA from the Paris Graduate School of Management and a Bachelor of Art (Hons) in Accounting and Finance and Business from the University of Kent
- Previously worked at DTOS Ltd.

QUENTIN Niki
Head: Investment Banking

- Appointed Head: Investment Banking in July 2022
- Holder of a Master in Science in Management from HEC Paris and a CEMS MIM (Stockholm School of Economics)
- Joined Standard Bank South Africa in 2011 and held various positions, including the role of Executive Vice President, Equity Capital Markets in Investment Banking
- Previously worked with Millennium Finance Corporation, Deutsche Bank and QInvest before joining Standard Bank.

HOU Nigel
Head: Credit

- Appointed Head: Credit in March 2017
- Holder of a Bachelor of Commerce in Finance from McGill University, Montreal, Quebec, and also a CFA Charterholder
- Joined the Bank in 2009 as Credit Origination Manager – Wholesale
- Appointed as Accounts Risk Manager in 2013 and Manager, Investment Banking in 2015
- Worked as Senior Analyst at TD Canada Trust in Quebec.

EMAMALLY Nafeesa
Head: Compliance

- Appointed Head: Compliance in February 2022
- Holder of a BSc (Hons) Finance with Law from the University of Mauritius and an International Diploma in Compliance from the International Compliance Association and the University of Manchester. Also a member of ACCA, holder of IIA Certificate in Internal Audit and Business Risk from the Chartered Institute of Internal Auditors, Certified Internal Auditor (CIA) and Certified Anti-Money Laundering Specialist, CAMS (USA).
- Joined Standard Bank (Mauritius) Limited in 2017 as Head: Internal Audit
- Previously worked with Barclays Bank (Mauritius) Limited and International Management (Mauritius) Ltd.

RAGHUNUNAN Irshaan
Head: Data

- Appointed Head: Data in July 2022
- Holder of a BCom (Law) from the University of Johannesburg and qualified from the South African Institute of Financial Markets
- Joined Standard Bank of South Africa in 2012 and held various positions, including the role of Flow Sales Innovation Lead in CIB – Global Markets
- Previously worked with Mercantile Bank in South Africa.

KISTNAMAH Reshmee
Head: Legal and Company Secretary

- Joined Standard Bank (Mauritius) Limited in 2010 as Corporate Lawyer
- Holder of an LLB (Hons) from the University of Mauritius, an LLM in Commercial and Corporate Law from the University of London and a diploma in French Law from the Universite de Droit, d'Economie et des Sciences D'Aix en Provence
- Previously worked at Harel Mallac Group in charge of the Legal and Corporate Secretarial Department.

LAI CHOO Daniel
Head: Brand and Marketing

- Joined Standard Bank (Mauritius) Limited in 2011
- Appointed Head: Brand and Marketing in 2015
- Holder of a Bachelor of Commerce (Hons) from the University of Witwatersrand
- Holder of a Master of Business Administration from the University of Surrey
- Previously worked at Barclays Bank (Mauritius) Limited for 15 years.

DURANT Christine
Head: Operations

- Joined Standard Bank (Mauritius) Limited in January 2024
- Holder of a BSc in Computing and Internet Technology from the RMIT University
- Previously employed at ICPS, Galitt and Mauritius Commercial Bank Ltd.

NAIKENY Vimal
Chief Information Officer

- Joined Standard Bank (Mauritius) Limited in March 2021
- Holder of a Master's in Business Administration from Paris-Dauphine-Sorbonne University, a MSc in Project Management as well as a B.Eng (Hons) in Computer Science and Engineering from the University of Mauritius
- Previously employed at the Bank of Mauritius, Bharti Airtel, Millicom International, Huawei Technologies SA and Mauritius Commercial Bank Ltd.

MUTAKA David
Head: People and Culture

- Appointed Head: People and Culture in August 2024. Prior to this appointment, he was the Head of People and Culture at Stanbic Bank Uganda since 2020
- Holder of a Bachelor of Arts Social Sciences: Psychology and Political Science (Honours) from the Makerere University, Kampala, Uganda
- Over 20 years' experience in the Human Resource/People and Culture field. 15 years of which have been with the Standard Bank Group. David has spent time across the various people capabilities holding roles In HR Operations, Learning and Development and HR Business Partnering in the Financial Services sector. His last role was Head People and Culture at Stanbic Bank Uganda from 2020. He is a certified coach and a member of the International Coaching Federation (ICF)

Departures: Fiona Thomas (Exit date: 28 February 2025)

Management committees

The Chief Executive has the authority to manage the Bank within the framework laid out by the Board of Directors and the Standard Bank Group. Five main management Committees have been constituted to assist the Chief Executive in managing the Bank: the Executive Committee (EXCO), the Asset and Liability Management Committee (ALCO), the Credit Risk Management Committee (CRMC), the Non-Financial Risk Committee (NFRC) and the Technology and Operations Executive Committee.

Executive Committee (EXCO)

Summary of key terms of reference
This Committee is established to assist the Chief Executive in the daily running, management and control of the Bank and its affairs, subject to statutory limits and the Board's limitations on the delegation of authority to the Chief Executive, in order to achieve sustainable growth within the Bank's governance framework and approved risk profile
Overlook the Bank's capitalisations, acquisitions, disposals and capital expenditure within the limits set by the delegation of authority framework
Review the annual budget forecasts, business plans, capital expenditure plans and new strategic alliances
Address human resource issues, such as senior management succession and appointments, personnel policies or employment law-related issues and promotions
Formulate the Bank's overall strategy and targets (both financial and non-financial) for recommendation to the Board of Directors
Outline risk parameters and policy, including credit policy and credit management strategies
Control issues relating to the day-to-day management of the Bank
Oversee any other issues specifically delegated to EXCO by the Board of Directors.

Statement of major accountabilities for each EXCO member:

Chief Executive
The Chief Executive (CE) is responsible for guiding and formulating strategies for the profitable growth of the business in line with the Group's broad objectives. The CE's task is to execute the strategic goals and objectives of the business as approved by the Board, while ensuring that efficient reporting mechanisms are in place to communicate effectively with all stakeholders. The CE is responsible for the overall performance of the franchise and to provide the requisite leadership and direction to the Mauritius team while ensuring that the Group's values and vision are upheld.

Head: CIB
The Head: CIB takes overall accountability for building and maintaining a strong brand and reputation at a country level, as aligned with the Standard Bank Group and its CIB Brand. He/she acts as the in-country leader of the CIB employee base and is responsible for directing, developing and managing the team in-country, in partnership with the Sub-Regional Product Heads (where applicable). The Head: CIB also ensures the generation of revenues and net earnings through the delivery of an appropriate range of banking products (Transaction Banking, Investment Banking and Global Markets Products) to the existing and targeted client base, working with and through the Client Coverage Teams.

Head: Client Coverage
The Head: Client Coverage leads the Client Coverage team by providing the strategic direction that will enable Standard Bank to position itself in the industry and drive the realisation of set goals. He/she is also responsible for leveraging industry relationships to achieve high levels of client service, business targets and revenue opportunities across Client Coverage.

Head: Global Markets
The Head: Global Markets promotes, manages and co-ordinates the Global Markets business and performs the Treasury function in-country in line with the CIB clients' strategy in order to grow the franchise, maximise profitability and improve/maintain the Bank's profile as a proficient and compliant operator in the country market.

Head: Investment Banking
The Head: Investment Banking drives the daily operations of Investment Banking in Mauritius, contributing to the performance of the local operations and the franchise across Africa. He/she also provides material support to driving necessary research, analyses, origination, execution and administration in Investment Banking.

Head: Transaction Banking
The Head: Transaction Banking drives and develops strategies for client relationships and maximises cross-selling revenues and client profitability while providing effective client support and relationship development to Standard Bank's CIB client base. He/she is responsible for driving the sales team, who in turn are required to sell the Bank's total product and solutions offering, which is in line with the strategic objectives of Mauritius, including Transaction Banking (TxB), Global Markets (GM) and Investment Banking (IB).

Chief Financial Officer (CFO)
The CFO is accountable for the development, translation and implementation of the finance strategy for the Bank. He/she provides leadership, vision and direction to the finance and business management teams. The CFO also ensures the effective implementation and continuity of full financial management services while constructing and driving the development and implementation of processes, systems and controls in the areas of finance and procurement.

Head: CIB Operations
The Head: CIB Operations supports the country in providing a consistently high-quality financial services platform. He/she proactively identifies and assesses the risks faced by CIB Operations and Group Real Estate Services, manages those risks, and ensures there is an effective system of control in place to reduce overall exposure and provide a secure, appropriately staffed, and cost-effective service delivery infrastructure. The Head: CIB Operations is accountable for delivering, maintaining and monitoring appropriate infrastructure, equipment, staffing structures, procedures and controls that match the current and future strategic operational and financial needs of the business, as well as compliance and regulatory requirements.

Head: Compliance
The Head: Compliance provides input into the strategy and assists in the strategic execution of the business compliance risk management function in order to discharge compliance risk management processes as required by relevant regulatory requirements, applicable codes of conduct and minimum standards, as well as business partnering initiatives across all operations.

Head: Credit
The Head: Credit manages the Country Credit Risk portfolio and profile within its risk appetite and acceptable Group parameters. He/she interacts with other departments with regard to credit strategy and manages various credit-related department staff.

Head: Data
The Head: Data translates the Standard Bank Group's data vision and strategy, as well as Country/Business Unit/Corporate Function strategy into data strategies to support the Group's objectives. He/she implements the data strategy by co-ordinating and facilitating data programmes to enable consistent and effective data-driven business decisions. The Head: Data also enforces governance and compliance by ensuring alignment with the enterprise data committee framework, policies and standards.

Head: Internal Audit
The Head: Internal Audit ensures that all risks inherent to the business unit are identified. He/she then evaluates the identified controls and makes recommendations as to their adequacy and effectiveness. The Head: Internal Audit undertakes audit assignments within the various units of the Bank's operations to ensure adherence to policies, systems, guidelines and procedures that may be approved by the Bank and regulatory authorities, and confirm these are serving their purpose as intended.

Head: Legal and Company Secretary

Within the overall Group legal strategy, the Head: Legal and Company Secretary drives the development of the key legal risk indicators for Legal Risk Management within the organisation, including the definition of the legal framework, evaluating the potential likelihood of legal risks and their impact, and determining the appropriate controls to be put in place. He/she provides effective strategic support to senior business leadership by, among others, ensuring that business is conducted in accordance with applicable laws and regulations, and ensuring that the Group's legal standards and processes are adhered to while safeguarding the integrity and reputation of the organisation and the Standard Bank brand.

In the role of Company Secretary, the incumbent provides professional advisory service to the Board of Directors and ensure that the Board fulfils its lawful obligations, statutory duties and performs its functions in accordance with law and the Bank's constitution. The Company Secretary is responsible for the implementation of sound corporate governance principles within the organisation in line with international and local best practices.

Head: Brand and Marketing

The Head: Brand and Marketing directs and oversees marketing/communications/public relations strategies and tactical plans designed to capitalise on market opportunities and generate demand within the business area in support of business objectives. He/she leads a creative, integrated, multi-channel marketing team that builds brand awareness and reputation, provides a steady flow of demand through, for example, sales leads, and measures the return on marketing programme investments.

Head: People and Culture

Head: People and Culture translates the Group's and business lines' people strategies into tactical operational plans and incorporates it into the overarching country people plan for execution at the country and business unit level. He/she ensures that staff costs are aligned with the Bank's overall strategy, provides a human capital business partnering function to senior management and executives of the business, coordinates the delivery of human capital initiatives and services with other business partners and centres of excellence to ultimately ensure that the Bank is adequately and competently equipped in terms of capacity and capability at all times.

Chief Risk Officer

The Chief Risk Officer provides the leadership, vision, direction and implementation of risk management processes and systems as a key enabler to achieving the business objectives of the organisation. The Bank seeks to be a trusted risk management business partner that equips businesses with the tools to mitigate financial, reputational, regulatory, and material (operational and non-operational) risk incidents. This requires anticipating external drivers, coupled with the impacts of current and planned systems, processes, products and strategic changes on the risk profile of the business, and guiding decision-making on controls to manage and mitigate these risks.

Chief Information Officer

The Chief Information Officer develops and implements local technology and operations execution, partners with Group technology and operations and country leadership, and provides strategic vision and operational technology leadership for the Technology and Operations function. He/she delivers client strategies aligned with client solutions and client segment strategies, and manages the in-country delivery and provision of local support for the Group's shared solutions while leading and driving technological and operational excellence and efficiencies.

Asset and Liability Management Committee (ALCO)

ALCO			
Chief Executive Chairman	**Head: Investment Banking**	**Head: Client Coverage**	**Head: Global Markets**
Head: Transaction Banking	**Head: Credit**	**Chief Risk Officer**	**Chief Financial Officer**

Summary of key terms of reference
The purpose of ALCO is to monitor and control all trading book risks, banking book liquidity risks and interest rate risks in accordance with the risk appetite
Monitor and control regulatory and economic capital adequacy, liquidity risk and interest rate risk in accordance with the risk appetite set by the Board
Approve risk appetite and tolerance levels across liquidity risk, regulatory and economic capital adequacy, market risk and interest rate risk
Ensure that capital supply and utilisation are structured in a way that optimises current and future returns to the Shareholder
Set the capital management and liquidity framework and governance structures of the Bank
Review and note the impact of internal and external factors on the net interest margin
Approve the Bank's contingency funding plan
Approve capital, liquidity risk, interest rate risk, funds transfer pricing and market risk policies.

Credit Risk Management Committee (CRMC)

CRMC			
Chief Risk Officer Chairman	**Head: Investment Banking**	**Head: Client Coverage**	**Head: Transaction Banking**
Head: Credit	**Chief Executive**	**Head: Legal and Company Secretary**	**Chief Financial Officer**

Summary of key terms of reference
The purpose of the CRMC is to establish and define the principles under which the Bank is prepared to assume credit risk and the overall framework for the consistent and unified governance, identification, measurement, management and reporting of credit risk
Oversee all country credit risks up to the level of delegated authority as determined by the Board
Review all country credit reporting to the Board Credit Committee, as required
Adopt credit policies subject to the Board's approval
Approve breaches in-country and sector appetite up to the level of delegated authority approved by the Board
Review all past due but not impaired portfolios, as well as impaired portfolios, and the adequacy of specific and general impairments
Review credit risk portfolios and material sub-portfolios
Review internal and external audit reports, credit risk review reports and their action plans.

Non-Financial Risk Committee (NFRC)

NFRC		
Chief Risk Officer Chairman	**Head: Transaction Banking**	**Head: Compliance**
Chief Executive	**Head: Legal and Company Secretary**	**Head: Operations**

Summary of key terms of reference
The main purpose of the Committee is to assist the EXCO in discharging its duties relating to the identification, measurement and control of non-financial risks, and ensure that the controls, processes, procedures and systems employed meet Standard Bank Group's risk appetite and the requirements of the regulatory authorities
Ensure that the non-financial risk framework is carried out in line with the Standard Bank Group's non-financial risk governance framework and is fit for purpose
Oversee non-financial risk exposures and breaches of levels of non-financial risk appetite and tolerance
Oversee non-financial risk-related developments within the areas of, inter alia, outsourcing, business resilience, key regulatory changes and internal policy
Review the impact of infrastructure and operational changes on non-financial risks across the relevant network and ensure that appropriate levels of quality control are applied
Adopt principles of corporate governance and codes of best practice that promote good risk management within the Bank
Review and concur with the level of insurance cover and note significant claims
Review and approve policies, as required.

Technology and Operations Executive Committee

Technology and Operations Executive Committee			
Chief Information Officer Chairman	**Chief Risk Officer**	**Chief Executive**	**Head: Operations**

Summary of key terms of reference
The purpose of the Committee is to provide assurance to the EXCO and the Board that management has implemented effective IT governance structures that support the efficient management of resources, the optimisation of costs and the mitigation of risks in a secure and sustainable manner
Review the following IT governance domains: enterprise IT governance, strategic alignment, value delivery, risk management, resource management and performance management
Ensure that the IT governance framework includes relevant structures, accountabilities, policies, standards, processes and mechanisms to enable the delivery of value to the business and the mitigation of risks
Ensure adequate internal control frameworks are adopted and implemented
Review material technology and operations audit findings and monitor the resolution of issues
Monitor the performance of the IT investment portfolio (both in terms of performance and financial implications) and escalate issues or concerns to the EXCO and Board
Consider reports on specialist risk types (cyber, business resilience, information and technology) and ensure that the implementation of the supporting risk frameworks and structures are aligned with the Group/Bank's policies and standard
Ensure that effective risk management exists within technology and operations (including disaster recovery, business continuity, IT security, compliance, etc.)
Review significant risk events, monitor emerging issues, assess their impact and ensure that appropriate action plans are in place
Approve technology and operations governance standards/playbooks/policies.

Information technology

The Bank subscribes to sound corporate governance principles as mandated by the Standard Bank Group, one of which is the use of standards that define and articulate practices, boundaries and expectations within which the Bank operates.

Technology and information (IT) is key to the achievement of the Bank's strategic ambition, and accordingly, IT risk management is an integral part of the risk management processes, reporting and oversight. The Board of the Bank, the Board Technology and Information Committee and the Board Risk Management/Conduct Review Committee ensure that all IT risks are adequately addressed through the risk management, monitoring and assurance processes.

Standards are reviewed on a biennial basis and subsequently noted by the Board/Board sub-committees. The standards are made available to all employees for consultation through the Bank's intranet.

The following standards have been adopted by the Bank:

Technology governance standard

This standard articulates and gives effect to technology governance through a number of principles, namely:

- Enterprise technology governance, which speaks to ethics and culture, good performance, effective control and legitimacy
- Technology governing bodies that articulate the mandates with regard to reporting to committees, sub-committees and the Technology Board of the Bank
- Technology governance domains that relate to strategic integration, resource management, value delivery, risk management and performance management
- Technology strategy that articulates how business lines and corporate functions create, implement and are accountable for embedded technology strategic objectives.

Cyber resilience technology standard

The cyber resilience technology standard articulates how the Bank determines its cyber resilience objectives and cyber risk tolerance, as well as how to effectively identify, mitigate, and manage cyber risks. It covers people, processes and technology, and aligns with enterprise risk management strategies as well as international standards. The Standard Bank's cyber resilience framework governs how the Bank protects its IT assets, which include systems in production, systems under development and systems hosted by third parties in a systematic and consistent manner.

Cloud computing technology standard

The primary objective of cloud computing is defined as a model for enabling convenient, on-demand network access to a shared pool of configurable computing resources (e.g. networks, servers, storage facilities, applications and services) that can be rapidly provisioned and released with minimal management effort.

Risk management technology standard

This standard articulates and gives effect to the technology approach to risk management. Risk management is treated as integral to the IT team's ability to make decisions and execute their duties, and is integrated and embedded in the business activities and culture of the organisation. Risk management practices focus on significant threats and opportunities associated with the achievement of all business objectives. The standard focuses on the processes to be implemented to identify, assess, measure, mitigate, monitor, report and escalate risk in line with the Standard Bank Group's enterprise risk management framework.

Service management technology standard

The primary objective of service management is to ensure that technology services are aligned with customer and regulatory needs, and to enable the monitoring and improvement of service quality through the effective application of processes. It encompasses the service value system (service design and transition, service delivery and support) and service management practices (incident, problem, change, release, configuration, capacity and performance, monitoring and event, availability, and service level management).

Finance management technology standard

Given the significant contribution of technology to the Bank's strategy and the associated revenue and cost impact, the Bank is accountable for ensuring the effective management of technology costs and ensuring that spend is responsibly invested and intended for the achievement of the Bank's broader financial outcomes. To ensure that this obligation is fulfilled, this standard articulates the technology cost management principles which need to be adhered to.

Architecture technology standard

The architecture technology standard articulates the setting up of an architecture authority that serves as the governing authority for all solution architectures. It is mandated to ensure that:

(a) The quality of the architecture of all solutions is maintained and improved by:

- Application of Group-wide architecture and design standards
- Compliance of architectures with the applicable standards, technology strategies and roadmaps
- The correct utilisation of approved products and services
- Maintenance of architectural and solution integrity.

(b) Productivity and efficiency are optimised and improved by:

- Ensuring IT investments are leveraged to their maximum by encouraging the reuse of replicable solutions
- Creating and retaining architecture-related intellectual capital at a Group-wide level through the governance of solution architecture and design patterns
- Solution architectures contribute to enhancing the value of IT and enabling business growth by ensuring that the business and IT strategies of the organisation are applied and enabled.

Statement of remuneration philosophy

As a subsidiary of the Standard Bank Group, the Bank is aligned with the following four key objectives guiding its remuneration strategy:

1) Measure and reward value delivered, and adjust for risk assumed
2) Aim to be competitive in remuneration in the global marketplace for skills
3) Reward our people fairly, at both individual and Shareholder level, while avoiding a bonus-centric culture that distorts motivations and may encourage excessive and irresponsible risk-taking
4) Promote and reward teamwork.

The Bank aims to attract and retain sufficient, appropriately skilled people to fulfil strategic business objectives and ensure that people are fairly rewarded by making sure that:

- Remuneration is externally competitive and internally equitable
- Base salaries are competitive within an appropriate market sector
- Opportunities are given to our people to enhance total reward through performance-related bonus awards.

Our remuneration policy and structures are guided by the Group Remuneration Committee, with a focus on total reward, striving for the appropriate mix between fixed and variable pay for all our employees, depending on their roles.

The Group Remuneration Committee is mindful of its responsibilities to all stakeholders, especially our Shareholder, when assessing and reviewing the remuneration of Senior Executives of the Bank. The committee also reviews performance to ensure that earnings are not the result of one year's work, but rather, the planned outcome of work done over past years.

Chief Executive

The Chief Executive receives a remuneration package and qualifies for long-term incentives. He is not subject to a retention agreement.

Remuneration structure

Executive Directors', independent Directors' and non-executive Directors' fees

The following amounts represent the sum paid to executive, non-executive and independent Directors for the year under review:

	USD
Rod Poole	42,126
Devalingum Naiken Gopalla	32,449
Stephen Scali	8,764
Clive Tasker	8,764
Sanjeev Manrakhan	42,423
Arvind Hari	43,270
Sheila Ujoodha	45,259
Total non-executive Director	**223,055**
Marie-Michele Ah See	312,570
Francois Gamet	1,426,720
Total executive Directors	**1,739,290**
Total non-executive and executive Directors	**1,962,345**

The remuneration of executive Directors consists of the following:

- Guaranteed remuneration – Based on their market value and the role that they play
- Annual bonus incentive – Used to incentivise the achievement of Bank objectives
- Pension – Provides a competitive post-retirement benefit in line with Bank employees.

The non-executive Directors are not entitled to share options or bonuses associated with organisational performance. Additionally, as per the Group policy, no fees are payable to Directors who are employed by the Group. Wilhelmus Jacobus Engelbrecht is employed by the Group and hence is not remunerated by the Bank.

The full annual report is available on the Bank's website: **www.standardbank.mu**

SUSTAINABILITY REPORT

One of the core pillars of our Bank's strategy is to foster Africa's growth in a responsible and sustainable way. Our commitment to creating long-term value for both the environment and the communities we serve is at the heart of this mission. We measure our success through the positive Social, Economic, and Environmental (SEE) impact we create.

Positive environmental impact

We are dedicated to adopting sustainable practices that help protect the environment and reduce our carbon footprint. Over the years, we have implemented a range of initiatives and metrics to monitor and assess the effectiveness of our efforts. This ongoing process allows us to make informed improvements and hold ourselves accountable to clearly defined objectives.

Our sustainability strategy focuses on minimising the environmental impact of our operations, particularly in areas such as energy, water, and waste management. The main sources of our environmental impact include energy consumption at our head office, service centre, and recovery site, with additional impacts from water usage, waste generation, and employee travel.

Energy consumption

Our direct carbon footprint arises from office electricity and infrastructure. We strive to improve energy consumption and conserve natural resources while aligning with international best practices.

ENERGY METRICS

	2024	2023
Purchased electricity (USD)	**89,989**	102,309
Energy consumption (kWh)	**445,301**	447,503

The above table shows a maintained consumption in energy compared to the previous year.

To build environmental resilience, promote a green culture and a sustainable workplace

To build greater environmental resilience and foster a green corporate culture, we have partnered with ClimatePartner UK Ltd to measure our carbon footprint and implement a climate action strategy. This collaboration supports our goal of achieving net-zero emissions by 2030 for all new facilities, with a target for full compliance across all existing facilities by 2050.

Waste

Our sustainability efforts extend beyond energy and water conservation to include waste management. Programmes have been launched to reduce our environmental footprint in all three key areas: water, waste, and energy. These initiatives are crucial to minimising the Bank's impact on the environment and supporting a more sustainable future.

Occupational health and safety (OHS)

We are dedicated to ensuring the health, safety, and wellbeing of our staff and all stakeholders, including customers, regulators, visitors, and contractors. Our focus is to provide a secure work environment by identifying and eliminating hazards that could lead to injury or illness, while also implementing proactive initiatives aimed at improving the overall welfare of everyone involved.

The primary objective of our Occupational Health and Safety (OHS) Policy is to uphold high standards of care and deliver a safe and healthy workplace for our employees, contractors, clients, visitors, and other relevant parties. To support this commitment, we regularly provide comprehensive training and awareness programmes, including a mandatory annual OHS general awareness e-module. These programmes are complemented by ongoing communication efforts, such as targeted email updates, to reinforce our safety culture.

Furthermore, we offer continuous support to employees through various initiatives, including online health and wellness webinars, hybrid working arrangements, and flexible working hours. These efforts are part of our broader strategy to foster a work environment that prioritises the health and wellbeing of all stakeholders.

Corporate social responsibility (CSR)

Changing lives | More than a Bank | Caring for the community in which we operate

The Bank's focus areas remained closely aligned with the directive from the Standard Bank Group (illustrated below), thus consolidating the work we were already undertaking under one umbrella.

Our five focus areas

1. Promoting and supporting trade to and from Africa
2. Infrastructure and investment to support the communities in Africa
3. Environmental initiatives, including climate change and sustainability
4. Health and wellness
5. Education and other CSR initiatives.

Our financial contribution to achieve many of the initiatives for the year stood at USD 418,891.

The focus was on supporting selected special projects on the island to uplift disadvantaged communities, improve living conditions and promoting education through our various scholarship programmes, meet basic needs in some destitute areas of the country, support animal welfare and encourage our employees to continue to see service to others, climate and other environmental factors and the benefits of a strong corporate citizenship, through an everyday lens.

Our SEE Committee continues to ensure that our communities across Mauritius know that as a Bank, we are as much a non-financial partner as a financial one, enabling the region's upliftment through tangible initiatives.

Environmental initiatives

On our journey to net-zero carbon emission, we have engaged with sustainability experts, ClimatePartner UK, to calculate our 2022 and 2023 Corporate Carbon Footprint (CCF) and to form an action plan, with the goal to reduce our carbon footprint. Standard Bank Mauritius is compliant with the five steps of climate action and is proud to be ClimatePartner certified. The certification provides transparent disclosure of our entire climate action strategy, including carbon footprints, emissions reduction targets, implemented reductions, and financial contribution towards climate projects worldwide.

The Climate Project we are supporting is "emPOWERing", which is an Africa-continent-wide climate project benefiting communities across the Africa region through a sustainable, secure energy supply generated from solar and wind farms based in Namibia, South Africa, Madagascar and Egypt.

The Bank continues to collaborate with the Mauritian Wildlife Foundation in initiatives to preserve endangered Mauritian species and plants.

A new sponsorship commitment has also been made to the SSR Botanical Garden. The refurbishment and upliftment of this flagship botanical reserve will promote Mauritian botany to locals and tourists alike.

Health and wellness

The Bank supported the Thalassemia Society of Mauritius's empowerment programme to promote communication between the Thalassemia patients and also encourage them to follow an appropriate diet to tackle the general issues related to their nutrition.

Support was also provided to Link to Life, a non-governmental organisation (NGO), for an awareness campaign and free screenings on cervical and colon cancer. The Bank continues to collaborate with the Society for Aid to Children Inoperable in Mauritius to support children from low-income families in Mauritius.

Education

The Bank has partnered with several NGOs and schools to carry out its educational initiatives:

- The Standard Bank Mauritius Scholarship Scheme enables student with limited financial resources to pursue their undergraduate degrees. We have awarded over 200 scholarships since the programme began, covering university fees and a monthly stipend for our scholars. We are proud to have aided and accompanied these students on their tertiary educational journey. Scholarships are awarded to students at the University of Mauritius, University of Technology Mauritius, Middlesex University and Vatel Mauritius (hospitality sector, a key contributor to the Mauritian economy).

We are dedicated to supporting youth development through the following initiatives:

JA Mini Company Programme 2024:

The Bank provided mentorship/coaching to JA Mascareignes students in the JA Mini Company Programme 2024 – an initiative to enable students to learn business fundamentals. The programme challenges students to solve problems in their community through a business venture, unleashing their entrepreneurial spirit through hands-on experience.

Quartier de Lumière:

Quartier de Lumière aims to support children of La Valette, Bambous region, offering support through ongoing training on “Capacity Building” and “Families: Life Skills”. The aim is to enhance the children’s knowledge and supply them with various life and IT skills. The project also includes extra-curricular creative workshops/activities in various fields run after school and outing expeditions during weekends or school holidays. In partnership with the NGO, the Bank also provides the materials required to run these workshops.

Action for Integral Human Development (AIHD):

The Bank provided support to underprivileged students facing depression and violence at home. Without support, these students are at risk of dropping out of school or struggling with suicidal thoughts. College students from St Esprit Riviere Noire, St Mary’s West, BPS Fatima and St Mary’s benefited from counselling services provided by qualified psychology professionals.

Celebrating Mandela Day

This year to celebrate Mandela Day, staff supported community work at an NGO called All Life Matters to make the sanctuary a better space for previously homeless animals.

STATEMENT OF COMPLIANCE

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

Name of Public Interest Entity: Standard Bank (Mauritius) Limited

Reporting Period: Year ended 31 December 2024

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

Arvind Hari
Chairman

Francois Gamet
Chief Executive

19 March 2025

Black River

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements for the Bank's operations in Mauritius presented in this Annual Report have been prepared by Management, who is responsible for their integrity, consistency, objectivity and reliability. International Financial Reporting Standards, as well as the requirements of the Banking Act 2004 and the guidelines issued thereunder, have been applied, and Management has exercised its judgement and made its 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 the careful selection and training of qualified staff, the implementation of organisational 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 Board Audit Committee and the Board Risk Management Committee which comprise independent/non-executive Directors who are not officers or employees of the Bank, oversees Management's responsibility for financial reporting, internal controls, the assessment and control of major risk areas, and the 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 coordination with the Bank's external auditors. 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, PricewaterhouseCoopers, has full and free access to the Board of Directors and its Committees to discuss the audit and matters arising there from, such as their observations and fairness of financial reporting and the adequacy of internal controls.

Arvind Hari
Chairman

Sheila Ujoodha
Director

Francois Gamet
Chief Executive

19 March 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial year, which provide a fair overview of the financial position, financial performance and cash flows of the Bank. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed, and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Bank will continue in business.

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Bank, and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001 and the requirements of the Mauritian Banking Act 2004 and the guidelines issued thereunder. They are also responsible for safeguarding the assets of the Bank, and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Arvind Hari
Chairman

Sheila Ujoodha
Director

Francois Gamet
Chief Executive

19 March 2025

SECRETARY'S CERTIFICATE

In accordance with section 166 (d) of the Mauritian Companies Act 2001, we certify that to the best of our knowledge and belief, the Bank has filed with the Registrar of Companies all such returns as are required of the Bank under the Mauritian Companies Act 2001.

Company Secretary

19 March 2025

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Standard Bank (Mauritius) Limited

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Standard Bank (Mauritius) Limited (the "Bank") as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The financial statements of Standard Bank (Mauritius) Limited set out on pages 112 to 229 comprise:

- the statement of financial position as at 31 December 2024;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

Certain required disclosures have been presented elsewhere in the annual report, rather than in the notes to the financial statements. These disclosures are cross-referenced from the financial statements and are identified as audited.

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 Financial Statements" section of our report.

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

Independence

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

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

Key audit matter

Expected credit losses ('ECL') (Refer to notes (2.1.b)C. and (3.a))

The measurement of the ECL for financial assets measured at amortised cost and at Fair Value through Other Comprehensive Income (FVOCI) requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. The key areas of significant management judgment within the ECL calculations include:

- Evaluation of significant increases in credit risk ("SICR");
- Incorporation of macroeconomic inputs and forward-looking information into the SICR assessment and ECL measurement;
- Assessment of ECL recognised for Stage 3 exposures; and
- Assessment of the input assumptions applied to estimate the probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD") within the ECL measurement.

How our audit addressed the key audit matter

We performed the following procedures on the ECL, with the assistance of our actuarial experts.

We obtained an understanding and tested the operating effectiveness of the relevant controls relating to the approval of credit facilities, subsequent monitoring and remediation of exposures, key system reconciliation and collateral management.

We assessed the appropriateness of the input assumptions applied within the PD, LGD and EAD models (including forward looking information), in compliance with the requirements of IFRS 9 Financial Instruments (IFRS 9).

In addition, our procedures included assessing the appropriateness of the ECL model through reperformance.

We assessed whether the stage classification of stage 1 and stage 2 exposures was appropriate in terms of the Bank's accounting policy on SICR at the end of the reporting period. This procedure included the inspection of credit ratings, at the end of the reporting period, relative to origination date.

For Stage 3 exposures, we considered the classification under IFRS 9 and assessed the appropriateness of the inputs used. We independently recalculated the ECL based on our assessment of the expected cash flows and recoverability of collateral at an individual exposure level.

We also assessed the adequacy of the disclosures in the Annual Report in accordance with IFRS 9.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001, the Mauritian Banking Act 2004 and regulations and guidelines issued by the Bank of Mauritius and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

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

(a) we have no relationship with or interests in the Bank other than in our capacity as auditor;

(b) we have obtained all the information and explanations we have required; and

(c) in our opinion, proper accounting records have been kept by the Bank as far as appears from our examination of those records.

Mauritian Banking Act 2004

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

(a) 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 Mauritian Banking Act 2004 and regulations and guidelines issued by the Bank of Mauritius; and

(b) the explanations or information called for or given to us by the officers or agents of the Bank were satisfactory.

Mauritian Financial Reporting Act 2004

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance of the information disclosed in the Annual Report with the Code of Corporate Governance ("Code") 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 this Annual Report, the Bank has, pursuant to section 75 of the Mauritian Financial Reporting Act 2004, complied with the requirements of the Code.

Other Matter

This report, including the opinion, has been prepared for and only for the Bank's Shareholder in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers
19 March 2025

Michael Ho Wan Kau, licensed by FRC

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 USD	2023 USD	2022 USD
Assets				
Cash and cash equivalents	7	**1,003,991,859**	871,976,153	1,264,418,782
Trading assets	8	**387,517**	—	—
Derivative assets	9	**3,333,687**	3,502,573	3,490,100
Pledged assets	10	**67,084,164**	67,048,142	—
Loans and advances to banks	11	**489,911,735**	595,950,712	666,958,902
Loans and advances to customers	12	**525,642,500**	403,988,351	253,370,640
Financial investments	13	**303,101,000**	301,860,746	464,645,971
Property, plant and equipment	14	**1,428,668**	1,957,483	2,099,326
Intangible assets	15	**10,347,003**	11,627,012	13,097,949
Right of use assets	16	**2,083,678**	664,007	1,581,294
Deferred tax assets	17	**531,314**	1,199,671	318,771
Other assets	18	**6,888,323**	7,667,536	5,962,585
Total Assets		**2,414,731,448**	2,267,442,386	2,675,944,320
Liabilities				
Deposits from banks	19	**5,076,418**	133,751,181	138,644,111
Deposits from customers	20	**2,044,450,762**	1,824,515,585	2,371,102,231
Trading liabilities	21	**10,071,765**	—	—
Derivative liabilities	9	**3,153,452**	3,326,669	3,140,449
Other borrowed funds	26	**105,700,516**	91,331,970	—
Lease liabilities	16	**2,099,547**	664,925	1,516,872
Current tax liabilities	22	**4,894,707**	2,239,135	924,505
Other liabilities	23	**18,718,418**	16,443,275	13,622,500
Total Liabilities		**2,194,165,585**	2,072,272,740	2,528,950,668
Shareholder's Equity				
Share capital	24	**35,000,000**	35,000,000	35,000,000
Statutory and other reserves	36	**45,858,078**	34,942,547	30,879,038
Retained earnings		**139,707,785**	125,227,099	81,114,614
Total equity attributable to equity holder		**220,565,863**	195,169,646	146,993,652
Total Equity and Liabilities		**2,414,731,448**	2,267,442,386	2,675,944,320

Approved by the Board of Directors and authorised for issue on 19 March 2025.

Arvind Hari
Chairman

Sheila Ujoodha
Director

Francois Gamet
Chief Executive

19 March 2025

The notes on pages 116 to 229 form part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 USD	2023 USD	2022 USD
Interest income		**140,157,537**	130,751,139	52,052,698
Interest expense		**(60,508,392)**	(48,168,793)	(12,377,924)
Net interest income	27	**79,649,145**	82,582,346	39,674,774
Fee and commission income		**9,132,357**	8,607,994	8,192,565
Fee and commission expense		**—**	(2,500)	—
Net fee and commission income	28	**9,132,357**	8,605,494	8,192,565
Net trading income	29	**13,973,888**	11,428,330	12,060,846
Other operating income	30	**508,537**	307,960	263,859
		14,482,425	11,736,290	12,324,705
Operating income		**103,263,927**	102,924,130	60,192,044
Net impairment release/(charge) on financial assets	31	**9,475,399**	(427,923)	992,751
Personnel expenses	32(a)	**(11,714,082)**	(10,016,226)	(11,946,548)
Operating lease expenses	33	**(155,649)**	(115,782)	(123,302)
Depreciation on right-of-use assets	16	**(859,584)**	(917,287)	(949,077)
Depreciation and amortisation	14&15	**(1,905,244)**	(1,912,952)	(2,205,427)
Other expenses	34	**(8,512,484)**	(11,773,374)	(9,942,636)
		(13,671,644)	(25,163,544)	(24,174,239)
Profit before income tax		**89,592,283**	77,760,586	36,017,805
Income tax expense	35	**(12,476,576)**	(8,846,099)	(3,080,815)
Profit for the year		**77,115,707**	68,914,487	32,936,990
Other comprehensive income				
Item that may be reclassified to profit or loss				
Net gain/(loss) on fair value of debt instruments		**382**	49,183	(53,515)
Item that will not be reclassified to profit or loss				
Remeasurement of defined benefit liabilities, net of tax.	32(c)	**(44,872)**	(787,676)	393,837
Other comprehensive income for the year		**(44,490)**	(738,493)	340,322
Total comprehensive income for the year		**77,071,217**	68,175,994	33,277,312

The notes on pages 116 to 229 form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 USD	2023 USD	2022 USD
Cash flows from operating activities				
Profit before income tax		**89,592,283**	77,760,586	36,017,805
Adjusted for:				
Depreciation and amortisation	14/15/16	**2,764,828**	2,830,239	3,154,504
Loss on plant and equipment written off		**5,728**	—	35,048
Net foreign exchange difference		**103,322**	(1,480,129)	(1,682,679)
Net impairment (release)/charge on financial assets		**(7,787,785)**	661,279	1,775,512
Retirement benefit-cost	32 (c)	**(169,790)**	(118,027)	299,533
Interest income	27	**(140,157,537)**	(130,751,139)	(52,052,698)
Interest expense	27	**60,508,392**	48,168,793	12,377,924
Changes in operating assets and liabilities				
(Increase)/Decrease in trading assets		**(387,517)**	—	4,632,688
(Increase)/Decrease in derivative assets and liabilities		**(4,332)**	173,747	(684,063)
Decrease/(Increase) in loans and advances to banks		**106,543,470**	81,769,198	(284,453,089)
Increase in loans and advances to customers		**(110,786,733)**	(148,598,324)	(86,500,869)
Increase/(Decrease) in other assets		**556,439**	(1,770,111)	(812,519)
Increase in trading liabilities		**10,071,765**	—	—
(Decrease)/Increase in deposits from banks		**(128,566,958)**	(5,438,829)	23,373,896
Increase in other borrowed funds		**14,375,583**	89,340,838	—
Increase/(Decrease) in deposits from customers		**218,946,133**	(547,426,187)	426,501,229
(Decrease)/Increase in other liabilities		**(4,248,802)**	1,985,678	4,302,622
Decrease/(Increase) in financial investments		**(199,998)**	(3,921)	(5,763,672)
Interest received		**134,434,948**	115,362,458	47,333,043
Interest paid		**(59,634,189)**	(44,792,221)	(11,646,112)
Income tax paid		**(8,922,614)**	(8,244,725)	(1,489,285)
Benefit paid on defined benefit obligations	32(c)	**—**	(103,299)	(2,553)
Net cash from/(used in) operating activities		**177,036,636**	(470,674,096)	114,716,265
Cash flows from investing activities				
Capital expenditure on property, plant and equipment		**(186,499)**	(300,172)	(254,315)
Capital expenditure on intangible assets	15	**(200,000)**	—	—
Purchase of financial investments	13	**(86,459,133)**	(204,821,170)	(377,213,482)
Financial investments matured	13	**87,774,498**	302,728,242	134,263,862
Proceeds from sale of property, plant and equipment		**—**	—	11,071
Net cash from/(used in) investing activities		**928,866**	97,606,900	(243,192,864)
Cash flows from financing activities				
Principal portion of lease liability paid		**(803,591)**	(851,947)	(799,444)
Dividends paid	38(ix)	**(45,000,000)**	(20,000,000)	(5,000,000)
Net cash used in financing activities		**(45,803,591)**	(20,851,947)	(5,799,444)
Net increase/(decrease) in cash and cash equivalents		**132,161,911**	(393,919,143)	(134,276,043)
Effects of exchange rate changes on cash and cash equivalents		**(144,362)**	1,480,129	1,674,293
Cash at the beginning of the year		**871,976,153**	1,264,418,782	1,396,876,510
Effect of IFRS 9 impairment charge		**(1,843)**	(3,615)	144,022
Total cash at end of the year	7	**1,003,991,859**	871,976,153	1,264,418,782

The notes on pages 116 to 229 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital USD	Statutory reserve USD	Other reserves USD	Retained earnings USD	Total equity attributable to equity holder USD
Balance at 01 January 2022	35,000,000	25,545,414	636,827	57,534,099	118,716,340
Profit for the year	—	—	—	32,936,990	32,936,990
Other comprehensive income:					
Net loss on fair value of debt instruments	—	—	(53,515)	—	(53,515)
Remeasurement of defined benefit liabilities	—	—	393,837	—	393,837
Total comprehensive income for the year	—	—	340,322	32,936,990	33,277,312
Transfer to statutory reserve	—	4,940,548	—	(4,940,548)	—
Transfer from credit risk reserve	—	—	(584,073)	584,073	—
Transactions with owner of the Bank:					
Dividend to equity holder (Note 38)	—	—	—	(5,000,000)	(5,000,000)
Balance at 31 December 2022	35,000,000	30,485,962	393,076	81,114,614	146,993,652
Balance at 01 January 2023	35,000,000	30,485,962	393,076	81,114,614	146,993,652
Profit for the year	—	—	—	68,914,487	68,914,487
Other comprehensive income:					
Net gain on fair value of debt instruments	—	—	49,183	—	49,183
Remeasurement of defined benefit liabilities	—	—	(787,676)	—	(787,676)
Total comprehensive income for the year	—	—	(738,493)	68,914,487	68,175,994
Transfer to statutory reserve	—	4,514,038	—	(4,514,038)	—
Transfer to credit risk reserve	—	—	287,964	(287,964)	—
Transactions with owner of the Bank:					
Dividend to equity holder (Note 38)	—	—	—	(20,000,000)	(20,000,000)
Balance at 31 December 2023	35,000,000	35,000,000	(57,453)	125,227,099	195,169,646
Balance at 01 January 2024	**35,000,000**	**35,000,000**	**(57,453)**	**125,227,099**	**195,169,646**
Profit for the year	**—**	**—**	**—**	**77,115,707**	**77,115,707**
Other comprehensive income:					
Net gain on fair value of debt instruments	**—**	**—**	**382**	**—**	**382**
Remeasurement of defined benefit liabilities	**—**	**—**	**(44,872)**	**—**	**(44,872)**
Total comprehensive income for the year	**—**	**—**	**(44,490)**	**77,115,707**	**77,071,217**
Transfer to credit risk reserve	**—**	**—**	**10,960,021**	**(10,960,021)**	**—**
Transactions with owner of the Bank:					
Dividend to equity holder (Note 38)	**—**	**—**	**—**	**(51,675,000)**	**(51,675,000)**
Balance at 31 December 2024	**35,000,000**	**35,000,000**	**10,858,078**	**139,707,785**	**220,565,863**
Note	24		36		

The notes on pages 116 to 229 form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. General information

Standard Bank (Mauritius) Limited (the Bank) is a company incorporated and domiciled in Mauritius. The address of the Bank's registered office is Level 9, Tower A, 1 Exchange Square, Wall Street, Ebène, Mauritius.

Standard Bank (Mauritius) Limited obtained its Banking Licence issued by the Bank of Mauritius effective from November 2001.

The Bank is primarily involved in investment and corporate banking activities.

The Bank holds the following licences that fall under the regulatory purview of the Financial Services Commission (FSC):

(i) Investment Advisor (Corporate Finance Advisory) – effective from 02 September 2021

(ii) Representative of Investment Advisor (Corporate Finance Advisory) – effective from 02 September 2021

(iii) Custody Licences: Non-Collective Investment Schemes – effective from 07 February 2007; and Collective Investment Schemes – effective from 17 April 2009.

The material accounting policies applied in the presentation of the Bank's annual financial statements are set out below. The Bank's accounting policies are consistent with those of the prior year unless stated otherwise.

2. Basis of preparation

(a) Statement of compliance

The annual financial statements are prepared in accordance with IASB (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB), its interpretations adopted by the IASB and Guidelines and Guidance Notes issued by the Bank of Mauritius, in so far as the operation of the Bank is concerned.

(b) Basis of measurement

The annual financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Financial assets classified at fair value through other comprehensive income (OCI), financial assets and liabilities classified at fair value through profit or loss and liabilities for cash-settled share-based payment arrangements
- Retirement benefit obligations are measured at fair value of plan assets less present value of the retirement benefit obligations.

The following principal accounting policy elections in terms of IFRS have been made, with reference to the detailed accounting policies shown in brackets:

- Purchases and sales of financial assets under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned are recognised and derecognised using trade date accounting (accounting policy 2.1.(b))
- Cumulative gains and losses recognised in OCI in terms of a cash flow hedge relationship are transferred from OCI and included in the initial measurement of the non-financial asset or liability (accounting policy 2.1.(b))
- Intangible assets (other than goodwill) and property, plant and equipment and right of use assets are accounted for at cost less accumulated amortisation and impairment (accounting policies 2.1.(e)).

(c) Functional and presentation currency

The annual financial statements are presented in United States Dollar (USD), which is the Bank's functional currency, as well as the reporting currency.

As at 31 December 2024, the rate of the Mauritian Rupee against the USD was approximately 46.95 (2023: 43.95).

(d) Use of estimates and judgements

The preparation of the annual financial statements in conformity with IFRS and accounting standards requires Management to make judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the annual financial statements are described in note 5.

(e) Changes in accounting policies

The accounting policies are consistent with those reported in the prior year.

2.1 Detailed accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the annual financial statements.

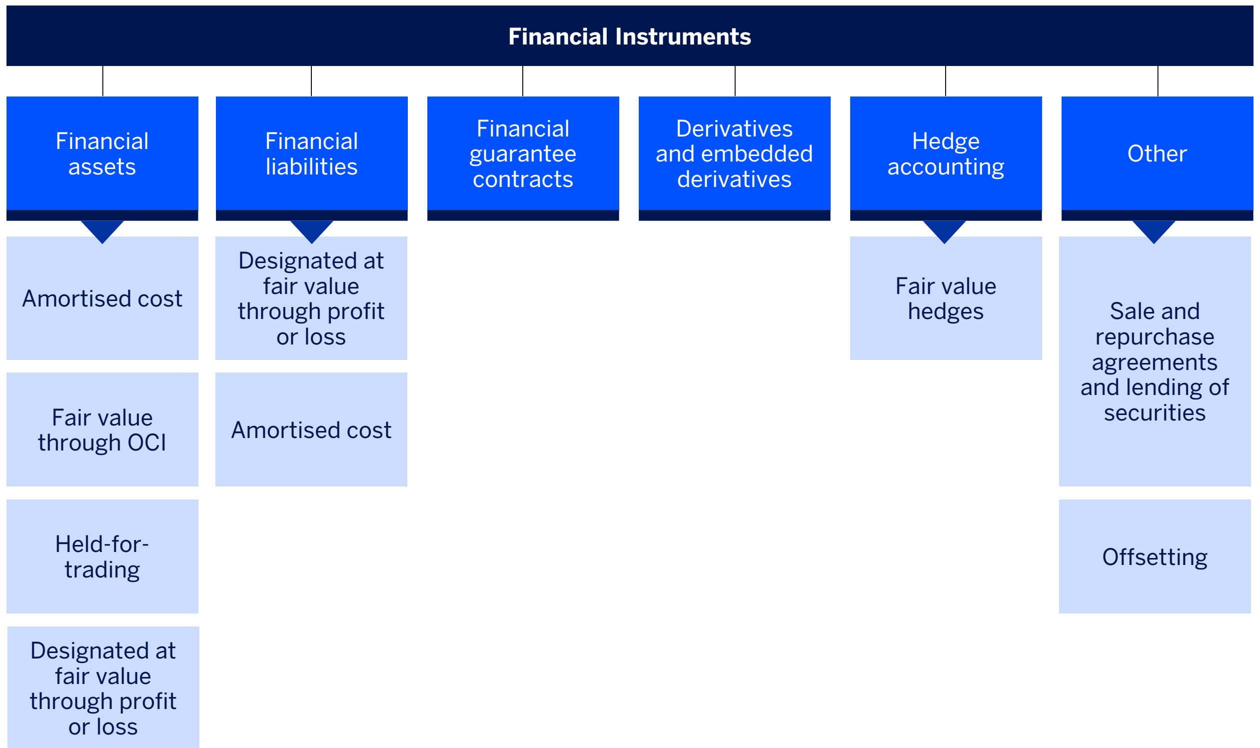
a) Foreign currency translations

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the transaction date, and those measured at fair value are translated at the exchange rate at the date that the fair value was determined. Exchange rate differences on non-monetary items are accounted for based on the classification of the underlying items.

Foreign exchange gains and losses on equities (debt) classified as fair value through OCI are recognised in the fair value through OCI reserve in OCI (net trading income) whereas the exchange differences on equities (debt) that are classified as held at fair value through profit or loss are reported as part of the other revenue (net trading income).

b) Financial instruments



A. Initial measurement

All financial instruments are measured initially at fair value plus directly attributable transaction costs and fees, except for those financial instruments that are subsequently measured at fair value through profit or loss where such transaction costs and fees are immediately recognised in profit or loss. Financial instruments are recognised (derecognised) on the date the Bank commits to purchase (sell) the instruments (trade date accounting).

Financial assets

Nature

Amortised cost	A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss): • Held within a business model whose objective is to hold the debt instrument (financial asset) in order to collect contractual cash flows • The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basic lending arrangement, the financial asset is classified as fair value through profit or loss – default.
Fair value through OCI	A debt instrument that meets both of the following conditions (other than those designated at fair value through profit or loss): • Held within a business model in which the debt instrument (financial asset) is managed to both collect contractual cash flows and sell financial assets • The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment includes determining the objective of holding the asset and whether the contractual cash flows are consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are not considered de minimis and are inconsistent with a basic lending arrangement, the financial asset is classified as fair value through profit or loss – default. Equity financial assets that are not held for trading and are irrevocably elected (on an instrument-by-instrument basis) to be presented at fair value through OCI.
Designated at fair value through profit or loss	Financial assets are designated to be measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch that would otherwise arise.
Fair value through profit or loss – default	Financial assets that are not classified into one of the above-mentioned financial asset categories.

B. Subsequent measurement

Subsequent to initial measurement, financial assets are classified in their respective categories and measured at either amortised cost or fair value as follows:

Amortised cost	Amortised cost using the effective interest method with interest recognised in interest income, less any expected credit impairment losses that are recognised as part of credit impairment charges. Directly attributable transaction costs and fees received are capitalised and amortised through interest income as part of the effective interest rate.
Fair value through OCI (FVOCI)	Debt instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When a debt financial asset is disposed of, the cumulative fair value adjustments, previously recognised in OCI, are reclassified to the other operating income within non-interest revenue. Expected credit impairment losses are recognised as part of credit impairment charges. However, for these FVOCI debt instruments, the expected credit loss is recognised in OCI and does not reduce the carrying amount of the financial asset in the statement of financial position. Interest income on a debt financial asset is recognised in interest income in terms of the effective interest rate method. Dividends received are recognised in interest income within profit or loss. Equity instrument: Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When equity financial assets are disposed of, the cumulative fair value adjustments in OCI are reclassified within reserves to retained income. Dividends received on equity instruments are recognised in other operating income within non-interest income.
Held for trading	Fair value, with gains and losses arising from changes in fair value (including interest and dividends), recognised in trading revenue.
Designated at fair value through profit or loss	Fair value gains and losses (including interest and dividends) on the financial asset recognised in the profit or loss as part of other gains and losses on financial instruments within non-interest revenue.
Fair value through profit or loss – default	Debt instruments – Fair value gains and losses (including interest and dividends) on the financial asset recognised in the profit or loss as part of net income from other financial instruments carried at fair value within non-interest revenue. Equity instruments – Fair value gains and losses on the financial asset recognised in the profit or loss as part of net income from other financial instruments carried at fair value. Dividends received on equity instruments are recognised in other operating income within non-interest income.

C. Impairment

Expected credit losses (ECL) are recognised on debt financial assets classified as either amortised cost or fair value through OCI, financial guarantee contracts that are not designated at fair value through profit or loss, as well as loan commitments that are neither measured at fair value through profit or loss nor are used to provide a loan at a below-market interest rate.

The measurement basis of the ECL of a financial asset includes assessing whether there has been a significant increase in credit risk at the end of the reporting period, which includes forward-looking information that is available without undue cost or effort at the end of the reporting period about past events, current conditions and forecasts of future economic conditions. The measurement basis of the ECL, which is set out in the table that follows, is measured as the unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and forward-looking information.

Stage 1	A 12-month ECL is calculated for financial assets that are neither credit-impaired on origination nor for which there has been a significant increase in credit risk (SICR).
Stage 2	A lifetime ECL allowance is calculated for financial assets that are assessed to have displayed a SICR since origination and are not considered low credit risk.
Stage 3 (credit impaired assets)	A lifetime ECL is calculated for financial assets that are assessed to be credit impaired. The following criteria are used in determining whether the financial asset is impaired: – Default – Significant financial difficulty of borrower and/or modification – Probability of bankruptcy or financial reorganisation – Disappearance of an active market due to financial difficulties.

(i) ECL measurement period

The ECL measurement period, at a minimum, is equal to the 12-month ECL of the financial asset. A loss allowance for full lifetime ECL is required for a financial asset if the credit risk of that financial instrument has increased significantly since initial recognition. The requirement to hold ECL on unutilised loan commitments has been included, where appropriate, within this classification.

(ii) Significant increase in credit risk (SICR) and low credit risk

A lifetime ECL requirement is recognised for all exposures for which there has been SICR. This includes the impact of the loss given default (LGD) work out, being an increase in the lifetime period over which subsequent cures and re-defaults are considered. The requirement to hold ECL on off-balance sheet exposures has been included, where appropriate, within this classification.

Internal ratings-based approach
The Bank uses a 25-point master rating scale to quantify the credit risk for each borrower (corporate asset classes) or facility (specialised lending and retail asset classes), as illustrated in the table below.

Master ratings scale	Grading	Credit quality	Moody's Investor Services	Standard & Poor's	Fitch
1 - 4	Investment grade	Normal monitoring	Aaa, Aa1, Aa2, Aa3	AAA, AA+, AA, AA-	AAA, AA+, AA, AA-
5 - 7			A1, A2, A3	A+, A, A-	A+, A, A-
8 - 12			Baa1, Baa2, Baa3	BBB+, BBB, BBB-	BBB+, BBB, BBB-
13 - 21	Sub-investment grade		Ba1, Ba2, Baa3 B1, B2, B3	BB+, BB, BB-, B+, B, B-	BB+, BB, BB-, B+, B, B-
22 - 25		Close monitoring	Caa1, Caa2, Caa3, Ca	CCC+, CCC, CCC-	CCC+, CCC, CCC-
Default	Default	Default	C	D	

Ratings are mapped to probability of defaults (PDs) by means of calibration formulae that use historical default rates and other data from the applicable portfolio. These credit ratings are evaluated at least annually or more frequently, as appropriate.

Exposures are evaluated for SICR by comparing the credit risk grade at the end of the reporting period to the origination credit risk grade. Where the relative change in the credit risk grade exceeds certain pre-defined ratings' migration thresholds or, when a contractual payment becomes more than 30 days overdue (IFRS 9's rebuttable presumption), the exposure is classified within stage 2. These pre-defined ratings' migration thresholds have been determined based on historic default experience that indicate that higher-rated risk exposures are more sensitive to SICR than lower risk exposures. Based on an analysis of historic default experience, exposures that are classified by the Bank's master rating scale as investment grade are assessed for SICR at the end of each reporting period but are considered to be of a low credit risk for IFRS 9 purposes.

(iii) Key rating models
As a Corporate Investment Banking (CIB)-led portfolio, the Bank uses distinct credit rating models that are used for exposures to banks, sovereigns, local government, brokers, hedge funds, pension funds, asset managers, long- and short-term insurers, property finance (both developer and investor cash flow) and project finance, respectively. PD, exposure at default (EAD) and LGD modelling are integral to all of the models.

(iv) Expected credit losses (ECL) measurement
12-month ECL is computed by DF (discounting factor) x FWD PD x EAD x LGD.

For lifetime expected loss, the ECL is computed by DF x Weighted PD x EAD x lifetime LGD.

PD
PD is calculated using actual historical default rates that ensures a clear ranking of risk by mapping higher scores to lower PDs and vice versa. The PD associated with the rating is based on an averaged through-the-cycle (TTC) PD, which is converted to a point-in-time (PIT) one-year PD. The PIT PDs are extrapolated based on the TTC PD term structure to develop a longer-term PIT PD term structure that can be used for lifetime expected loss calculations. PDs are to be updated at least annually, or more frequently, for example as soon as fresh financial information is obtained, or when new information comes to light that has a material bearing on the credit risk.

The weighted average PD provides an estimate for the annualised weighted average PD over the lifetime of the financial instrument and is driven primarily by the profile of contractual expected exposure run-down and the relevant PD term structure. Forward PD (FWD PD) is derived from the Bank's master scale and represents the cumulative probability of default (CUM PD), which is derived from the Bank's risk grading. FWD PD is then the movement of the CUM PD on a monthly basis.

EAD
EAD captures the potential impact of changes in exposure values, for example, potential drawdowns against unutilised facilities, missed payments, repayments of capital, and potential changes in cross currency positions due to changes in market prices.

LGD
LGD is the amount of a counterparty's obligation to the Bank that is not expected to be recovered after default and is expressed as a percentage of the EAD. LGD measures are a function of customer type, product type, seniority of loan, country of risk and level of collateralisation. LGD is calculated using the workout method (discounted cash flows). Forecasting is performed for accounts that are still in default at the end of the outcome period. LGDs are estimated based on historical recovery data per category of LGD. A downturn LGD is used in the estimation of the capital charge and reflects the anticipated recovery rates in a downturn period. The lifetime LGD provides an estimate of expected recovery experience over the lifetime of a financial instrument in the event of default. The calculation relies on an estimate for LGD as at each point in time over the lifetime of the loan.

Lifetime LGD work out
Increased lifetime period over which subsequent cures and re-defaults are considered, resulting in higher credit impairments for credit-impaired financial assets.

(v) Forward-looking expectations
Forward-looking economic expectations are incorporated in client ratings. The client rating thus reflects the expected client risk for the Bank's expectation of future economic and business conditions. Further adjustments, based on point-in-time market data, are made to the PDs assigned to each risk grade to produce PDs and ECL representative of existing market conditions.

- The Group Economics Research team determines the macroeconomic outlook for each country and a Group view of commodities over a planning horizon of at least three years. The outlook is prepared on a half yearly basis and is provided to the Bank's Asset and Liability Committee (ALCO) for review and approval
- Macroeconomic outlooks take into account various variables, such as gross domestic product, central bank policy interest rates, inflation, exchange rates and treasury bill rates
- Narratives for each country's economic outlook, including bear, base and bull cases, are compiled and typically include consideration of the country's economic background, sovereign risk, foreign exchange risk, financial sector, liquidity and monetary policy stance
- Probabilities are assigned to each of the bear, base and bull cases based on primary macroeconomic drivers and are reviewed monthly
- The forward-looking economic expectations are updated on a bi-annual basis or more regularly when deemed appropriate.

The economy appears to be on a strong recovery path, effectively regaining ground lost during the pandemic, and early signs suggest that any long-term damage will be limited. As a result, Mauritius's growth rate is expected to outperform its pre-pandemic long-term average of just under 4%, with a potential growth of around 4.2% in 2025.

The tourism and manufacturing sectors, in particular, are poised to maintain their recovery momentum, which should contribute to sustained economic growth in the coming years. The recovery in tourism is expected to stimulate both domestic demand and export growth while Mauritius's textile and sugar exports are likely to remain important contributors to the country's external trade.

On the fiscal front, the government is likely to continue with its medium-term fiscal consolidation strategy. This will involve controlling public spending while focusing on increasing revenue to reduce the national debt and fiscal deficit, both of which were significantly impacted by the pandemic. However, the pace of fiscal consolidation is expected to be slower than initially planned, due to election-related spending in 2024 to 2025 and the implementation of populist measures included in the 2023/2024 budget.

The Mauritian rupee (MUR) is expected to maintain moderate stability, bolstered by healthy foreign exchange reserves and sound monetary policy. By 2025, the rupee is likely to follow broader global currency trends, particularly the EUR/USD, although the pace of this alignment will depend on the trajectory of US Federal Reserve policies.

With inflation remaining modest and central banks in developed markets adopting a more dovish stance, the Bank of Mauritius will likely have room to ease monetary policy, supporting economic stability and growth in the coming years.

In a bear case, inflation could spike beyond 6.0% if global commodity prices rise sharply again, forcing the Bank of Mauritius to increase interest rates rather than lower them, stifling growth while under a bull case, inflation could fall significantly as global commodity prices stabilise and domestic supply chains improve, allowing for more aggressive monetary easing if necessary.

Main macroeconomic factors
The following table shows the main macroeconomic factors used to estimate the forward-looking impact on the ECL provision of financial assets. Each scenario, namely base, bear and bull scenario, is presented for each identified time period.

Mauritius macroeconomic indicators	2024	Base scenario[1]		Bull scenario		Bear scenario	
		Next 12 months[2]	Remaining forecast period[3]	Next 12 months	Remaining forecast period	Next 12 months	Remaining forecast period
Inflation (%)*	**3.6**	3.6	3.5	1.4	1.4	6.1	6.8
Prime (%)*	**4.0**	3.6	3.5	3.1	3.0	4.1	4.0
Real GDP (%)*	**5.1**	4.2	3.6	5.3	5.3	3.1	1.9
3m Tbill rate (%)*	**3.5**	3.0	2.9	2.5	2.4	3.5	3.4
6m Tbill rate (%)*	**3.8**	2.8	2.7	2.3	2.2	3.3	3.2
Exchange rate USD/MUR*	**46.95**	46.80	47.40	42.31	41.37	47.77	48.81

Sources: Standard Bank Research Team, Statistics Mauritius, Bank of Mauritius.
*Actual figures as at 31 December 2024 with the exception of real GDP growth which is reflecting the latest forecast.

Sensitivity analysis of the forward-looking impact on the total ECL provision on all financial instruments relating to corporate, sovereign and bank products
The expected credit loss methodology for corporate, sovereign and bank products is based primarily on client-specific risk metrics, as such the forward-looking macroeconomic information is one of the component and/or driver of the total reported ECL. Rating reviews of each client are performed at least annually, and entails credit analysts completing a credit scorecard and incorporating forward-looking information at a client level.

The weighting is reflected in both the determination of significant increase in credit risk as well as the measurement of the resulting ECL for the individual client. Therefore, the impact of forward-looking economic conditions is embedded in the total ECL for each client and cannot be stressed or separated from the overall ECL provision.

The following table shows a comparison of the forward-looking impact on the provision as at 31 December 2024 based on the probability weightings of the above three scenarios resulting from recalculating each of the scenarios using a 100% weighting of the above factors.

	2024		2023		2022	
	Forward-looking component of ECL provision	Profit or loss charge	Forward-looking component of ECL provision	Profit or loss release	Forward-looking component of ECL provision	Profit or loss release
	USD		USD		USD	
Forward-looking impact on the total ECL provision	**12,498,720**	**9,475,399**	20,288,351	427,923	19,630,687	(992,751)
Scenarios						
Base	**12,522,243**	**9,498,922**	20,305,566	445,140	19,593,260	(1,030,178)
Bear	**11,007,792**	**7,984,470**	20,226,465	366,039	19,758,653	(864,785)
Bull	**13,919,079**	**10,895,757**	20,336,653	476,227	19,523,867	(1,099,571)

(vi) Low credit risk
Exposures are generally considered to have a low credit risk where there is a low risk of default, the exposure has a strong capacity to meet its contractual cash flow obligations and adverse changes in economic and business conditions may not necessarily reduce the exposure's ability to fulfil its contractual obligations.

(vii) Default
The Bank's definition of default has been aligned with its internal credit risk management definitions and approaches. A financial asset is considered to be in default when there is objective evidence of impairment. The following criteria are used in determining whether there is objective evidence of impairment for financial assets or groups of financial assets:

- Significant financial difficulty of borrower and/or modification (i.e. known cash flow difficulties experienced by the borrower)
- A breach of contract, such as default or delinquency in interest and/or principal payments
- Disappearance of active market due to financial difficulties
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation
- Where the Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants the borrower a concession that the Bank would not otherwise consider
- Where, in the Bank's view, the counterparty is considered to be unlikely to pay amounts due on the due date or shortly thereafter without recourse to actions such as the realisation of security
- When the counterparty is past due for more than 90 days (or, in the case of overdraft facilities, in excess of the current limit).

The Bank has not rebutted the IFRS 9's 90 days past due rebuttable presumption.

(viii) Write-off policy
An impaired loan is written off once all reasonable attempts at collection have been made and there is no economic benefit expected from attempting to recover the balance outstanding. The following criteria must be met before a financial asset can be written off:

- The financial asset has been in default for the period defined for the specific product which is deemed sufficient to determine whether the entity is able to receive any further economic benefit from the impaired loan
- At the point of write-off, the financial asset is fully impaired (i.e. 100% allowance) with the expectation that the probability of recovery is nil and this probability is not expected to change in the future.

As an exception to the above requirements, where the exposure is secured (or for collateralised structures), the impaired loan can only be written off once the collateral has been realised. Post-realisation of the collateral, the shortfall amount can be written off if it meets the second requirement listed above. The shortfall amount does not need to meet the first requirement to be written off.

(ix) Curing
Continuous assessment is required to determine whether the conditions that led to a financial asset being considered to be credit impaired (i.e. stage 3) still exist. Financial assets that no longer qualify as credit impaired remain within stage 3 for a minimum period of six months (i.e. six full consecutive monthly payments per the terms and conditions). However, in the case of financial assets with quarterly or longer dated repayment terms, the classification of a financial asset out of stage 3 may be made subsequent to an evaluation by the Bank's Credit Governance Committee (as appropriate). Such evaluation will take into account qualitative factors in addition to compliance with payment terms and conditions of the agreement. Qualitative factors include compliance with covenants and compliance with the existing financial asset.

Where it has been determined that a financial asset no longer meets the criteria for significant increase in credit risk, when compared to the credit rating at initial recognition, the financial asset will be moved from stage 2 (lifetime ECL model) back to stage 1 (12-month ECL model) prospectively. A rehabilitation period of at least six months (subsequent to a client repaying all outstanding facilities) would be needed for the client's internal rating to decrease back to its rating scale at initial recognition and move from stage 2 to stage 1 accordingly.

(x) Debt financial investments
In terms of IFRS 9, the impairment provision is calculated per exposure. The ECL measurement period of a minimum is equal to 12 months ECL of the debt financial investment. A loss allowance for lifetime ECL is required if the credit risk has increased significantly.

(xi) Off-balance sheet exposures – undrawn commitments, guarantees and letters of credit
The requirement to hold ECL on off-balance sheet financial instruments, such as undrawn commitments, guarantees and letters of credit, resulted in a requirement to hold additional credit impairment provisions.

(xii) Recognition of ECL
ECLs are recognised within the statement of financial position as follows:

Financial assets measured at amortised cost (including loan commitments)	Recognised as a deduction from the gross carrying amount of the asset (group of assets). Where the impairment allowance exceeds the gross carrying amount of the asset (group of assets), the excess is recognised as a provision within other liabilities.
Off-balance sheet exposures (excluding loan commitments)	Recognised as a provision within other liabilities.
Financial assets measured at fair value through OCI	Recognised in the fair value reserve within equity. The carrying value of the financial asset is recognised in the statement of financial position at fair value.

1 The scenario weighting is: base at 50%, bull at 15%, and bear at 35%.
2 Next 12 months following 31 December 2024 is 1 January 2025 to 31 December 2025.
3 The remaining forecast period is 1 January 2025 to 31 December 2027.

(xiii) Reclassification
Reclassifications of debt financial assets are permitted when, and only when, the Bank changes its business model or how it manages financial assets, in which case all affected financial assets are reclassified. Reclassifications are accounted for prospectively from the date of reclassification as follows:

- Financial assets that are reclassified from amortised cost to fair value are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in other gains and losses on financial instruments
- The fair value of a financial asset that is reclassified from fair value to amortised cost becomes the financial asset's new carrying value
- Financial assets that are reclassified from amortised cost to fair value through OCI are measured at fair value at the date of reclassification with any difference in measurement basis being recognised in OCI
- The fair value of a financial asset that is reclassified from fair value through OCI to amortised cost becomes the financial asset's new carrying value with the cumulative fair value adjustment recognised in OCI being recognised against the new carrying value
- The carrying value of financial assets that are reclassified from fair value through profit or loss to fair value through OCI remains at fair value
- The carrying value of financial assets that are reclassified from fair value through OCI to fair value through profit or loss remains at fair value, with the cumulative fair value adjustment in OCI being recognised in the profit or loss at the date of reclassification.

D. Cash and cash equivalents
Cash and cash equivalents comprise notes and coins on hand, unrestricted balances held with the central bank and highly liquid assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risks of changes in their fair value and are used by the Bank in the management of its short-term commitments.

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

Financial liabilities

Nature

Held-for-trading	Those financial liabilities incurred principally for the purpose of repurchasing in the near term (including all derivative financial liabilities) and those that form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.
Designated at fair value through profit or loss	Financial liabilities are designated to be measured at fair value in the following instances: • To eliminate or significantly reduce an accounting mismatch that would otherwise arise where the financial liabilities are managed and their performance evaluated and reported on a fair value basis; and • Where the financial liability contains one or more embedded derivatives that significantly modify the financial liability's cash flows.
Amortised cost	All other financial liabilities not included in the above categories.

Subsequent measurement
Subsequent to initial measurement, financial liabilities are classified in their respective categories and measured at either amortised cost or fair value as follows:

Held-for-trading	Fair value, with gains and losses arising from changes in fair value (including interest and dividends) recognised in trading revenue.
Fair value through profit or loss	Fair value, with gains and losses arising from changes in fair value (including interest and dividends but excluding fair value gains and losses attributable to own credit risk) are recognised in net trading income as part of non-interest revenue. Fair value gains and losses attributable to changes in own credit risk are recognised within OCI, unless this would create or enlarge an accounting mismatch in which case the own credit risk changes are recognised within trading revenue.
Amortised cost	Amortised cost using the effective interest method recognised in interest expense.

E. Derecognition and modification of financial assets and liabilities
Financial assets and liabilities are derecognised in the following instances:

	Derecognition	Modification
Financial assets	Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the Bank has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in the transferred financial assets that is created or retained by the Bank is recognised as a separate asset or liability. The Bank enters into transactions whereby it transfers assets, recognised in its statement of financial position, but retains either all or a portion of the risks or rewards of the transferred assets. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with the retention of all or substantially all risks and rewards include securities lending and repurchase agreements. When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction, similar to repurchase transactions. In transactions where the Bank neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the asset is derecognised if control over the asset is lost. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.	In determining whether a modification is substantial for a financial asset, qualitative factors are considered, and for a financial liability, both qualitative and quantitative factors are considered. Where an existing financial asset or liability is replaced by another with the same counterparty on substantially different terms, or the terms of an existing financial asset or liability are substantially modified, such an exchange or modification is treated as a derecognition of the original asset or liability and the recognition of a new asset or liability at fair value, including calculating a new effective interest rate, with the difference in the respective carrying amounts being recognised in other gains and losses on financial instruments within non-interest revenue. The date of recognition of a new asset is consequently considered to be the date of initial recognition for impairment calculation purposes. If the terms are not substantially different for financial assets or financial liabilities, the Bank recalculates the new gross carrying amount by discounting the modified cash flows of the financial asset or financial liability using the original effective interest rate. The difference between the new gross carrying amount and the original gross carrying amount is recognised as a modification gain or loss within credit impairments (for distressed financial asset modifications) or in other gains and losses on financial instruments within non-interest revenue (for all other modifications).
Financial liabilities	Financial liabilities are derecognised when the financial liabilities' obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.	

F. Financial guarantee contracts or loan commitment below market rate
A financial guarantee contract is a contract that requires the Bank (issuer) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A loan commitment is described as a firm commitment to provide credit under specified terms and conditions. It is a binding promise from the lender that a specified amount of loan or line of credit will be made available to the named borrower at a certain rate, during a certain period and, usually, for a certain purpose.

Financial guarantee contracts are initially recognised at fair value, which is generally equal to the premium received, and then amortised over the life of the financial guarantee. Financial guarantee contracts (that are not designated at fair value through profit or loss) are subsequently measured at the higher of:

(i) ECL calculated for the financial guarantee

(ii) Unamortised premium.

G. Derivatives and embedded derivatives

In the normal course of business, the Bank enters into a variety of derivative transactions for both trading and hedging purposes. Derivative financial instruments are entered into for trading purposes and for hedging foreign exchange, interest rate, inflation, credit, commodity and equity exposures. Derivative instruments used by the Bank in both trading and hedging activities include swaps, options, forwards and other similar types of instruments based on foreign exchange rates, credit risk, inflation risk, interest rates and the prices of commodities and equities.

Derivatives are initially recognised at fair value. Derivatives that are not designated in a qualifying hedge accounting relationship are classified as held-for-trading with all changes in fair value being recognised within trading revenue. All derivative instruments are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Embedded derivatives included in hybrid instruments, where the host is a financial asset, is assessed in terms of the accounting policy on financial assets. In all other instances (being non-financial host contracts and financial liabilities), the embedded derivatives are treated and disclosed as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, the terms of the embedded derivative are the same as those of a stand-alone derivative and the combined contract is not measured at fair value through profit or loss. The host contract is accounted for and measured applying the relevant group accounting policy.

The method of recognising fair value gains and losses on derivatives designated as a hedging instrument depends on the nature of the hedge relationship.

Hedge accounting

The Bank applies IFRS 9 to all its micro hedges. Derivatives are designated by the Bank into the following relationships:

TYPE OF HEDGE	NATURE	TREATMENT
Fair value hedges	▪ Hedges of the fair value of recognised financial assets, liabilities or firm commitments.	Where a hedging relationship is designated as a fair value hedge, the hedged item is adjusted for the change in fair value in respect of the risk being hedged. Gains or losses on the remeasurement of both the derivative and the hedged item are recognised in profit or loss. Fair value adjustments relating to the hedging instrument are allocated to the same line item in profit or loss as the related hedged item. Any hedge ineffectiveness is recognised in profit and loss If the derivative expires, is sold, terminated, exercised, no longer meets the criteria for fair value hedge accounting, or the designation is revoked, then hedge accounting is discontinued. The adjustment to the carrying amount of a hedged item measured at amortised cost, for which the effective interest method is used, is amortised to profit or loss as part of the hedged item's recalculated effective interest rate over the period to maturity.

Hedge accounting risk management strategy

Hedge accounting is applied when the hedging relationship meets the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

Where the above criteria are met, derivatives are classified as derivatives held-for-hedging and hedge accounting is applied to remove the accounting mismatch between the derivative (hedging instrument) and the underlying instruments (hedged item). All qualifying hedging relationships are designated as either fair value or cash flow hedges for recognised financial assets or liabilities, and highly probable forecast transactions. For hedge relationships where the critical terms of the hedged item and hedging instrument match, a qualitative method is considered appropriate for hedge effectiveness testing. Where the characteristics between the hedged item and hedging instrument are insufficiently correlated, judgement is applied and, if required, a qualitative and quantitative method is used for hedge effectiveness testing.

H. Sale and repurchase agreements and lending of securities

Securities sold subject to linked repurchase agreements (repurchase agreements) are reclassified in the statement of financial position as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral. The liability to the counterparty is included under deposits and current accounts or trading liabilities, as appropriate.

Securities purchased under agreements to resell (reverse repurchase agreements), at either a fixed price or the purchase price plus a lender's rate of return, are recorded as loans and included under trading assets or loans and advances, as appropriate. For repurchase and reverse repurchase agreements measured at amortised cost, the difference between the purchase and sales price is treated as interest and amortised over the expected life using the effective interest method.

Securities lent to counterparties are retained in the annual financial statements. Securities borrowed are not recognised in the annual financial statements unless sold to third parties. In these cases, the obligation to return the securities borrowed is recorded at fair value as a trading liability. Income and expenses arising from the securities borrowing and lending business are recognised over the period of the transactions.

I. Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis, or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparties to the transaction. Income and expenses are presented on a net basis only when permitted by IFRS, or for gains and losses arising from a group of similar transactions.

c) Fair value

Fair value

Fair value hierarchy	Inputs and valuation techniques	Portfolio valuations	Day 1 profit/loss	Cost exception

In terms of IFRS, the Bank is either required to or elects to measure a number of its financial assets and financial liabilities at fair value. Regardless of the measurement basis, the fair value is required to be disclosed, with some exceptions, for all financial assets and financial liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market between market participants at the measurement date under current market conditions. Fair value is a market-based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions. When determining fair value, it is presumed that the entity is a going concern and is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale. In estimating the fair value of an asset or a liability, the Bank takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at measurement date.

Fair value hierarchy

The Bank's financial instruments that are both carried at fair value and for which fair value is disclosed are categorised by level of fair value hierarchy. The different levels are based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.

Hierarchy levels

The levels have been defined as follows:

Level 1	Fair value is based on quoted market prices (unadjusted) in active markets for an identical financial asset or liability. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
Level 2	Fair value is determined through valuation techniques based on observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
Level 3	Fair value is determined through valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instrument being valued and the similar instrument.

Hierarchy transfer policy

Transfers of financial assets and financial liabilities between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

Inputs and valuation techniques

Fair value is measured based on quoted market prices or dealer price quotations for identical assets and liabilities that are traded in active markets, which can be accessed at the measurement date, and where those quoted prices represent fair value. If the market for an asset or liability is not active or the instrument is not quoted in an active market, the fair value is determined using other applicable valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and other valuation techniques commonly used by market participants.

Fair value measurements are categorised into level 1, 2 or 3 within the fair value hierarchy, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement.

Where discounted cash flow analysis are used, estimated future cash flows are based on management's best estimates and a market-related discount rate at the end of the reporting period for an asset or liability with similar terms and conditions.

If an asset or a liability measured at fair value has both a bid and an ask price, the price within the bid-ask spread that is most representative of fair value is used to measure fair value. The Bank's valuation control framework governs internal control standards, methodologies, and procedures over its valuation processes, which include the following valuation techniques and main inputs and assumptions per type of instrument.

Item	Description	Valuation technique	Main inputs and assumptions
Derivative financial instruments	Derivative financial instruments comprise foreign exchange and interest rate derivatives that are either held-for-trading or designated as hedging instruments in hedge relationships.	Standard derivative contracts are valued using market accepted models and quoted parameter inputs. More complex derivative contracts are modelled using more sophisticated modelling techniques applicable to the instrument. Techniques include the discounted cash flow model.	For level 2 and 3 fair value hierarchy items: ▪ Discount rate* ▪ Spot prices of the underlying ▪ Correlation factors ▪ Volatilities ▪ Dividend yields ▪ Earnings yield ▪ Valuation multiples.
Trading assets and trading liabilities	Trading assets and liabilities comprise instruments that are part of the Bank's underlying trading activities. These instruments primarily include sovereign and corporate debt.	Where there are no recent market transactions in the specific instrument, fair value is derived from the last available market price adjusted for changes in risks and information since that date. Where a proxy instrument is quoted in an active market, the fair value is determined by adjusting the proxy fair value for differences between the proxy instrument and the financial investment being fair valued. Where proxies are not available, the fair value is estimated using more complex modelling techniques. These techniques include discounted cash flow and Black-Scholes models using current market rates for credit, interest, liquidity, volatility and other risks. Combination techniques are used to value unlisted equity securities and include inputs such as earnings and dividend yields of the underlying entity.	
Pledged assets	Pledged assets comprise instruments that may be sold or repledged by the Bank's counterparty in the absence of default by the Bank. Pledged assets comprise sovereign debt pledged as collateral under repurchase agreements.		
Financial investments	Financial investments are non-trading financial assets and primarily comprise sovereign debt.		
Loans and advances to banks and customers	Loans and advances comprise: Loans and advances to banks include call loans, loans granted under resale agreements and balances held with other banks. Loans and advances to customers include other asset-based loans and other secured and unsecured loans, overdrafts, other demand lending, term lending.	For certain loans, fair value may be determined from the market price of a recently occurring transaction adjusted for changes in risks and information between the transaction and valuation dates. Loans and advances are reviewed for observed and verified changes in credit risk and the credit spread is adjusted at subsequent dates if there has been an observable change in credit risk relating to a particular loan or advance. In the absence of an observable market for these instruments, discounted cash flow models are used to determine fair value. Discounted cash flow models incorporate parameter inputs for interest rate risk, foreign exchange risk, liquidity and credit risk, as appropriate. For credit risk, the probability of default and loss given default parameters are determined using credit default swaps (CDS) markets, where available and appropriate, as well as the relevant terms of the loan and loan counterparty such as the industry classification and subordination of the loan.	For level 2 and 3 fair value hierarchy items • Discount rate*.

* Discount rates, where applicable, include the risk-free rate, risk premiums, liquidity spreads, credit risk (own and counterparty, as appropriate), timing of settlement, storage/service costs, prepayment and surrender risk assumptions and recovery rates/loss given default.

Item	Description	Valuation technique	Main inputs and assumptions (level 2 and 3 fair value hierarchy items)
Deposits and debt funding	Deposits from banks and customers comprise amounts owed to banks and customers.	For certain deposits, fair value may be determined from the market price on a recently occurring transaction adjusted for all changes in risks and information between the transaction and valuation dates. In the absence of an observable market for these instruments, discounted cash flow models are used to determine fair value based on the contractual cash flows related to the instrument. The fair value measurement incorporates all market risk factors including a measure of the Bank's credit risk relevant for that financial liability. The market risk parameters are valued consistently to similar instruments held as assets stated in the section above.	For level 2 and 3 fair value hierarchy items • Discount rate*.

* Discount rates, where applicable, include the risk-free rate, risk premiums, liquidity spreads, credit risk (own and counterparty, as appropriate), timing of settlement, storage/service costs, prepayment and surrender risk assumptions and recovery rates/loss given default.

Portfolio valuations
The Bank has elected the portfolio exception to measure the fair value of certain groups of financial assets and financial liabilities. This exception permits the group of financial assets and financial liabilities to be measured at fair value on a net basis, with the net fair value being allocated to the financial assets and financial liabilities.

Day one profit or loss

For financial instruments where the fair value of the financial instrument differs from the transaction price, the difference is commonly referred to as 'day one profit or loss'. Day one profit or loss is recognised in profit or loss immediately where the fair value of the financial instrument is either evidenced by comparison with other observable current market transactions in the same instrument, or is determined using valuation models with only observable market data as inputs. Day one profit or loss is deferred where the fair value of the financial instrument is not able to be evidenced by comparison with other observable current market transactions in the same instrument or is determined using valuation models that utilise non-observable market data as inputs.

The timing of the recognition of deferred day one profit or loss is determined individually depending on the nature of the instrument and availability of market observable inputs. It is either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

d) Employee benefits
The Bank operates a defined contribution plan.

A defined contribution plan is a pension plan under which the Bank pays fixed contributions into a separate entity. The Bank provides retirement benefits for its employees through a defined contribution plan, which is funded by contributions from the Bank. Under the defined contribution plan, the Bank has no legal or constructive obligation to contribute further to what has been contributed into the fund as defined in the rules of the scheme. Pension contributions are charged to the profit or loss in the year to which they relate. The Bank has an obligation under the current labour laws to pay a severance allowance on retirement of its employees. The Bank is allowed to deduct from this severance allowance up to five times the amount of any annual pension granted at retirement age from the said fund based on the employer's share of contributions only, and half the lump sum payable at the member's retirement from the fund based on the employer's share of contributions only.

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

State pension plan
Contributions to the 'Contribution Sociale Generalisée' scheme are recognised in profit or loss in the period in which they fall due.

Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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

e) Non-financial assets (intangible assets and property and equipment)

Non-financial assets

Tangible Assets	Intangible Assets
Equipment Furniture and Fittings Motor Vehicles	Computer Software Other Intangible assets

Type and initial and subsequent measurement	Useful lives, depreciation/ amortisation method or fair value basis	Impairment
Tangible assets (equipment, furniture and motor vehicles) Equipment, furniture and fittings and motor vehicles are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Costs that are subsequently incurred are included in the asset's related carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Bank and the cost of the item can be measured reliably. Expenditure, which does not meet these criteria, is recognised in operating expenses as incurred. Where significant parts of an item of property or equipment have different useful lives, they are accounted for as separate major components of property and equipment.	Property, plant and equipment are depreciated on the straight-line basis over estimated useful lives (see below) of the assets to their residual values. Computer equipment: 3-5 years Office equipment: 5-10 years Furniture & fittings: 5-13 years Motor vehicles: 5 years	These assets are reviewed for impairment at the end of each reporting period and tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in non-trading and capital related items for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is determined as the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is determined by ascertaining the current market value of an asset and deducting any costs related to the realisation of the asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets that cannot be tested individually are grouped at the lowest level for which there are separately identifiable cash inflows from continuing use cash generating units (CGUs). Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. The carrying amount of these other assets may, however, not be reduced below the higher of the CGU's fair value less costs to sell and its value in use.

Type and initial and subsequent measurement	Useful lives, depreciation/ amortisation method or fair value basis	Impairment
Tangible assets (equipment, furniture and motor vehicles) (continued)	The residual values, useful lives and the depreciation method applied are reviewed, and adjusted if appropriate, at each financial year end.	Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed through non-trading and capital-related items only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.
Intangible assets (computer software and other intangible assets) Costs associated with developing or maintaining computer software programs and the acquisition of software licences are generally recognised as an expense as incurred. However, direct computer software development costs that are clearly associated with an identifiable and unique system, which will be controlled by the Bank and have a probable future economic benefit beyond one year, are recognised as intangible assets. Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses from the date that the assets are available for use. Expenditure subsequently incurred on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.	Amortisation is recognised in operating expenses on a straight-line basis at rates appropriate to the expected lives of the assets (two to 15 years) from the date that the asset is available for use. Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if necessary.	Intangible assets that have an indefinite useful life are tested annually for impairment and additionally when an indicator of impairment exists. The accounting treatment for computer software and other intangible assets is otherwise the same as for tangible assets.

Derecognition

Non-financial assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss on derecognition is recognised in profit or loss and is determined as the difference between the net disposal proceeds and the carrying amount of the non-financial asset.

f) Equity-linked transactions

Equity compensation plans

Equity-settled share-based payments | **Cash-settled share-based payments**

Equity-settled share-based payments	The Bank operates both equity-settled and cash-settled share-based compensation plans. All share options are accounted for as share-based payment transactions. The fair value of the equity-settled share-based payments is determined on grant date and accounted for within operating expenses – staff costs over the vesting period with a corresponding increase in the share-based payment reserve. Non-market vesting conditions are not considered in the valuation but are included in the estimate of the number of options expected to vest. At the end of each reporting period, the estimate of the number of options expected to vest is reassessed and adjusted against operating expenses and share-based payment reserve over the remaining vesting period. On vesting of the equity-settled share-based payments, amounts previously credited to the share-based payment reserve are transferred to retained earnings through an equity transfer.
Cash-settled share-based payments	Cash-settled share-based payments are accounted for as liabilities at fair value until the date of settlement. The liability is recognised over the vesting period and is revalued at the end of every reporting period, up to and including the date of settlement. All changes in the fair value of the liability are recognised in operating expenses.

g) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets
- Leases with a duration of twelve months or less.

Accounting for lease liabilities

Initially measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case for the Bank) this is not readily determinable, in which case the Bank's incremental borrowing rate on commencement of the lease is used. The Bank's internal funding rate is the base on which the incremental borrowing rate is calculated. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate. On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee
- The exercise price of any purchase option granted in favour of the Bank, should it be reasonably certain that this option will be exercised
- Any penalties payable for terminating the lease, should the term of the lease be estimated on the basis of this termination option being exercised.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Interest expense on lease liabilities

A lease finance cost, determined with reference to the interest rate implicit in the lease or the Bank's incremental borrowing rate, is recognised within interest expense over the lease period.

Right-of-use assets (ROUs)

Initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease
- Initial direct costs incurred
- The amount of any provision recognised where the Bank is contractually required to dismantle, remove or restore the leased asset.

The Bank applies the cost model subsequent to the initial measurement of the ROUs.

Depreciation of ROUs

Subsequent to initial measurement, the ROUs are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset, should this term be shorter than the lease term, unless ownership of the underlying asset transfers to the Bank at the end of the lease term, whereby the ROUs are depreciated on a straight-line basis over the remaining economic life of the asset. This depreciation is recognised as part of depreciation on the ROUs in profit or loss.

Termination of leases

When the Bank or lessor terminates or cancels a lease, the ROU and lease liability are derecognised. On derecognition of the ROU and lease liability, any difference is recognised as a derecognition gain or loss in profit or loss.

Low-value leases

All leases that meet the criteria as either a lease of a low-value asset or a short-term lease are accounted for on a straight-line basis over the lease term. Accruals for unpaid lease charges, together with a straight-line lease asset or liability, being the difference between actual payments and the straight-line lease expense are recognised.

Payments made under these leases, net of any incentives received from the lessor, are recognised in operating lease expenses on a straight-line basis over the term of the lease. When these leases are terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as operating lease expenses in the period in which termination takes place.

Reassessment and modification of leases

Reassessment of lease terms and lease modifications that are not accounted for as a separate lease

When the Bank reassesses the terms of any lease (i.e. it reassesses the probability of exercising an extension or termination option) or modifies the terms of a lease without increasing the scope of the lease or where the increased scope is not commensurate with the stand-alone price, it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the applicable rate at the date of reassessment or modification. The carrying amount of lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised.

For reassessments to the lease terms, an equivalent adjustment is made to the carrying amount of the right of use asset, with the revised carrying amount being depreciated over the revised lease term. However, if the carrying amount of the right-of-use asset is reduced to zero, any further reduction in the measurement of the lease liability is recognised in profit or loss.

For lease modifications that are not accounted for as a separate lease, an equivalent adjustment is made to the carrying amount of the right of use asset, with the revised carrying amount being depreciated over the revised lease term. However, for lease modifications that decrease the scope of the lease, the carrying amount of the right-of-use asset is decreased to reflect the partial or full termination of the lease, with any resulting difference being recognised in profit or loss as a gain or loss relating to the partial or full termination of the lease.

Lease modifications that are accounted for as a separate lease

When the Bank modifies the terms of a lease resulting in an increase in scope and the consideration for the lease increases by an amount commensurate with a stand-alone price for the increase in scope, the Bank accounts for these modifications as a separate new lease. This accounting treatment equally applies to leases where the Bank elected a short-term lease exemption and the lease term is subsequently modified.

h) Equity

Share issue costs

Incremental external costs directly attributable to a transaction that increases or decreases equity are deducted from equity, net of related tax. All other share issue costs are expensed.

Dividends

Distributions are recognised in equity in the period in which they are declared. Distributions declared after the end of the reporting period are disclosed in the subsequent event note to the annual financial statements.

i) Provisions, contingent assets and contingent liabilities

Provisions	Contingent assets	Contingent liabilities

Provisions	Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The Bank provisions typically include the following (when applicable): **Provisions for legal claims** Provisions for legal claims are recognised on a prudent basis for the estimated cost for all legal claims that have not been settled or reached conclusion at the end of the reporting period. In determining the provision, management considers the probability and likely settlement (if any). Reimbursements of expenditure to settle the provision are recognised when, and only when, it is virtually certain that the reimbursement will be received. **Provisions for restructuring** A provision for restructuring is recognised when the Bank has approved a detailed formal plan, and the restructuring either has commenced or has been announced publicly. Future operating costs or losses are not provided for. **Provisions for onerous contract** A provision for onerous contracts is recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.
Contingent assets	Contingent assets are not recognised in the annual financial statements but are disclosed when, as a result of past events, it is probable that economic benefits will flow to the Bank, but this will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the Bank's control.
Contingent liabilities	Contingent liabilities include certain guarantees (other than financial guarantees) and letters of credit and are not recognised in the annual financial statements but are disclosed in the notes to the annual financial statements unless they are considered remote.

j) Taxation

Direct Taxation	Indirect Tax
Current Tax Deferred Tax	

Type	Description, recognition and measurement
Current tax – determined for current period transactions and events	Current tax is recognised in the income tax expense line in the statement of profit or loss except to the extent that it relates to items recognised directly in equity or in OCI. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Following the amendments brought by the Finance (Miscellaneous Provisions) Act 2023 of Mauritius, the tax rate applicable to the Bank has increased from a flat 5% to a rate of 5% on its chargeable income upto MUR 1.5bn and 15% on its chargeable income exceeding MUR 1.5bn. The change was applied with retrospective effect and is applicable as from the year ended 31 December 2022. The Bank is also liable to pay a special levy on its leviable income (net interest income and other income before deduction of expenses) derived from Segment A activities during the year. Special levy is calculated at the rate of 5.5% on leviable income. The special levy at 5.5% is included in income tax expense and current liability in the financial statements. The Bank is subject to the Advance Payment System (APS) whereby it pays income tax on a quarterly basis. Corporate social responsibility tax (CSR) is also payable by the Bank at the rate of 2% of the Segment A chargeable income of the preceding year. As from the year ended 31 December 2024, a corporate climate responsibility Levy of 2% of the total chargeable income is applicable.
Deferred tax – determined for future tax consequences	Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the end of each reporting period. Deferred tax is not recognised for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination, which affects neither accounting nor taxable profits or losses. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the asset or liability and is not discounted. Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.
Indirect taxation	Indirect taxes, including non-recoverable value added tax (VAT), skills development levies and other duties for banking activities, are recognised in the income tax expense line in the profit or loss.

Offsetting

Current tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

k) Revenue and expenditure

Net interest income	Non-interest income
	Net fee and commission Net trading revenue Other operating income

Description	Recognition and measurement
Net interest income	Interest income and expense are recognised in net interest income using the effective interest method for all interest-bearing financial instruments. In terms of the effective interest method, interest is recognised at a rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. Direct incremental transaction costs incurred and origination fees received, including loan commitment fees, as a result of bringing margin-yielding assets or liabilities into the statement of financial position, are capitalised to the carrying amount of financial instruments that are not at fair value through profit or loss and amortised as interest income or expense over the life of the asset or liability as part of the effective interest rate. Where the estimates of payments or receipts on financial assets or financial liabilities are subsequently revised, the carrying amount of the financial asset or financial liability is adjusted to reflect actual and revised estimated cash flows. The carrying amount is calculated by computing the present value of the adjusted cash flows at the financial asset or financial liability's original effective interest rate. Any adjustment to the carrying value is recognised in net interest income. When a financial asset is classified as specifically impaired, interest income is calculated on the impaired value (gross carrying amount less specific impairment) based on the original effective interest rate. The contractual interest income on the gross exposure is suspended and is only recognised in interest income and other when the financial asset is reclassified out of stage 3.
Net fee and commission	Fee and commission revenue, including transactional fees, account servicing fees, investment management fees, sales commissions and placement fees are recognised as the related services are performed. Loan commitment fees for loans that are not expected to be drawn down are recognised on a straight-line basis over the commitment period. Loan syndication fees, where the Bank does not participate in the syndication or participates at the same effective interest rate for comparable risk as other participants, are recognised as revenue when the syndication has been completed. Syndication fees that do not meet these criteria are capitalised as origination fees and amortised to the statement of profit and loss as interest income. The fair value of issued financial guarantee contracts on initial recognition is amortised as income over the term of the contract. Fee and commission expenses, included in net fee and commission revenue, are mainly transaction and service fees relating to financial instruments, which are expensed as the services are received. Expenditure is presented as fee and commission expenses where the expenditure is linked to the production of fee and commission revenue.
Net trading income	Trading revenue comprises all gains and losses from changes in the fair value of trading assets and liabilities, together with related interest income, expense and dividends.
Other operating income	Other operating income comprises expenses recharged to Standard Bank Trust and intra group service management.

l) Other significant accounting policies

Segment reporting	Statutory credit risk reserve	Related Party

Related Party	For the purposes of these financial statements, parties are considered to be related to the Bank where: (a) A person or a close member of that person's family is related to the Bank if that person: (i) Has control or joint control over the Bank (ii) Has significant influence over the Bank (iii) Is a member of the key management personnel of the Bank or of a parent of the Bank. (b) An entity is related to the Bank if any of the following conditions apply: (i) The entity and the Bank are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others) (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member) (iii) Both entities are joint ventures of the same third party (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity (v) The entity is a post-employment defined benefit plan for the benefit of employees of either the Bank or an entity related to the Bank. If the Bank holds such a plan, the sponsoring employers are also related to the Bank (vi) The entity is controlled or jointly controlled by a person identified in (a) (vii) A person identified in (a) (i) has significant influence over the entity or (ii) is a member of the key management personnel of the entity (or of a parent of the entity) (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Bank or to the parent of the Bank.
Comparatives	Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. When IAS 8 applies, comparative figures have been adjusted to conform with changes in presentation in the current year.

m) New standards and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting period and have not been adopted early by the Bank. Those standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. Financial risk management

Introduction and overview

This note presents information about the Bank's exposure to financial risks and the Bank's management of capital.

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

- Credit risk
- Liquidity risk
- Market risk
- Capital risk management.

(a) Credit risk

For the definition of credit risk and information on how credit risk is managed by the Bank, please refer to pages 33 to 34 under the Risk and capital management section.

(i) Maximum exposure to credit risk

The Bank's credit exposure is spread across a broad range of asset classes, including cash and cash equivalents, trading assets, derivative assets, pledged assets, loans and advances to customers, loans and advances to banks and financial investments.

The following table presents the maximum exposure to credit risk from on-balance sheet and off-balance sheet financial instruments, before taking account of any collateral held or other credit enhancements (unless such credit enhancements meet accounting offsetting requirements). For financial assets recognised on the statement of financial position, the maximum exposure to credit risk equals their carrying amount; for financial guarantees and similar contracts granted, it is the maximum amount that we would have to pay if the guarantees were called upon.

For loan commitments and other credit-related commitments that are irrevocable over the life of the respective facilities, it is generally the full amount of the committed facilities.

	2024 USD	2023 USD	2022 USD
Cash and cash equivalents	**1,003,991,859**	871,976,153	1,264,418,782
Trading assets	**387,517**	—	—
Derivative assets	**3,333,687**	3,502,573	3,490,100
Pledged assets	**67,084,164**	67,048,142	—
Loans and advances to banks	**489,911,735**	595,950,712	666,958,902
Loans and advances to customers	**525,642,500**	403,988,351	253,370,640
Financial investments	**303,101,000**	301,860,746	464,645,971
Other assets	**6,305,929**	7,152,774	5,463,695
Financial guarantees and other credit-related contingent liabilities	**78,641,745**	74,088,188	59,003,244
Loan and other credit-related commitments	**274,938,918**	253,924,584	215,702,574
At 31 December	**2,753,339,054**	2,579,492,223	2,933,053,908

Non-financial assets relating mostly to prepayments and VAT amounting to USD 582,394 were excluded from other assets as at 31 December 2024 (2023: USD 514,762; 2022: USD 498,890).

(a) Credit risk continued

(ii) Analysis of credit quality

	Gross carrying amount			ECL			ECL %		
At 31 December 2024	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial assets	USD	USD	USD	USD	USD	USD			
Cash and cash equivalents	**1,003,999,953**	**—**	**—**	**8,094**	**—**	**—**	**—**	**—**	**—**
Pledged assets	**67,090,138**	**—**	**—**	**5,974**	**—**	**—**	**—**	**—**	**—**
Loans and advances to banks	**490,123,421**	**—**	**—**	**211,686**	**—**	**—**	**—**	**—**	**—**
Loans and advances to customers	**496,466,468**	**27,647,218**	**18,293,301**	**3,275,660**	**129,528**	**8,026,966**	**0.7%**	**0.5%**	**43.9%**
Financial Investments – Amortised	**303,124,757**	**—**	**—**	**23,757**	**—**	**—**	**—**	**—**	**—**
Financial Investments – FVOCI	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Financial guarantees and other credit-related contingent liabilities	**71,862,349**	**6,984,303**	**—**	**16,025**	**188,882**	**—**	**—**	**—**	**—**
Loan and other credit-related commitments	**260,585,348**	**14,965,718**	**—**	**561,794**	**50,354**	**—**	**0.3%**	**—**	**—**
Total	**2,693,252,434**	**49,597,239**	**18,293,301**	**4,102,990**	**368,764**	**8,026,966**	**0.2%**	**2.3%**	**62.5%**
At 31 December 2023									
Cash and cash equivalents	871,986,090	—	—	9,937	—	—	—	—	—
Pledged assets	67,059,034	—	—	10,892	—	—	—	—	—
Loans and advances to banks	596,322,927	—	—	372,215	—	—	0.1%	—	—
Loans and advances to customers	395,158,722	8,049,422	24,556,674	3,756,658	185,387	15,343,020	1.0%	2.3%	62.5%
Financial Investments – Amortised	301,267,630	—	—	44,137	—	—	—	—	—
Financial Investments – FVOCI	637,255	—	—	2	—	—	—	—	—
Financial guarantees and other credit-related contingent liabilities	74,047,587	61,252	—	20,281	370	—	—	0.6%	—
Loan and other credit-related commitments	254,455,313	14,723	—	544,957	495	—	0.2%	3.4%	—
Total	2,560,934,558	8,125,397	24,556,674	4,759,079	186,252	15,343,020	0.2%	2.3%	62.5%

(a) Credit risk continued

(ii) Analysis of credit quality continued

	Gross carrying amount			ECL			ECL %		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	USD	USD	USD	USD	USD	USD			
At 31 December 2022									
Cash and cash equivalents	1,264,432,334	—	—	13,552	—	—	—	—	—
Loans and advances to banks	667,350,330	—	—	391,428	—	—	0.1%	—	—
Loans and advances to customers	237,341,192	14,102,615	22,986,257	3,130,665	68,703	15,607,054	1.3%	0.5%	67.9%
Financial Investments – Amortised	461,908,187	—	—	19,310	—	—	—	—	—
Financial Investments – FVOCI	2,757,227	—	—	133	—	—	—	—	—
Financial guarantees and other credit-related contingent liabilities	57,428,800	1,606,287	—	28,760	3,083	—	0.1%	0.2%	—
Loan and other credit-related commitments	213,706,544	2,364,029	—	337,860	30,139	—	0.2%	1.30%	—
Total	2,904,924,614	18,072,931	22,986,257	3,921,708	101,925	15,607,054	0.1%	0.6%	67.9%

Note: Loans and advances to customers for stage 3 exclude interest in suspense 2024: USD 5,332,333 (2023: USD 4,491,402; 2022: USD 2,253,002)

(a) Credit risk continued

(ii) Analysis of credit quality continued

Movement in ECL allowances: 2024

Loans and advances to customers

Stage 1
A drop in stage 1 provisioning following repayment of a client.

Stage 2
Higher stage 2 provisioning as a result of a rise in stage 2 exposures.

Stage 3
The release is due to repayment of principal and interest from a stage 3 client.

Loans and advances to banks
The reduction in Bank provisioning is due to a reduction in Bank placement compared to the prior year.

ECL allowances: 2023

Loans and advances to customers

Stage 1
A rise in stage 1 provisioning following new exposures disbursed.

Stage 2
Higher stage 2 provisioning as a result of a rise in stage 2 exposures.

Stage 3
The release is due to repayment of interest received during the year as well as due to the release of excess provision as a result of the revaluation of the loan balance of a stage 3 client.

Loans and advances to banks

The reduction in Bank provisioning is due to a reduction in Bank placement compared to prior year.

ECL allowances: 2022

Loans and advances to customers

Stage 1
The major increase in 2022 is mainly due to the credit impairment charge of USD 2.1m raised following a new exposure of USD 8.9m disbursed to a new client based in Ghana that has a risk grade of SB 25.

Stage 2
A reduction in gross carrying amount of USD 7.8m for an agricultural-based company has led to a decrease of USD 62.1k in ECL. Furthermore, an improvement in the risk grading from 18 to 16 for a client based in the telecommunication industry has reduced the impairment for stage 2 in 2022.

Loans and advances to banks
Even though the gross carrying amount increased by USD 288.4m, the ECL decreased by USD 421.2k. This is because the Bank adopted a Group policy in 2022 whereby no ECL is calculated on intercompany balances that are deemed to be low risk. An assessment is, however, performed to book any transfer risk noted on those exposures. This led to a fall in ECL on loans to banks.

(a) Credit risk continued

(ii) Analysis of credit quality continued

31 December 2024: Reconciliation of the expected credit losses

		Transfers between stages				Profit or loss movement						
	Opening ECL balance	Transfer stage 1 to/(from)	Transfer stage 2 to/(from)	Transfer stage 3 to/(from)	Total	Originated "new" ECL raised	Changes in ECL – modifications	Subsequent changes in ECL	Total	Impaired accounts written off	Time value of money	Closing balance
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Stage 1												
Bank lending/cash and cash equivalents at amortised cost	382,152	–	–	–	–	110,865	–	(273,237)	(162,372)	–	–	219,780
Pledged assets	10,892	–	–	–	–	–	–	(4,918)	(4,918)	–	–	5,974
Corporate lending at amortised cost	3,756,658	(61,599)	–	–	(61,599)	1,184,798	–	(1,604,197)	(419,399)	–	–	3,275,660
Financial investment at amortised cost	44,137	–	–	–	–	3,966	–	(24,346)	(20,380)	–	–	23,757
Financial investment at FVOCI	2	–	–	–	–	–	–	(2)	(2)	–	–	–
Financial guarantees and other credit-related contingent liabilities	20,281	–	–	–	–	477	–	(4,733)	(4,256)	–	–	16,025
Loan and credit-related commitments	544,957	–	–	–	–	73,614	–	(56,777)	16,837	–	–	561,794
Total	4,759,079	(61,599)	–	–	(61,599)	1,373,720	–	(1,968,210)	(594,490)	–	–	4,102,990

(a) Credit risk continued

(ii) Analysis of credit quality continued

31 December 2024: Reconciliation of the expected credit losses continued

	Opening ECL balance	Transfers between stages				Profit or loss movement				Impaired accounts written off	Time value of money	Closing balance
		Transfer stage 1 to/(from)	Transfer stage 2 to/(from)	Transfer stage 3 to/(from)	Total	Originated "new" ECL raised	Changes in ECL – modifications	Subsequent changes in ECL	Total			
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Stage 2												
Bank lending/cash and cash equivalents at amortised cost	–	–	–	–	–	–	–	–	–	–	–	–
Pledged assets	–	–	–	–	–	–	–	–	–	–	–	–
Corporate lending at amortised cost	185,387	–	61,599	–	61,599	–	–	(117,458)	(117,458)	–	–	129,528
Financial investment at amortised cost	–	–	–	–	–	–	–	–	–	–	–	–
Financial investment at FVOCI	–	–	–	–	–	–	–	–	–	–	–	–
Financial guarantees and other credit-related contingent liabilities	370	–	–	–	–	–	–	188,512	188,512	–	–	188,882
Loan and credit-related commitments	495	–	–	–	–	–	–	49,859	49,859	–	–	50,354
Total	186,252	–	61,599	–	61,599	–	–	120,913	120,913	–	–	368,764

(a) Credit risk continued

(ii) Analysis of credit quality continued

31 December 2024: Reconciliation of the expected credit losses continued

	Opening ECL balance	Transfers between stages				Profit or loss movement				Impaired accounts written off	Time value of money	Closing balance
		Transfer stage 1 to/(from)	Transfer stage 2 to/(from)	Transfer stage 3 to/(from)	Total	Originated "new" ECL raised	Changes in ECL – modifications	Subsequent changes in ECL	Total			
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Stage 3 (excluding interest in suspense (IIS))												
Bank lending/cash and cash equivalents at amortised cost	–	–	–	–	–	–	–	–	–	–	–	–
Pledged assets	–	–	–	–	–	–	–	–	–	–	–	–
Corporate lending at amortised cost	15,343,020	–	–	–	–	–	–	(7,316,054)	(7,316,054)	–	–	8,026,966
Financial investment at amortised cost	–	–	–	–	–	–	–	–	–	–	–	–
Financial investment at FVOCI	–	–	–	–	–	–	–	–	–	–	–	–
Financial guarantees and other credit-related contingent liabilities	–	–	–	–	–	–	–	–	–	–	–	–
Loan and credit-related commitments	–	–	–	–	–	–	–	–	–	–	–	–
Total	15,343,020	–	–	–	–	–	–	(7,316,054)	(7,316,054)	–	–	8,026,966
Total ECL	20,288,351	(61,599)	61,599	–	–	1,373,720	–	(9,163,351)	(7,789,631)	–	–	12,498,720

(a) Credit risk continued

(ii) Analysis of credit quality continued

31 December 2024: Credit exposure at amortised cost

	Gross carrying value	SB 1–12		SB 13–20		SB 21–25		Stage 3	Total gross carrying amount of non-performing loans	IIS	Balance sheet impairments for non-performing, specifically impaired loans (stage 3)
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Doubtful			
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
On-balance sheet exposure											
Bank lending/cash and cash equivalents at amortised cost	**1,494,123,374**	**935,323,172**	**—**	**558,799,973**	**—**	**229**	**—**	**—**	**—**	**—**	**—**
Pledged assets	**67,090,139**	**67,090,139**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Corporate lending at amortised cost	**542,406,987**	**96,475,455**	**—**	**399,991,013**	**27,647,218**	**—**	**—**	**18,293,301**	**18,293,301**	**5,332,333**	**8,026,966**
Financial investment at amortised cost	**303,124,757**	**303,124,757**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Financial investment at FVOCI	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Off-balance sheet exposure	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Financial guarantees and other credit related contingent liabilities	**78,846,652**	**62,455,029**	**—**	**9,407,320**	**6,984,303**	**—**	**—**	**—**	**—**	**—**	**—**
Loan and credit-related commitments	**275,551,066**	**76,657,245**	**12,096,000**	**182,928,103**	**2,869,718**	**1,000,000**	**—**	**—**	**—**	**—**	**—**
Gross carrying value of financial assets subject to credit risk	**2,761,142,975**										

(a) Credit risk continued

(ii) Analysis of credit quality continued

31 December 2024: Credit exposure at amortised cost continued

	Gross carrying value	SB 1–12		SB 13–20		SB 21–25		Stage 3	Total gross carrying amount of non-performing loans	IIS	Balance sheet impairments for non-performing, specifically impaired loans (stage 3)
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Doubtful			
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Less: Total ECL for financial assets subject to credit risk	**(12,498,720)**										
Stage 1	**(4,102,990)**										
Stage 2	**(368,764)**										
Stage 3	**(8,026,966)**										
IIS	**(5,332,333)**										
Net carrying value of financial assets subject to credit risk	**2,743,311,922**										

(a) Credit risk continued

(ii) Analysis of credit quality continued

31 December 2023: Reconciliation of the expected credit losses

	Opening ECL balance	Transfers between stages				Profit or loss movement				Impaired accounts written off	Time value of money	Closing balance
		Stage 1 to/(from)	Stage 2 to/(from)	Stage 3 to/(from)	Total	Originated "new" ECL raised	Changes in ECL – modifications	Subsequent changes in ECL	Total			
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Stage 1												
Bank lending/ cash and cash equivalents at amortised cost	404,980	—	—	—	—	347,770	—	(370,598)	(22,828)	—	—	382,152
Pledged assets	—	—	—	—	—	—	—	10,892	10,892	—	—	10,892
Corporate lending at amortised cost	3,130,665	—	—	—	—	1,750,735	—	(1,124,742)	625,993	—	—	3,756,658
Financial investment at amortised cost	19,310	—	—	—	—	11,210	—	13,617	24,827	—	—	44,137
Financial investment at FVOCI	133	—	—	—	—	2	—	(133)	(131)	—	—	2
Financial guarantees and other credit-related contingent liabilities	28,760	—	—	—	—	944	—	(9,423)	(8,479)	—	—	20,281
Loan and credit-related commitments	337,860	—	58,728	—	58,728	165,220	—	(16,851)	148,369	—	—	544,957
Total	3,921,708	—	58,728	—	58,728	2,275,881	—	(1,497,238)	778,643	—	—	4,759,079

(a) Credit risk continued

(ii) Analysis of credit quality continued

31 December 2023 : Reconciliation of the expected credit losses continued

	Opening ECL balance	Transfers between stages				Profit or loss movement				Impaired accounts written off	Time value of money	Closing balance
		Stage 1 to/(from)	Stage 2 to/(from)	Stage 3 to/(from)	Total	Originated "new" ECL raised	Changes in ECL – modifications	Subsequent changes in ECL	Total			
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Stage 2												
Bank lending/ cash and cash equivalents at amortised cost	—	—	—	—	—	—	—	—	—	—	—	—
Pledged assets	—	—	—	—	—	—	—	—	—	—	—	—
Corporate lending at amortised cost	68,703	—	—	—	—	—	—	116,684	116,684	—	—	185,387
Financial investment at amortised cost	—	—	—	—	—	—	—	—	—	—	—	—
Financial investment at FVOCI	—	—	—	—	—	—	—	—	—	—	—	—
Financial guarantees and other credit-related contingent liabilities	3,083	—	—	—	—	—	—	(2,713)	(2,713)	—	—	370
Loan and credit-related commitments	30,139	(58,728)	—	—	(58,728)	—	—	29,084	29,084	—	—	495
Total	101,925	(58,728)	—	—	(58,728)	—	—	143,055	143,055	—	—	186,252

(a) Credit risk continued

(ii) Analysis of credit quality continued

31 December 2023 : Reconciliation of the expected credit losses continued

	Opening ECL balance	Transfers between stages				Profit or loss movement				Impaired accounts written off	Time value of money	Closing balance
		Stage 1 to/(from)	Stage 2 to/(from)	Stage 3 to/(from)	Total	Originated "new" ECL raised	Changes in ECL – modifications	Subsequent changes in ECL	Total			
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Stage 3 (excluding IIS)												
Bank lending/ cash and cash equivalents at amortised cost	–	–	–	–	–	–	–	–	–	–	–	–
Corporate lending at amortised cost	15,607,054	–	–	–	–	–	–	(264,034)	(264,034)	–	–	15,343,020
Financial investment at amortised cost	–	–	–	–	–	–	–	–	–	–	–	–
Financial investment at FVOCI	–	–	–	–	–	–	–	–	–	–	–	–
Financial guarantees and other credit-related contingent liabilities	–	–	–	–	–	–	–	–	–	–	–	–
Loan and credit-related commitments	–	–	–	–	–	–	–	–	–	–	–	–
Total	15,607,054	–	–	–	–	–	–	(264,034)	(264,034)	–	–	15,343,020
Total ECL	19,630,687	(58,728)	58,728	–	–	2,275,881	–	(1,618,217)	657,664	–	–	20,288,351

(a) Credit risk continued

(ii) Analysis of credit quality continued

31 December 2023: Credit exposure at amortised cost

	Gross carrying value	SB 1–12		SB 13–20		SB 21–25		Stage 3		Total gross carrying amount of non-performing loans	IIS	BS impairments for non-performing impaired loans
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Sub standard	Doubtful			
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
On-balance sheet exposure												
Bank lending/ cash and cash equivalent at amortised cost	1,468,309,017	453,072,080	–	1,015,236,508	–	429	–	–	–	–	–	–
Pledged assets	67,059,034	67,059,034										
Corporate lending at amortised cost	427,764,818	57,278,074	–	307,538,328	8,049,422	30,342,320	–	–	24,556,674	24,556,674	4,491,402	15,343,020
Financial investment at amortised cost	301,267,630	301,267,630	–	–	–	–	–	–	–	–	–	–
Financial investment at FVOCI	637,255	637,255	–	–	–	–	–	–	–	–	–	–
Off-balance sheet exposure	–	–	–	–	–	–	–	–	–	–	–	–
Financial guarantees and other credit-related contingent liabilities	74,108,839	67,079,547	–	6,968,040	61,252	–	–	–	–	–	–	–
Loan and credit-related commitments	254,470,036	68,388,584	–	185,666,729	14,723	400,000	–	–	–	–	–	–
Gross carrying value of financial assets subject to credit risk	2,593,616,629											

(a) Credit risk continued

(ii) Analysis of credit quality continued

31 December 2023: Credit exposure at amortised cost continued

	Gross carrying value	SB 1–12		SB 13–20		SB 21–25		Stage 3		Total gross carrying amount of non-performing loans	IIS	Balance sheet impairments for non-performing, specifically impaired loans (stage 3)
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Sub standard	Doubtful			
		USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Less: Total ECL for financial assets subject to credit risk	(20,288,351)											
Stage 1	(4,759,079)											
Stage 2	(186,252)											
Stage 3	(15,343,020)											
IIS	(4,491,402)											
Net carrying value of financial assets subject to credit risk	2,568,836,876											

(a) Credit risk continued

(ii) Analysis of credit quality continued

31 December 2022: Reconciliation of the expected credit losses

	Opening ECL balance	Transfers between stages				Profit or loss movement				Impaired accounts written off	Time value of money	Closing balance
		Stage 1 to/ (from)	Stage 2 to/ (from)	Stage 3 to/ (from)	Total	Originated "new" ECL raised	Changes in ECL – modifications	Subsequent changes in ECL	Total			
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Stage 1												
Bank lending/cash and cash equivalents at amortised cost	970,183	—	—	—	—	220,000	—	(785,203)	(565,203)	—	—	404,980
Corporate lending at amortised cost	919,789	—	3,666	—	3,666	2,094,052	—	113,158	2,207,210	—	—	3,130,665
Financial investment at amortised cost	6,486	—	—	—	—	14,929	—	(2,105)	12,824	—	—	19,310
Financial investment at FVOCI	128	—	—	—	—	133	—	(128)	5	—	—	133
Financial guarantees and other credit-related contingent liabilities	28,354	—	—	—	—	11,390	—	(10,984)	406	—	—	28,760
Loan and credit-related commitments	175,046	—	2,231	—	2,231	72,572	—	88,011	160,583	—	—	337,860
Total	2,099,986	—	5,897	—	5,897	2,413,076	—	(597,251)	1,815,825	—	—	3,921,708

(a) Credit risk continued

(ii) Analysis of credit quality continued

31 December 2022: Reconciliation of the expected credit losses continued

	Opening ECL balance	Transfers between stages				Profit or loss movement				Impaired accounts written off	Time value of money	Closing balance
		Stage 1 to/ (from)	Stage 2 to/ (from)	Stage 3 to/ (from)	Total	Originated "new" ECL raised	Changes in ECL – modifications	Subsequent changes in ECL	Total			
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Stage 2												
Bank lending/cash and cash equivalents at amortised cost	—	—	—	—	—	—	—	—	—	—	—	—
Corporate lending at amortised cost	268,496	(3,666)	—	—	(3,666)	—	—	(196,127)	(196,127)	—	—	68,703
Financial investment at amortised cost	—	—	—	—	—	—	—	—	—	—	—	—
Financial investment at FVOCI	—	—	—	—	—	—	—	—	—	—	—	—
Financial guarantees and other credit-related contingent liabilities	737	—	—	—	—	—	—	2,346	2,346	—	—	3,083
Loan and credit-related commitments	22,919	(2,231)	—	—	(2,231)	(840)	—	10,291	9,451	—	—	30,139
Total	292,152	(5,897)	—	—	(5,897)	(840)	—	(183,490)	(184,330)	—	—	101,925

(a) Credit risk continued

(ii) Analysis of credit quality continued

31 December 2022: Reconciliation of the expected credit losses

	Opening ECL balance	Transfers between stages				Profit or loss movement				Impaired accounts written off	Time value of money	Closing balance
		Stage 1 to/ (from)	Stage 2 to/ (from)	Stage 3 to/ (from)	Total	Originated "new" ECL raised	Changes in ECL – modifications	Subsequent changes in ECL	Total			
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Stage 3 (excluding IIS)												
Bank lending/cash and cash equivalents at amortised cost	—	—	—	—	—	—	—	—	—	—	—	—
Corporate lending at amortised cost	15,607,054	—	—	—	—	—	—	—	—	—	—	15,607,054
Financial investment at amortised cost	—	—	—	—	—	—	—	—	—	—	—	—
Financial investment at FVOCI	—	—	—	—	—	—	—	—	—	—	—	—
Financial guarantees and other credit-related contingent liabilities	—	—	—	—	—	—	—	—	—	—	—	—
Loan and credit-related commitments	—	—	—	—	—	—	—	—	—	—	—	—
Total	15,607,054	—	—	—	—	—	—	—	—	—	—	15,607,054
Total ECL	17,999,192	(5,897)	5,897	—	—	2,412,236	—	(780,741)	1,631,495	—	—	19,630,687

(a) Credit risk continued

(ii) Analysis of credit quality continued

31 December 2022: Credit exposure at amortised cost

	Gross carrying value	SB 1–12		SB 13–20		SB 21–25		Stage 3		Total gross carrying amount of non-performing loans	Interest in suspense	Balance sheet impairments for non-performing, specifically impaired loans (stage 3)
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Sub standard	Doubtful			
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
On-balance sheet exposure												
Bank lending/ cash and cash equivalent at amortised cost	1,931,782,664	565,698,564	—	1,366,083,873	—	227	—	—	—	—	—	—
Corporate lending at amortised cost	274,430,064	47,338,944	—	181,108,924	12,688,978	8,893,324	1,413,637	—	22,986,257	22,986,257	2,253,002	15,607,054
Financial investment at amortised cost	461,908,187	461,908,187	—	—	—	—	—	—	—	—	—	—
Financial investment at FVOCI	2,757,227	2,757,227	—	—	—	—	—	—	—	—	—	—
Off-balance sheet exposure	—	—	—	—	—	—	—	—	—	—	—	—
Financial guarantees and other credit-related contingent liabilities	59,035,087	26,682,367	—	30,746,433	1,310,604	—	295,683	—	—	—	—	—
Loan and credit-related commitments	216,070,573	71,755,773	—	141,950,771	2,364,029	—	—	—	—	—	—	—
Gross carrying value of financial assets subject to credit risk	2,945,983,802											

(a) Credit risk continued

(ii) Analysis of credit quality continued

31 December 2022: Credit exposure at amortised cost continued

	Gross carrying value	SB 1–12		SB 13–20		SB 21–25		Stage 3		Total gross carrying amount of non-performing loans	Interest in suspense	Balance sheet impairments for non-performing, specifically impaired loans (stage 3)
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Sub standard	Doubtful			
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Less: Total ECL for financial assets subject to credit risk	(19,630,687)											
Stage 1	(3,921,708)											
Stage 2	(101,925)											
Stage 3	(15,607,054)											
IIS	(2,253,002)											
Net carrying value of financial assets subject to credit risk	2,924,100,113											

(a) Credit risk continued

(ii) Analysis of credit quality continued

Loans and advances to customers

	2024 USD	2023 USD	2022 USD
Neither past due nor impaired	**524,113,686**	403,208,144	251,443,807
Past due but not impaired	**—**	—	—
Individually impaired *	**12,960,968**	20,065,272*	20,733,255*
Total gross amount	**537,074,654**	423,273,416	272,177,062
Allowance for impairment			
Stage 3 ECL/individual	**(8,026,966)**	(15,343,020)	(15,607,054)
Stage 1 and 2 ECL collective	**(3,405,188)**	(3,942,045)	(3,199,368)
Total allowance for impairment	**(11,432,154)**	(19,285,065)	(18,806,422)
Net carrying amount	**525,642,500**	403,988,351	253,370,640

*Amount is net of interest in suspense of USD 5,332,333 (2023: USD 4,491,402; 2022: USD 2,253,002).

Other than loans and advances to customers disclosed above, all financial assets subject to credit risk were classified as neither past due nor impaired.

	Performing loans to customers		
	Total gross advances USD	Normal monitoring USD	Close monitoring USD
2024			
Neither past due nor impaired	**524,113,686**	**489,168,770**	**34,944,916**
2023			
Neither past due nor impaired	403,208,144	403,208,144	—
2022			
Neither past due nor impaired	251,443,807	250,443,807	1,000,000

	Non-performing loans to customers			
	Total impaired advances USD	Sub-standard USD	Doubtful USD	Loss USD
2024				
Individually impaired	**12,960,968**	**—**	**—**	**12,960,968**
2023				
Individually impaired	20,065,272	—	20,065,272	—
2022				
Individually impaired	20,733,255	—	20,733,255	—

Close monitoring: These are exposures placed under watchlist showing early signs of potential future distress.

Normal monitoring: These are all performing loans to customers, excluding those in close monitoring.

As per the guideline of the Bank of Mauritius on the Classification, Provisioning and Write-off of Credit Exposures, these impaired assets, which have been non-performing loans for more than four years, and have been classified as a loss for 2024.

(a) Credit risk continued

(iii) Collaterals held and other credit enhancements, and their financial effect

Loans and advances to customers

	2024 USD	2023 USD	2022 USD
Against neither past due nor impaired			
Property	**54,419,376**	23,669,718	24,941,397
Equities	**—**	—	—
Other floating charges/assignments and pledges	**404,050,034**	305,643,676	163,475,561
Total	**458,469,410**	329,313,394	188,416,958
Past due but not impaired			
Floating charge	**—**	—	—
Property	**—**	—	—
	—	—	—
Against individually impaired			
Floating charge	**3,520,317**	10,859,826	11,003,310
Property	**9,440,651**	9,205,446	9,729,945
	12,960,968	20,065,272	20,733,255

Wherever warranted, the Bank attempts to mitigate credit risk. These mitigation options include the use of collateral. The collateral is monitored on a regular basis in accordance with our collateral valuation guidelines.

Collaterals held are made up of fixed charge on property, listed shares, corporate guarantees and letters of support.

The Bank does not generally hold collateral against loans and advances to banks, trading assets and financial investments.

(iv) Reconciliation of impaired loans and advances
The table below sets out a reconciliation of changes in the amount of impaired loans and advances to customers:

	2024 USD	2023 USD	2022 USD
Impaired loans and advances to customers at 01 January	**20,065,272**	20,733,255	20,775,302
New loans originated/subsequent changes	**(6,263,373)**	1,570,417	566,854
Amount written off	**—**	—	—
Interest in suspense	**(840,931)**	(2,238,400)	(608,901)
Impaired loans and advances to customers at 31 December	**12,960,968**	20,065,272	20,733,255

(v) Concentration risk
Refer to Note 12(b) for the concentration risk disclosure for loans and advances to customers by industry sectors and Note 12(c) for concentration by geographical area.

(b) Liquidity risk

For the definition of liquidity risk and information regarding how liquidity risk is managed by the Bank, please refer to pages 36 to 39 under the Risk and capital management section.

The following table provides an analysis of the financial assets and liabilities of the Bank into relevant maturity groupings based on the remaining periods at the end of the reporting period to the contractual maturity date.

(i) Maturity analysis of financial assets and financial liabilities

31 December 2024	Carrying value/ contractual cash flows	Up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Over 1 year and up to 5 years	Over 5 years
Financial liabilities	USD	USD	USD	USD	USD	USD
Deposits from banks	**5,077,904**	**5,077,904**	**—**	**—**	**—**	**—**
Deposits from customers	**2,048,816,964**	**1,916,270,884**	**47,207,042**	**84,188,235**	**1,150,803**	**—**
Trading liabilities	**10,196,876**	**8,127,264**	**2,069,612**	**—**	**—**	**—**
Derivative liabilities	**3,153,452**	**2,966,298**	**187,154**	**—**	**—**	**—**
Other borrowed funds	**119,977,337**	**15,090,028**	**—**	**—**	**104,887,309**	
Lease liabilities	**2,099,547**	**176,786**	**179,179**	**372,911**	**1,370,671**	**—**
Other liabilities	**4,472,350**	**4,472,350**	**—**	**—**	**—**	**—**
Contingent Liabilities	**78,641,745**	**27,116,973**	**9,992,281**	**18,145,332**	**23,387,159**	**—**
	2,272,436,175	**1,979,298,487**	**59,635,268**	**102,706,478**	**130,795,942**	**—**
Financial assets						
Cash and cash equivalents	**1,004,916,541**	**1,004,916,541**	**—**	**—**	**—**	**—**
Trading assets	**387,517**	**387,517**	**—**	**—**	**—**	**—**
Loans and advances to banks	**511,551,983**	**112,765,054**	**97,985,901**	**97,091,761**	**203,709,267**	**—**
Loans and advances to customers	**629,451,999**	**146,765,892**	**28,163,366**	**8,986,685**	**445,536,056**	**—**
Pledged assets	**67,758,302**	**—**	**266,673**	**266,673**	**67,224,956**	**—**
Financial investments	**318,663,808**	**733,016**	**5,212,150**	**189,252,173**	**123,466,469**	**—**
Derivative assets	**3,333,687**	**3,121,121**	**212,566**	**—**	**—**	**—**
Other assets	**6,305,929**	**6,305,929**	**—**	**—**	**—**	**—**
Loan commitments	**274,938,218**	**274,938,218**	**—**	**—**	**—**	**—**
Net foreign currency derivatives	**74,298,341**	**74,272,055**	**26,286**	**—**	**—**	**—**
	2,891,606,325	**1,624,205,343**	**131,866,942**	**295,597,292**	**839,936,748**	**—**

Non-financial assets relating mostly to prepayments and VAT amounting to USD 582,394 were excluded from other assets as at 31 December 2024 (2023: USD 514,762; 2022: USD 498,890).

Non-financial liabilities relating to retirement benefit obligations, provisions and taxes amounting to USD 14,246,068 have been excluded from other liabilities as at 31 December 2024 (2023: USD 7,513,599; 2022: USD 8,891,167).

(b) Liquidity risk continued

(i) Maturity analysis of financial assets and financial liabilities continued

31 December 2023	Carrying value/ contractual cash flows	Up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Over 1 year and up to 5 years	Over 5 years
	USD	USD	USD	USD	USD	USD
Financial liabilities						
Deposits from banks	134,550,960	134,171,583	379,377	—	—	—
Deposits from customers	1,827,836,889	1,737,174,525	50,040,900	40,621,464	—	—
Derivative liabilities	3,326,669	2,062,335	281,228	983,106	—	—
Other borrowed funds	111,169,443	—	—	—	111,169,443	—
Lease liabilities	664,925	226,127	229,047	209,751	—	—
Other liabilities	8,929,676	8,929,676	—	—	—	—
Contingent Liabilities	74,088,188	14,280,549	7,483,232	17,190,417	35,133,990	—
	2,160,566,750	1,896,844,795	58,413,784	59,004,738	146,303,433	—
Financial assets						
Cash and cash equivalents	871,976,153	871,976,153	—	—	—	—
Trading assets	—	—	—	—	—	—
Loans and advances to banks	621,928,865	16,226,843	50,210,241	89,883,440	465,608,341	—
Loans and advances to customers	506,911,786	75,205,957	26,143,231	6,895,629	398,666,969	—
Pledged assets	68,258,540	—	266,673	266,673	67,725,194	—
Financial investments	322,564,125	1,370,270	52,302,240	4,932,667	263,958,948	—
Derivative assets	3,502,574	2,147,853	298,444	1,056,277	—	—
Other assets	7,152,774	7,152,774	—	—	—	—
Loan commitments	253,924,584	253,924,584	—	—	—	—
Net foreign currency derivatives	74,497,858	74,401,551	18,007	78,300	—	—
	2,730,717,259	1,302,405,985	129,238,836	103,112,986	1,195,959,452	—

(b) Liquidity risk continued

(i) Maturity analysis of financial assets and financial liabilities continued

31 December 2022	Carrying value/ contractual cash flows	Up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 12 months	Over 1 year and up to 5 years	Over 5 years
	USD	USD	USD	USD	USD	USD
Financial liabilities						
Deposits from banks	138,867,974	138,867,974	—	—	—	—
Deposits from customers	2,373,070,415	2,303,502,338	10,163,195	41,024,095	18,380,787	—
Derivative liabilities	3,140,449	2,814,547	325,902	—	—	—
Lease liabilities	1,516,872	207,305	209,976	437,233	662,358	—
Other liabilities	4,731,333	4,731,333	—	—	—	—
Contingent Liabilities	59,003,243	8,349,341	8,218,337	4,571,136	37,864,429	—
	2,580,330,286	2,458,472,838	18,917,410	46,032,464	56,907,574	—
Financial assets						
Cash and cash equivalents	1,264,418,782	1,264,418,782	—	—	—	—
Trading assets	—	—	—	—	—	—
Loans and advances to banks	692,953,127	144,028,798	218,936,305	194,953,109	135,034,915	—
Loans and advances to customers	270,777,803	145,734,097	484,462	98,209,259	26,349,985	—
Financial investments	491,308,303	97,696,593	5,439,261	99,837,438	288,335,011	—
Derivative assets	3,490,100	3,133,957	356,143	—	—	—
Other assets	5,463,695	5,463,695	—	—	—	—
Loan commitments	215,702,574	215,702,574	—	—	—	—
Net foreign currency derivatives	59,406,275	59,373,785	32,490	—	—	—
	3,003,520,659	1,935,552,281	225,248,661	392,999,806	449,719,911	—

(c) Market risk

For the definition of market risk and information on how market risk is managed by the Bank, please refer to pages 39 to 40 under the Capital and risk management section.

(i) Assets and liabilities subject to market risk between trading and non-trading portfolios:

31 December 2024	Carrying amount	Trading portfolios	Non-trading portfolios
Assets subject to market risk	USD	USD	USD
Cash and cash equivalents	**1,003,991,859**	**—**	**1,003,991,859**
Trading assets	**387,517**	**387,517**	**—**
Derivative assets	**3,333,687**	**3,333,687**	**—**
Pledged assets	**67,084,164**		**67,084,164**
Loans and advances to banks	**489,911,735**	**—**	**489,911,735**
Loans and advances to customers	**525,642,500**	**—**	**525,642,500**
Financial investments	**303,101,000**	**—**	**303,101,000**
Other assets	**6,305,929**	**—**	**6,305,929**
Liabilities subject to market risk			
Deposits from banks	**5,076,418**	**—**	**5,076,418**
Deposits from customers	**2,044,450,762**	**—**	**2,044,450,762**
Trading liabilities	**10,071,765**	**10,071,765**	**—**
Derivative liabilities	**3,153,452**	**3,153,452**	**—**
Other borrowed funds	**105,700,516**	**—**	**105,700,516**
Lease liabilities	**2,099,547**	**—**	**2,099,547**
Other liabilities	**4,472,350**	**—**	**4,472,350**

31 December 2023	Carrying amount	Trading portfolios	Non-trading portfolios
Assets subject to market risk	USD	USD	USD
Cash and cash equivalents	871,976,153	—	871,976,153
Trading assets	—	—	—
Derivative assets	3,502,573	3,502,573	—
Pledged assets	67,048,142	—	67,048,142
Loans and advances to banks	595,950,712	—	595,950,712
Loans and advances to customers	403,988,351	—	403,988,351
Financial investments	301,860,746	—	301,860,746
Other assets	7,152,774	—	7,152,774
Liabilities subject to market risk			
Deposits from banks	133,751,181	—	133,751,181
Deposits from customers	1,824,515,585	—	1,824,515,585
Derivative liabilities	3,326,669	3,326,669	—
Other borrowed funds	91,331,970	—	91,331,970
Lease liabilities	664,925	—	664,925
Other liabilities	8,929,676	—	8,929,676

(c) Market risk continued

(i) Maturity analysis of financial assets and financial liabilities continued

31 December 2022	Carrying amount	Trading portfolios	Non-trading portfolios
Assets subject to market risk	USD	USD	USD
Cash and cash equivalents	1,264,418,782	—	1,264,418,782
Trading assets	—	—	—
Derivative assets	3,490,100	3,490,100	—
Pledged assets	—	—	—
Loans and advances to banks	666,958,902	—	666,958,902
Loans and advances to customers	253,370,640	—	253,370,640
Financial investments	464,645,971	—	464,645,971
Other assets	5,463,695	—	5,463,695
Liabilities subject to market risk			
Deposits from banks	138,644,111	—	138,644,111
Deposits from customers	2,371,102,231	—	2,371,102,231
Derivative liabilities	3,140,449	3,140,449	—
Other borrowed funds	—	—	—
Lease liabilities	1,516,872	—	1,516,872
Other liabilities	4,731,333	—	4,731,333

(ii) Exposure to market risks – Value at risk (VaR)

VaR constitutes an integral part of the Bank's market risk control regime, and limits and triggers are established by the Board annually for all trading and non-trading portfolios (fair valued only). VaR expresses the potential loss that can be incurred based on a certain confidence interval.

Normal VaR is calculated on a historical simulation basis with 250 days of market data and uses a 95% confidence interval and a one day holding period.

Diversified normal VaR exposures (USD'000)

2024

	Diversified normal VaR (USD '000) – Trading book				
Desk name	Max	Min	Avg	31-Dec	Limit
Bank-wide	**37.6**	**0.3**	**6.5**	**18.2**	**255.0**
FX Trading	**37.6**	**0.3**	**6.5**	**18.3**	**250.0**
Interest Rate Trading	**1.3**	**0.0**	**0.1**	**0.0**	**30.0**

	Normal VaR (USD '000) – FVOCI				
Desk name	Max	Min	Avg	31-Dec	Limit
Money Markets Banking	**1.1**	**0.5**	**0.7**	**1.1**	**88.0**

2023

	Diversified normal VaR (USD '000) – Trading book				
Desk name	Max	Min	Avg	29-Dec	Limit
Bank-wide	169.2	0.4	17.3	11.3	255.0
FX Trading	169.2	0.4	17.4	11.3	250.0
Interest Rate Trading	1.6	0.0	0.2	—	30.0

(c) Market risk continued

(ii) Exposure to market risks – Value at risk (VaR) continued

	Normal VaR (USD '000) – FVOCI				
Desk name	Max	Min	Avg	29-Dec	Limit
Money Markets Banking	1.5	0.6	1.1	0.8	88.0

2022

	Trading book				
Desk name	Max	Min	Avg	30-Dec	Limit
Bank-wide	100.8	0.4	32.1	100.8	255.0
FX Trading	100.9	0.3	32.2	100.9	250.0
Interest Rate Trading	1,500.0	0.2	0.7	0.6	30.0

	Normal VaR (USD '000) – FVOCI				
Desk name	Max	Min	Avg	30-Dec	Limit
Money Markets Banking	1.2	0.5	0.8	0.6	88.0

Stress VaR

Stress VaR uses a similar methodology to normal VaR and is based on VaR defined with a 10-day holding period, worst case and historical data for a period of five years.

Diversified stress VaR exposures (USD'000)

2024

	Diversified stress VaR (USD '000) – Trading book				
Desk name	Max	Min	Avg	31-Dec	Limit
Bank-wide	**92.2**	**1.2**	**27.6**	**51.3**	**1,180.0**
FX Trading	**92.6**	**0.9**	**27.4**	**51.7**	**1,020.0**
Interest Rate Trading	**12.7**	**0.4**	**1.4**	**0.4**	**600.0**

	Stress VaR (USD '000) – FVOCI				
Desk name	Max	Min	Avg	31-Dec	Limit
Money Markets Banking	**13.8**	**12.8**	**13.2**	**12.9**	**465.0**

2023

	Diversified stress VaR (USD '000) – Trading book				
Desk name	Max	Min	Avg	29-Dec	Limit
Bank-wide	210.9	0.9	40.6	41.8	1,180.0
FX Trading	214.2	0.9	41.3	41.9	1,020.0
Interest Rate Trading	15.0	0.0	2.0	0.8	600.0

	Stress VaR (USD '000) – FVOCI				
Desk name	Max	Min	Avg	29-Dec	Limit
Money Markets Banking	21.0	8.8	12.9	13.7	465.0

(c) Market risk continued

(ii) Exposure to market risks – Value at risk (VaR) continued

2022

Stress VaR exposures (USD'000)

	Trading book				
Desk name	Max	Min	Avg	30-Dec	Limit
Bank-wide	210.9	1.5	65.5	210.9	1,180.0
FX Trading	214.1	1.1	65.7	214.1	1,020.0
Interest Rate Trading	13.9	2.4	6.8	6.0	600.0

	Stress VaR (USD '000) – FVOCI				
Desk name	Max	Min	Avg	31-Dec	Limit
Money Markets Banking	29.3	5.8	19.7	21.2	465.0

(d) Interest rate risk

For the definition of interest rate risk and information on how interest rate risk is managed by the Bank, please refer to page 40 under the Capital and risk management section.

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or are repriced at different times. Risk management activities are aimed at maximising net interest income, given market interest rate levels are consistent with the Bank's strategies. The Board sets limits on the level of mismatch of interest rate repricing that may be undertaken.

Banking book-related market risk exposure principally involves managing the potential adverse effect of interest rate movements on banking book earnings (IRRBB) (net interest income and banking book mark-to-market profit or loss) and the economic value of equity. The Bank's approach to managing IRRBB is governed by applicable regulations and is influenced by the competitive environment in which the Bank operates.

The Bank's treasury team monitors banking book interest rate risk on a monthly basis, operating under the oversight of the Bank's ALCO. The Bank's interest rate risk management is predominantly controlled by the Bank's treasury team under policies approved by the Board of Directors. The Bank treasury identifies, evaluates and hedges financial risks in close co-operation with the Bank's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

In adherence to policies regarding interest rate risk management, the Bank applies fair value hedge accounting in respect of the interest rate risk element only, present within specifically identified long-term fixed interest rate loans and advances and deposits. To manage the risk associated with such risk exposures, the Bank uses one or more fix for floating interest rate swaps that match the critical terms or that exhibit the same duration as that of the underlying risk exposure.

The Bank observes interest rate risk in respect of these exposures using an unfunded interest rate derivatives discount curve. Hedge effectiveness between the hedging instrument and the hedged item is determined at the inception of the hedge relationship and through periodic effectiveness assessments to ensure that an economic relationship exists using regression analysis between the hedged items and the hedging instruments for sensitivity of changes to changes in interest rate risk only.

The Bank uses a combination of interest rate swaps and interest rate basis swaps to mitigate against the risk of changes in the market value of hedged items for changes in interest rates. The Bank elects for each fair value interest rate risk hedging relationship, using swaps, to include forward points (basis) contained in the derivative instrument in the hedging relationship. Where the basis is included in the hedging relationship, this exposes the hedge relationship to hedge ineffectiveness. The extent of hedge ineffectiveness as a result of fair value interest rate risk hedges is disclosed in Note 9.3.3.

The table below summarises the Bank's exposure to interest rate risks for the non-trading portfolio. The Bank's assets and liabilities at carrying amount are categorised by their repricing dates:

(d) Interest rate risk continued

31 December 2024	Less than 3 months	Between 3 months and 1 year	Over 1 year	Non-rate sensitive	Total
	USD	USD	USD	USD	USD
Financial assets					
Cash and cash equivalents	**1,003,904,848**	**—**	**—**	**87,011**	**1,003,991,859**
Loans and advances to banks	**111,929,589**	**189,557,893**	**188,424,253**	**—**	**489,911,735**
Loans and advances to customers	**146,261,398**	**36,441,321**	**342,939,781**	**—**	**525,642,500**
Pledged assets	**—**	**—**	**67,084,164**	**—**	**67,084,164**
Financial investments	**—**	**183,307,006**	**119,793,994**	**—**	**303,101,000**
	1,262,095,835	**409,306,220**	**718,242,192**	**87,011**	**2,389,731,258**
Financial liabilities					
Deposits from banks	**5,076,418**	**—**	**—**	**—**	**5,076,418**
Deposits from customers	**1,915,293,236**	**128,151,331**	**1,006,195**	**—**	**2,044,450,762**
Other borrowed funds	**14,959,006**		**90,741,510**	**—**	**105,700,516**
Lease liabilities	**176,786**	**552,090**	**1,370,671**	**—**	**2,099,547**
	1,935,505,446	**128,703,421**	**93,118,376**	**—**	**2,157,327,243**

Other assets and other liabilities are mainly non-interest rate sensitive and have been excluded from the table above.

31 December 2023	Less than 3 months	Between 3 months and 1 year	Over 1 year	Non-rate sensitive	Total
	USD	USD	USD	USD	USD
Financial assets					
Cash and cash equivalents	871,920,066	—	—	56,087	871,976,153
Loans and advances to banks	16,056,533	137,561,601	442,332,578	—	595,950,712
Loans and advances to customers	75,195,160	32,256,068	296,537,123	—	403,988,351
Pledged assets	—	—	67,048,142	—	67,048,142
Financial investments	637,253	46,928,440	254,295,053	—	301,860,746
	963,809,012	216,746,109	1,060,212,896	56,087	2,240,824,104
Financial liabilities					
Deposits from banks	133,751,181	—	—	—	133,751,181
Deposits from customers	1,736,264,674	88,250,911	—	—	1,824,515,585
Other borrowed funds	—	91,331,970	—	—	91,331,970
Lease liabilities	226,126	438,799	—	—	664,925
	1,870,241,981	180,021,680	—	—	2,050,263,661

(d) Interest rate risk continued

31 December 2022	Less than 3 months	Between 3 months and 1 year	Over 1 year	Non-rate sensitive	Total
	USD	USD	USD	USD	USD
Financial assets					
Cash and cash equivalents	1,264,317,548	—	—	101,234	1,264,418,782
Loans and advances to banks	143,503,097	403,536,688	119,919,117	—	666,958,902
Loans and advances to customers	145,587,581	92,086,680	15,696,379	—	253,370,640
Financial investments	97,583,708	95,691,312	271,370,951	—	464,645,971
	1,650,991,934	591,314,680	406,986,447	101,234	2,649,394,295
Financial liabilities					
Deposits from banks	138,644,111	—	—	—	138,644,111
Deposits from customers	2,303,152,689	50,021,101	17,928,441	—	2,371,102,231
Other borrowed funds	—	—	—	—	—
Lease liabilities	207,305	647,209	662,358	—	1,516,872
	2,442,004,105	50,668,310	18,590,799	—	2,511,263,214

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. An analysis of the Bank's sensitivity to an increase or decrease in market interest rate, assuming no asymmetrical movement in yield curves on a constant balance sheet position, is as follows:

The Bank has assets and liabilities primarily in USD, EUR, GBP, MUR and ZAR. These five currencies constitute more than 95% of the balance sheet, with the US Dollar being the primary component, with a weighting of around 75% on the overall balance sheet. A stress test of a 100 basis points increase in USD interest rates on the USD book would have resulted in an increase in net interest income of USD 6,152,073. A stress test of a 100 basis points decrease in USD interest rates on the USD book would have resulted in a decrease in net interest income of USD 6,820,788.

The table below shows the net interest income sensitivity of the USD book for a change of 100 basis points.

	2024	2023	2022
NII sensitivity for a 100-bps increase	**7.83%**	7.44%	26.96%
NII sensitivity for a 100-bps decrease	**(8.68%)**	(8.17%)	(27.66%)

Earnings at Risk (EaR) is currently the metric used by the Bank to assess impact of interest rate risk in the banking book on forecasted earnings. Under this metric, the shock applied to earnings is not limited to 100bps but will vary based on a shock modelled at a 90% confidence level and based on one in 10-year events for each currency. The IRRBB EaR is computed as a percentage of the forecasted 12-months headline earnings to show the percentage impact of the rate shock to profitability. As at 31st December 2024, the Bank's EaR stood at 7.5%, well within the risk appetite of 40%.

(e) Currency risk

The Bank is exposed to currency risks through fluctuations in foreign currency exchange rates on its foreign currency positions. The Bank's main operations, in addition to USD, are in Euro, Pound Sterling, South African Rand and Mauritian Rupee. Limits on the level of exposure by currency and in total for both overnight and intra-day positions are being set by the Board and are monitored on an ongoing basis. The Bank's functional currency is in USD and any fluctuations between movements in the functional currency and the foreign currencies will be reflected on the financial statements as foreign currency gains or losses.

The table below summarises the Bank's exposure to foreign currency at year end:

Currency

	2024	2023	2022
	USD	USD	USD
GBP	**3,067**	12,167	66,830
EUR	**29,124**	114,896	248,970
ZAR	**1,899,354**	199,876	1,305,290
MUR	**(1,410,266)**	557,057	(4,515,357)
Others	**18,942**	49,809	37,134
	540,221	933,805	(2,857,133)

(f) Capital management

For details and information on capital management please refer to pages 49 to 53 of the Risk and capital management section.

4. Fair values of financial instruments

Financial instruments

In terms of IFRS, the Bank is either required to, or elects to, measure a number of its financial assets and financial liabilities at fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market to participants at the measurement date. Regardless of the measurement basis, the fair value is required to be disclosed, with some exceptions, for all financial assets and financial liabilities.

Fair value is a market-based measurement and uses the assumptions that market participants would use when pricing an asset or liability under current market conditions.

When determining fair value, it is presumed that the entity is a going concern and is not an amount that represents a forced transaction, involuntary liquidation or a distressed sale. Information obtained from the valuation of financial instruments is used to assess the performance of the Bank and, in particular, provides assurance that the risk and return measures that the Bank has taken are accurate and complete.

Valuation process

The Bank valuation control framework governs internal control standards, methodologies and procedures over its valuation processes, which include the following:

Prices quoted in an active market

The existence of quoted prices in an active market represents the best evidence of fair value. Where such prices exist, they are used in determining the fair value of the Bank's assets and liabilities.

Valuation techniques

Where quoted market prices are unavailable, the Bank establishes fair value using valuation techniques that incorporate observable inputs, either directly, such as quoted prices, or indirectly, such as those derived from quoted prices, for such assets and liabilities. Parameter inputs are obtained directly from the market, consensus pricing services or recent transactions in active markets, whenever possible. Where such inputs are not available, the Bank makes use of theoretical inputs in establishing fair value (unobservable inputs). Such inputs are based on other relevant input sources and incorporate assumptions that include prices for similar transactions, historic data, economic fundamentals, and research information, with appropriate adjustments to reflect the terms of the actual instrument being valued and current market conditions. Changes in these assumptions would affect the reported

Valuation process continued

fair values of these financial instruments. Valuation techniques used for financial instruments include the use of financial models that are populated using market parameters that are corroborated by reference to independent market data, where possible, or alternative sources, such as, third-party quotes, recent transaction prices or suitable proxies. The fair value of certain financial instruments is determined using industry standard models, such as discounted cash flow analysis and standard option pricing models. These models are generally used to estimate future cash flows and discount these back to the valuation date. For complex or unique instruments, more sophisticated modelling techniques may be required, which require assumptions or more complex parameters such as correlations, prepayment spreads, default rates and loss severity.

Valuation adjustments

Valuation adjustments are an integral part of the valuation process. Adjustments include, but are not limited to:

- Credit spreads on illiquid issuers
- Implied volatilities on thinly traded instruments
- Correlation between risk factors
- Prepayment rates
- Other illiquid risk drivers.

In making appropriate valuation adjustments, the Bank applies methodologies that consider factors such as bid-offer spreads, liquidity, counterparty and own credit risk. Exposure to such illiquid risk drivers is typically managed by:

- Using bid-offer spreads that are due to the relatively low liquidity of the underlying risk driver
- Raising day one profit or loss provisions in accordance with IFRS
- Quantifying and reporting the sensitivity to each risk driver
- Prepayment rates
- Limiting exposure to such risk drivers and analysing exposure on a regular basis.

Validation and control

All financial instruments carried at fair value, regardless of classification, and for which there are no quoted market prices for that instrument, are fair valued using models that conform to international best practice and established financial theory. These models are validated independently by the Group's model validation unit and formally reviewed and approved by the market risk methodologies committee. This control applies to both off-the-shelf models, as well as those developed internally by the Group. Further, all inputs into the valuation models are subject to independent price validation procedures carried out by the Bank market risk unit. Such price validation is performed on at least a monthly basis, but daily where possible, given the availability of the underlying price inputs. Independent valuation comparisons are also performed and any significant variances noted are appropriately investigated. Less liquid risk drivers, which are typically used to mark level 3 assets and liabilities to model, are carefully validated and tabled at the monthly price validation forum to ensure that these are reasonable and used consistently across all entities in the Group. Sensitivities arising from exposures to such drivers are similarly scrutinised, together with movements in level 3 fair values.

The table below shows the Bank's financial assets and liabilities as at 31 December 2024 classified according to their measurement category.

Valuation process continued

31 December 2024	FVTPL	FVOCI	Amortised costs	Carrying Value	Fair Value
	USD	USD	USD	USD	USD
ASSETS					
Cash and cash equivalents	—	—	1,003,991,859	1,003,991,859	1,003,991,859
Trading assets	387,517	—	—	387,517	387,517
Derivative assets	3,333,687	—	—	3,333,687	3,333,687
Pledged assets	—	—	67,084,164	67,084,164	63,824,653
Loans and advances to banks	—	—	489,911,735	489,911,735	489,911,735
Loans and advances to customers	—	—	525,642,500	525,642,500	525,642,500
Financial investments	—	—	303,101,000	303,101,000	300,279,655
Other assets	—	—	6,305,929	6,305,929	6,305,929
	3,721,204	—	2,396,037,187	2,399,758,391	2,393,677,535
LIABILITIES					
Deposits from banks	—	—	5,076,418	5,076,418	5,076,418
Deposits from customers	—	—	2,044,450,762	2,044,450,762	2,044,450,762
Trading liabilities	10,071,765	—	—	10,071,765	10,071,765
Derivative liabilities	3,153,452	—	—	3,153,452	3,153,452
Other borrowed funds	—	—	105,700,516	105,700,516	105,700,516
Other liabilities	—	—	4,472,350	4,472,350	4,472,350
Lease liabilities	—	—	2,099,547	2,099,547	2,099,547
	13,225,217	—	2,161,799,593	2,175,024,810	2,175,024,810
31 December 2023					
ASSETS					
Cash and cash equivalents	—	—	871,976,153	871,976,153	871,976,153
Trading assets	—	—	—	—	—
Derivative assets	3,502,573	—	—	3,502,573	3,502,573
Pledged assets	—	—	67,048,142	67,048,142	61,521,822
Loans and advances to banks	—	—	595,950,712	595,950,712	595,950,712
Loans and advances to customers	—	—	403,988,351	403,988,351	403,988,351
Financial investments	—	637,253	301,223,493	301,860,746	297,008,811
Other assets	—	—	7,152,774	7,152,774	7,152,774
	3,502,573	637,253	2,247,339,625	2,251,479,451	2,241,101,196
LIABILITIES					
Deposits from banks	—	—	133,751,181	133,751,181	133,751,181
Deposits from customers	—	—	1,824,515,585	1,824,515,585	1,824,515,585
Derivative liabilities	3,326,669	—	—	3,326,669	3,326,669
Other borrowed funds	—	—	91,331,970	91,331,970	91,331,970
Other liabilities	—	—	8,929,676	8,929,676	8,929,676
Lease liabilities	—	—	664,925	664,925	664,925
	3,326,669	—	2,059,193,337	2,062,520,006	2,062,520,006

Valuation process continued

31 December 2022	FVTPL	FVOCI	Amortised costs	Carrying Value	Fair Value
	USD	USD	USD	USD	USD
ASSETS					
Cash and cash equivalents	—	—	1,264,418,782	1,264,418,782	1,264,418,782
Trading assets	—	—	—	—	—
Derivative assets	3,490,100	—	—	3,490,100	3,490,100
Pledged assets	—	—	—	—	—
Loans and advances to banks	—	—	666,958,902	666,958,902	666,958,902
Loans and advances to customers	—	—	253,370,640	253,370,640	253,370,640
Financial investments	—	2,757,094	461,888,877	464,645,971	464,645,971
Other assets	—	—	5,463,695	5,463,695	5,463,695
	3,490,100	2,757,094	2,652,100,896	2,658,348,090	2,658,348,090
LIABILITIES					
Deposits from banks	—	—	138,644,111	138,644,111	138,644,111
Deposits from customers	—	—	2,371,102,231	2,371,102,231	2,371,102,231
Derivative liabilities	3,140,449	—	—	3,140,449	3,140,449
Other borrowed funds	—	—	—	—	—
Other liabilities	—	—	4,731,333	4,731,333	4,731,333
Lease liabilities	—	—	1,516,872	1,516,872	1,516,872
	3,140,449	—	2,515,994,547	2,519,134,996	2,519,134,996

Determining fair values

The following tables analyse the Bank's financial assets and liabilities at the end of the reporting period by level of fair value hierarchy as required by IFRS. The different levels are based on the extent to which observable market data and inputs are used in the calculation of the fair value of the financial assets and liabilities.

The levels of the hierarchy are defined in Note 2.1.

31 December 2024	Level 1	Level 2	Level 3	Carrying Value	Fair Value
	USD	USD	USD	USD	USD
ASSETS					
Trading assets	**—**	**387,517**	**—**	**387,517**	**387,517**
Derivative assets	**—**	**3,333,687**	**—**	**3,333,687**	**3,333,687**
Financial investments through OCI	**—**	**—**	**—**	**—**	**—**
	—	**3,721,204**	**—**	**3,721,204**	**3,721,204**
LIABILITIES					
Trading liabilities	**—**	**10,071,765**	**—**	**10,071,765**	**10,071,765**
Derivative liabilities	**—**	**3,153,452**	**—**	**3,153,452**	**3,153,452**
	—	**13,225,217**	**—**	**13,225,217**	**13,225,217**

Determining fair values continued

31 December 2023	Level 1	Level 2	Level 3	Carrying Value	Fair Value
	USD	USD	USD	USD	USD
ASSETS					
Trading assets	—	—	—	—	—
Derivative assets	—	3,502,573	—	3,502,573	3,502,573
Financial investments through OCI	—	637,253	—	637,253	637,253
Other assets	—	—	—	—	—
	—	4,139,826	—	4,139,826	4,139,826
LIABILITIES					
Derivative liabilities	—	3,326,669	—	3,326,669	3,326,669
31 December 2022					
ASSETS					
Trading assets	—	—	—	—	—
Derivative assets	—	3,490,100	—	3,490,100	3,490,100
Financial investments through OCI	—	2,757,094	—	2,757,094	2,757,094
Other assets	—	—	—	—	—
	—	6,247,194	—	6,247,194	6,247,194
LIABILITIES					
Derivative liabilities	—	3,140,449	—	3,140,449	3,140,449

There has been no transfer between the different fair value levels during the year.

Fair value measurement disclosures – level 2

The valuation techniques used to determine the fair value of assets and liabilities classified within level 2 of the fair value hierarchy is the discounted cash flow model and other valuation techniques commonly used by market participants. Such models are populated using market parameters that are corroborated by reference to independent market data, where possible, or alternative sources such as third-party quotes, recent transaction prices or suitable proxies. The inputs used include discount rates (including credit spreads), liquidity discount rates, risk-free and volatility rates, risk premiums, volatilities and correlations.

Fair value measurement disclosures – level 3

The fair value of level 3 assets and liabilities is determined using valuation techniques that incorporate assumptions that are not supported by prices from observable current market transactions in the same asset or liability and are not based on available observable market data. Changes in these assumptions could affect the reported fair values of these financial assets and liabilities. Where discounted cash flow analyses are used, estimated future cash flows are based on management's best estimates and a market-related discount rate at the end of the reporting period for a financial asset or liability with similar terms and conditions.

Although the Bank believes that its estimates of fair values are appropriate, changing one or more of these assumptions to reasonably possible alternative values could impact the fair value of its assets and liabilities. The behaviour of the unobservable parameters used to fair value level 3 financial assets and liabilities is not necessarily independent and may often hold a relationship with other observable and unobservable market parameters. Where material and possible, such relationships are captured in the valuation by way of correlation factors, though these factors are, themselves, frequently unobservable. In such instances, the range of possible and reasonable fair value estimates is taken into account when determining appropriate model adjustments.

5. Use of estimates and judgement

Key sources of estimation uncertainty

In preparing the annual financial statements, estimates and assumptions are made that could materially affect the reported amounts of revenue, expenses, assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on factors such as historical experience and current best estimates of uncertain future events that are believed to be reasonable under the circumstances. Unless otherwise stated, no material changes to assumptions have occurred during the year.

Allowances for credit losses

The measurement of the 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 inputs, assumptions and estimation techniques used in measuring ECL are further detailed in Note 2.1b. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining the criteria for significant increase in credit risk
- Choosing appropriate models and assumptions for measurement of ECL
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/ market and the associated ECL.

Detailed information about the judgements and estimates made by the Bank in the above areas is set out in Note 2.1b.

Management assessed and considered the sensitivity of the IFRS 9 provision against the forward-looking economic conditions at a client level. The reviews and ratings of each client are performed at least annually. This process entails credit analysts completing a credit scorecard and incorporating forward-looking information. The weighting is reflected in both the determination of significant increase in credit risk as well as the measurement of the resulting IFRS 9 provision for the individual client. Therefore, the impact of forward-looking economic conditions is embedded into the total IFRS 9 provision for each CIB client and cannot be stressed or separated out of the overall IFRS 9 provision.

Retirement benefit obligations

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

The assumptions used in determining the net cost (income) for pensions include the discount rate. The actuarial report determines the appropriate discount rate at the end of each year and are validated by the Bank. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the actuary considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions.

The sensitivity analysis for the key assumptions is disclosed in Note 32(c).

6. Residency and segmental reporting

Statement of financial position as at 31 December 2024 by residency

		Resident			Non-resident			Bank		
Assets	Notes	**2024 USD**	2023 USD	2022 USD	**2024 USD**	2023 USD	2022 USD	**2024 USD**	2023 USD	2022 USD
Cash and cash equivalents	7	**22,085,288**	81,299,931	62,478,058	**981,906,571**	790,676,222	1,201,940,724	**1,003,991,859**	871,976,153	1,264,418,782
Trading assets	8	**387,517**	–	–	**–**	–	–	**387,517**	–	–
Derivative assets	9	**1,587,129**	453,656	1,026,930	**1,746,558**	3,048,917	2,463,170	**3,333,687**	3,502,573	3,490,100
Pledged assets	10	**–**	–	–	**67,084,164**	67,048,142	–	**67,084,164**	67,048,142	–
Loans and advances to banks	11	**6,271,387**	20,048,391	83,450,469	**483,640,348**	575,902,321	583,508,433	**489,911,735**	595,950,712	666,958,902
Loans and advances to customers	12	**287,335,671**	261,820,433	163,028,245	**238,306,829**	142,167,918	90,342,395	**525,642,500**	403,988,351	253,370,640
Financial investments	13	**–**	637,253	2,757,094	**303,101,000**	301,223,493	461,888,877	**303,101,000**	301,860,746	464,645,971
Property, plant and equipment	14	**144,813**	201,166	498,690	**1,283,855**	1,756,317	1,600,636	**1,428,668**	1,957,483	2,099,326
Intangible assets	15	**1,048,798**	1,194,883	3,111,387	**9,298,205**	10,432,129	9,986,562	**10,347,003**	11,627,012	13,097,949
Right of use assets	16	**211,207**	68,238	375,633	**1,872,471**	595,769	1,205,661	**2,083,678**	664,007	1,581,294
Deferred tax assets	17	**53,856**	123,288	75,724	**477,458**	1,076,383	243,047	**531,314**	1,199,671	318,771
Other assets	18	**5,383,174**	6,822,244	5,460,012	**1,505,149**	845,292	502,573	**6,888,323**	7,667,536	5,962,585
Total Assets		**324,508,840**	372,669,483	322,262,242	**2,090,222,608**	1,894,772,903	2,353,682,078	**2,414,731,448**	2,267,442,386	2,675,944,320

Statement of financial position as at 31 December 2024 by residency continued

	Notes	Resident			Non-resident			Bank		
		2024 USD	2023 USD	2022 USD	**2024 USD**	2023 USD	2022 USD	**2024 USD**	2023 USD	2022 USD
Liabilities										
Deposits from banks	19	**2,976,900**	12,094,161	36,636,183	**2,099,518**	121,657,020	102,007,928	**5,076,418**	133,751,181	138,644,111
Deposits from customers	20	**1,373,987,054**	1,179,284,596	1,248,657,257	**670,463,708**	645,230,989	1,122,444,974	**2,044,450,762**	1,824,515,585	2,371,102,231
Trading liabilities	21	**10,071,765**	–	–	**–**	–	–	**10,071,765**	–	–
Derivative liabilities	9	**360,409**	1,715,134	80,152	**2,793,043**	1,611,535	3,060,297	**3,153,452**	3,326,669	3,140,449
Other borrowed funds	26	**–**	–	–	**105,700,516**	91,331,970	–	**105,700,516**	91,331,970	–
Lease liabilities	16	**212,815**	68,333	73,296	**1,886,732**	596,592	1,443,576	**2,099,547**	664,925	1,516,872
Current tax liabilities	22	**496,140**	230,111	219,613	**4,398,567**	2,009,024	704,892	**4,894,707**	2,239,135	924,505
Other liabilities	23	**1,481,994**	1,758,024	3,079,305	**17,236,424**	14,685,251	10,543,195	**18,718,418**	16,443,275	13,622,500
Total Liabilities		**1,389,587,077**	1,195,150,359	1,288,745,806	**804,578,508**	877,122,381	1,240,204,862	**2,194,165,585**	2,072,272,740	2,528,950,668
Shareholder's equity										
Share capital	24							**35,000,000**	35,000,000	35,000,000
Statutory and other reserves	36							**45,858,078**	34,942,547	30,879,038
Retained earnings								**139,707,785**	125,227,099	81,114,614
Total equity attributable to equity holder								**220,565,863**	195,169,646	146,993,652
Total equity and liabilities								**2,414,731,448**	2,267,442,386	2,675,944,320

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024 by residency

	Notes	Resident			Non-Resident			Bank		
		2024 USD	2023 USD	2022 USD	**2024 USD**	2023 USD	2022 USD	**2024 USD**	2023 USD	2022 USD
Interest income		**28,950,447**	21,717,326	10,229,528	**111,207,090**	109,033,813	41,823,170	**140,157,537**	130,751,139	52,052,698
Interest expense		**(32,470,893)**	(22,000,865)	(6,442,799)	**(28,037,499)**	(26,167,928)	(5,935,125)	**(60,508,392)**	(48,168,793)	(12,377,924)
Net interest income	27	**(3,520,446)**	(283,539)	3,786,729	**83,169,591**	82,865,885	35,888,045	**79,649,145**	82,582,346	39,674,774
Fee and commission income		**6,586,716**	5,059,962	4,790,201	**2,545,641**	3,548,032	3,402,364	**9,132,357**	8,607,994	8,192,565
Fee and commission expense		**–**	(2,500)	–	**–**	–	–	**–**	(2,500)	–
Net fee and commission income	28	**6,586,716**	5,057,462	4,790,201	**2,545,641**	3,548,032	3,402,364	**9,132,357**	8,605,494	8,192,565
Net trading income	29	**7,163,945**	5,495,409	5,480,546	**6,809,943**	5,932,921	6,580,300	**13,973,888**	11,428,330	12,060,846
Other operating income	30	**236,872**	307,960	241,001	**271,665**	–	22,858	**508,537**	307,960	263,859
		7,400,817	5,803,369	5,721,547	**7,081,608**	5,932,921	6,603,158	**14,482,425**	11,736,290	12,324,705
Operating income		**10,467,087**	10,577,292	14,298,477	**92,796,840**	92,346,838	45,893,567	**103,263,927**	102,924,130	60,192,044
Net impairment (charge)/release on financial assets	31	**8,767,396**	(393,063)	2,613,203	**708,003**	(34,860)	(1,620,452)	**9,475,399**	(427,923)	992,751
Personnel expenses	32(a)	**(1,187,368)**	(1,029,346)	(527,987)	**(10,526,714)**	(8,986,880)	(11,418,561)	**(11,714,082)**	(10,016,226)	(11,946,548)
Operating lease expenses	33	**(15,777)**	(11,898)	(29,290)	**(139,872)**	(103,884)	(94,012)	**(155,649)**	(115,782)	(123,302)
Depreciation on right-of-use assets	16	**(87,130)**	(94,268)	(225,451)	**(772,454)**	(823,019)	(723,626)	**(859,584)**	(917,287)	(949,077)
Depreciation and amortisation	14&15	**(193,120)**	(196,590)	(523,894)	**(1,712,124)**	(1,716,362)	(1,681,533)	**(1,905,244)**	(1,912,952)	(2,205,427)
Other expenses	34	**(862,847)**	(1,209,924)	(2,361,850)	**(7,649,637)**	(10,563,450)	(7,580,786)	**(8,512,484)**	(11,773,374)	(9,942,636)
		6,421,154	(2,935,089)	(1,055,269)	**(20,092,798)**	(22,228,455)	(23,118,970)	**(13,671,644)**	(25,163,544)	(24,174,239)
Profit before income tax		**16,888,241**	7,642,203	13,243,208	**72,704,042**	70,118,383	22,774,597	**89,592,283**	77,760,586	36,017,805
Income tax expense	35	**(1,264,657)**	(909,094)	(731,840)	**(11,211,919)**	(7,937,005)	(2,348,975)	**(12,476,576)**	(8,846,099)	(3,080,815)
Profit for the year		**15,623,584**	6,733,109	12,511,368	**61,492,123**	62,181,378	20,425,622	**77,115,707**	68,914,487	32,936,990

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024 by residency continued

	Notes	Resident			Non-Resident			Bank		
		2024 USD	2023 USD	2022 USD	2024 USD	2023 USD	2022 USD	2024 USD	2023 USD	2022 USD
Profit for the year		15,623,584	6,733,109	12,511,368	61,492,123	62,181,378	20,425,622	77,115,707	68,914,487	32,936,990
Other comprehensive income										
Item that may be reclassified to profit or loss										
Net gain/(loss) on fair value of debt instruments		382	49,183	(53,515)	–	–	–	382	49,183	(53,515)
Item that may not be reclassified to profit or loss										
Remeasurement of defined benefit liabilities, net of tax	32(c)	(4,548)	(80,948)	93,555	(40,324)	(706,728)	300,282	(44,872)	(787,676)	393,837
Other comprehensive income for the year		(4,166)	(31,765)	40,040	(40,324)	(706,728)	300,282	(44,490)	(738,493)	340,322
Total comprehensive income for the year		15,619,418	6,701,344	12,551,408	61,451,799	61,474,650	20,725,904	77,071,217	68,175,994	33,277,312

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024 by segment

	Notes	Segment A			Segment B			Bank		
		2024 USD	2023 USD	2022 USD	2024 USD	2023 USD	2022 USD	2024 USD	2023 USD	2022 USD
Interest income		3,972,051	3,882,718	1,672,570	136,185,486	126,868,421	50,380,128	140,157,537	130,751,139	52,052,698
Interest expense		(2,059,364)	(2,072,943)	(693,196)	(58,449,028)	(46,095,850)	(11,684,728)	(60,508,392)	(48,168,793)	(12,377,924)
Net interest income	27	1,912,687	1,809,775	979,374	77,736,458	80,772,571	38,695,400	79,649,145	82,582,346	39,674,774
Fee and commission income		126,794	103,773	80,654	9,005,563	8,504,221	8,111,911	9,132,357	8,607,994	8,192,565
Fee and commission expense		–	(2,500)	–	–	–	–	–	(2,500)	–
Net fee and commission income	28	126,794	101,273	80,654	9,005,563	8,504,221	8,111,911	9,132,357	8,605,494	8,192,565
Net trading income	29	2,311,639	1,683,221	1,607,479	11,662,249	9,745,109	10,453,367	13,973,888	11,428,330	12,060,846
Other operating income	30	236,872	273,480	241,001	271,665	34,480	22,858	508,537	307,960	263,859
		2,548,511	1,956,701	1,848,480	11,933,914	9,779,589	10,476,225	14,482,425	11,736,290	12,324,705
Operating income		4,587,992	3,867,749	2,908,508	98,675,935	99,056,381	57,283,536	103,263,927	102,924,130	60,192,044
Net impairment (charge)/release on financial assets	31	91,140	(73,058)	1,467,998	9,384,259	(354,865)	(475,247)	9,475,399	(427,923)	992,751
Personnel expenses	32(a)	(524,681)	(376,396)	(577,263)	(11,189,401)	(9,639,830)	(11,369,285)	(11,714,082)	(10,016,226)	(11,946,548)
Operating lease expenses	33	(6,916)	(4,351)	(5,958)	(148,733)	(111,431)	(117,344)	(155,649)	(115,782)	(123,302)
Depreciation on right-of-use assets	16	(38,191)	(34,471)	(45,860)	(821,393)	(882,816)	(903,217)	(859,584)	(917,287)	(949,077)
Depreciation and amortisation	14&15	(84,649)	(71,886)	(106,567)	(1,820,595)	(1,841,066)	(2,098,860)	(1,905,244)	(1,912,952)	(2,205,427)
Other expenses	34	(369,922)	(440,541)	(435,536)	(8,142,562)	(11,332,833)	(9,507,100)	(8,512,484)	(11,773,374)	(9,942,636)
		(933,219)	(1,000,703)	296,814	(12,738,425)	(24,162,841)	(24,471,053)	(13,671,644)	(25,163,544)	(24,174,239)
Profit before income tax		3,654,773	2,867,046	3,205,322	85,937,510	74,893,540	32,812,483	89,592,283	77,760,586	36,017,805
Income tax expense	35	(837,025)	(542,954)	(267,929)	(11,639,551)	(8,303,145)	(2,812,886)	(12,476,576)	(8,846,099)	(3,080,815)
Profit for the year		2,817,748	2,324,092	2,937,393	74,297,959	66,590,395	29,999,597	77,115,707	68,914,487	32,936,990

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024 by segment continued

	Notes	Segment A 2024 USD	Segment A 2023 USD	Segment A 2022 USD	Segment B 2024 USD	Segment B 2023 USD	Segment B 2022 USD	Bank 2024 USD	Bank 2023 USD	Bank 2022 USD
Profit for the year		**2,817,748**	2,324,092	2,937,393	**74,297,959**	66,590,395	29,999,597	**77,115,707**	68,914,487	32,936,990
Other comprehensive income										
Item that may be reclassified to profit or loss										
Net gain/(loss) on fair value of debt instruments		**382**	49,183	(53,515)	**–**	–	–	**382**	49,183	(53,515)
Item that may not be reclassified to profit or loss										
Remeasurement of defined benefit liabilities, net of tax	32(c)	**(1,994)**	(29,600)	19,030	**(42,878)**	(758,076)	374,807	**(44,872)**	(787,676)	393,837
Other comprehensive income for the year		**(1,612)**	19,583	(34,485)	**(42,878)**	(758,076)	374,807	**(44,490)**	(738,493)	340,322
Total comprehensive income for the year		**2,816,136**	2,343,675	2,902,908	**74,255,081**	65,832,319	30,374,404	**77,071,217**	68,175,994	33,277,312

7. Cash and cash equivalents

	2024 USD	2023 USD	2022 USD
Cash in hand	**77,033**	54,202	85,839
Foreign currency notes and coins	**9,978**	1,885	15,395
Unrestricted balances with central bank	**21,998,413**	81,243,866	62,376,824
Balances with banks abroad	**981,914,529**	790,686,137	1,201,954,276
Less stage 1 ECL collective allowance	**(8,094)**	(9,937)	(13,552)
	1,003,991,859	871,976,153	1,264,418,782

Net debt reconciliation	2024 USD	2023 USD	2022 USD
Cash and cash equivalents	**1,003,991,859**	871,976,153	1,264,418,782
Lease liabilities (Note 16)	**(2,099,547)**	(664,925)	(1,516,872)
At 31 December	**1,001,892,312**	871,311,228	1,262,901,910

Net debt analysis	Cash USD	Lease liabilities USD	Total USD
Net debt at 01 January 2024	**871,976,153**	**(664,925)**	**871,311,228**
Cash flows (i)	**132,161,911**	**847,470**	**133,009,381**
Net foreign exchange difference	**(144,362)**	**41,040**	**(103,322)**
Other changes (ii)	**(1,843)**	**—**	**(1,843)**
Net changes to leases (iii)	**—**	**(2,323,132)**	**(2,323,132)**
Net debt at 31 December 2024	**1,003,991,859**	**(2,099,547)**	**1,001,892,312**
Net debt at 01 January 2023	1,264,418,782	(1,516,872)	1,262,901,910
Cash flows (i)	(393,919,143)	908,013	(393,011,130)
Net foreign exchange difference	1,480,129	—	1,480,129
Other changes (ii)	(3,615)	—	(3,615)
Net changes to leases (iii)	—	(56,066)	(56,066)
Net debt at 31 December 2023	871,976,153	(664,925)	871,311,228
Net debt at 01 January 2022	1,396,876,510	(2,072,285)	1,394,804,225
Cash flows (i)	(134,276,043)	893,164	(133,382,879)
Net foreign exchange difference	1,674,293	—	1,674,293
Other changes (ii)	144,022	—	144,022
Net changes to leases (iii)	—	(337,751)	(337,751)
Net debt at 31 December 2022	1,264,418,782	(1,516,872)	1,262,901,910

(i) Cash flows for lease liabilities include principal portion payment classified within financing activities and interest payment classified within operating activities.
(ii) Other changes include the effect of IFRS 9 impairment charges on cash and cash equivalents.
(iii) Net changes to leases include non-cash movements relating to interest expense and acquisition of leases.

Reconciliation of the expected credit losses for cash and cash equivalents at amortised cost

	Stage 1	Stage 2	Stage 3 (incl IIS)	Total
	USD	USD	USD	USD
Opening ECL 1 January 2022	157,574	—	—	157,574
Transfers between stages	—	—	—	—
Net ECL (released)/raised	(144,022)	—	—	(144,022)
ECL on new exposures raised	13,400	—	—	13,400
Subsequent changes in ECL	(157,422)	—	—	(157,422)
Change in ECL due to derecognition	—	—	—	—
Impaired accounts written off	—	—	—	—
Exchange and other movements	—	—	—	—
Closing ECL 31 December 2022	13,552	—	—	13,552
Opening ECL 1 January 2023	13,552	—	—	13,552
Transfers between stages	—	—	—	—
Net ECL (released)/raised	(3,615)	—	—	(3,615)
ECL on new exposures raised	9,340	—	—	9,340
Subsequent changes in ECL	(12,955)	—	—	(12,955)
Change in ECL due to derecognition	—	—	—	—
Impaired accounts written off	—	—	—	—
Exchange and other movements	—	—	—	—
Closing ECL 31 December 2023	9,937	—	—	9,937
Opening ECL 1 January 2024	**9,937**	**—**	**—**	**9,937**
Transfers between stages	**—**	**—**	**—**	**—**
Net ECL (released)/raised	**(1,843)**	**—**	**—**	**(1,843)**
ECL on new exposures raised	**7,745**	**—**	**—**	**7,745**
Subsequent changes in ECL	**(9,588)**	**—**	**—**	**(9,588)**
Change in ECL due to derecognition	**—**	**—**	**—**	**—**
Impaired accounts written off	**—**	**—**	**—**	**—**
Exchange and other movements	**—**	**—**	**—**	**—**
Closing ECL 31 December 2024	**8,094**	**—**	**—**	**8,094**

Credit risk exposure of cash and cash equivalents at amortised cost

31 December 2024

	Gross carrying value	SB 1–12		SB 13–20		SB 21–25		Stage 3		Total gross carrying amount of non-performing loans	Gross specific impairment coverage %
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Sub standard	Doubtful		
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	
Cash and cash equivalents	**1,003,999,953**	**928,552,899**	**—**	**75,446,825**	**—**	**229**	**—**	**—**	**—**	**—**	**—**
Less: Total expected credit loss for cash and cash equivalents at amortised cost	**(8,094)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Stage 1	**(8,094)**										
Stage 2	**—**										
Stage 3	**—**										
IIS	**—**										
Net carrying value of cash and cash equivalents at amortised cost	**1,003,991,859**										
31 December 2023											
Cash and cash equivalents	871,986,090	428,543,556	—	443,442,105	—	429	—	—	—	—	—
Less: Total expected credit loss provision for cash and cash equivalents at amortised cost	(9,937)	—	—	—	—	—	—	—	—	—	—
Stage 1	(9,937)										
Stage 2	—										
Stage 3	—										
IIS	—										
Net carrying value of loans and advances at amortised cost	871,976,153										

Credit risk exposure of cash and cash equivalents at amortised cost continued

31 December 2022

	Gross carrying value	SB 1–12		SB 13–20		SB 21–25		Stage 3		Total gross carrying amount of non-performing loans	Gross specific impairment coverage %
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Sub standard	Doubtful		
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	
Cash and cash equivalents	1,264,432,334	338,666,645	–	925,765,462	–	227	–	–	–	–	–
Less: Total expected credit loss provision for cash and cash equivalents at amortised cost	(13,552)	–	–	–	–	–	–	–	–	–	–
Stage 1	(13,552)										
Stage 2	–										
Stage 3	–										
IIS	–										
Net carrying value of loans and advances at amortised cost	1,264,418,782										

8. Trading assets

	2024	2023	2022
	USD	USD	USD
Current			
Sovereign	**387,517**	–	–

Trading assets consist of short-term government securities, which are held and managed as part of the trading portfolio.

9. Derivative instruments

All derivatives are classified as either derivatives held-for-trading or derivatives held-for-hedging. A summary of the fair values of the derivative assets and derivative liabilities is as follows:

	Fair value of assets			Fair value of liabilities		
	2024	2023	2022	2024	2023	2022
	USD	USD	USD	USD	USD	USD
Current						
Held-for-trading	**3,333,687**	3,502,573	3,490,100	**3,153,452**	3,326,669	3,140,449

9.1 Use and measurement of derivative instruments

The risks associated with derivative instruments are monitored in the same manner as for the underlying instruments. Risks are also measured across the product range to take into account possible correlations.

In the normal course of business, the Bank enters into a variety of foreign exchange, interest rate and credit derivative transactions in accordance with the Group and the Bank's risk management policies and practices. Derivative instruments used by the Bank are held for both trading and hedging purposes and include swaps, options, forwards and other similar types of instruments based on foreign exchange rates, interest rates and credit risk.

A summary of the total derivative assets and liabilities are shown in Notes 9.2 and 9.3.

9.2 Derivatives held-for-trading

The Bank transacts derivative contracts to address client demand, both as a market maker in the wholesale markets and in structuring tailored derivatives for clients. The Bank also takes proprietary positions for its own account. Trading derivative products include the following:

	2024			2023			2022		
	Fair value assets	Fair value liabilities	Contract/ notional amount*	Fair value assets	Fair value liabilities	Contract/ notional amount*	Fair value assets	Fair value liabilities	Contract/ notional amount*
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Foreign exchange derivatives	**3,333,687**	**3,153,452**	**400,878,000**	3,502,573	3,326,669	588,209,991	3,490,100	3,140,449	666,532,434

*The notional amount is the sum of the absolute value of all bought or sold contracts for both derivative assets and liabilities. The amount cannot be used to assess the market risk associated with the positions held and should be used only as a means of assessing the Bank's participation in derivative contracts.

9.3 Financial instruments held-for-hedging

Where all relevant criteria are met, derivatives are classified as derivatives held-for-hedging and hedge accounting is applied to remove the accounting mismatch between the derivative (hedging instrument) and the underlying instruments (hedged item). All qualifying hedging relationships are designated as either fair value or cash flow hedges for recognised financial assets or liabilities, and highly probable forecast transactions. There were no hedging transactions during the year.

9.3.1 Derivatives designated as hedging instruments in fair value hedging relationships:

	Fair value of assets	Fair value of liabilities	Fair value gain/(loss)	Contract/ notional amount	Less than 1 year	Between 1 to 5 years	Over 5 years	Net fair value
	USD	USD	USD	USD	USD	USD	USD	USD
31 December 2024								
Interest rate risk fair value hedging relationships								
Interest rate swaps	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total derivatives designated as hedging instruments in fair value hedging relationships	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
31 December 2023								
Interest rate risk fair value hedging relationships								
Interest rate swaps	–	–	–	–	–	–	–	–
Total derivatives designated as hedging instruments in fair value hedging relationships	–	–	–	–	–	–	–	–
31 December 2022								
Interest rate risk fair value hedging relationships								
Interest rate swaps	–	–	132,597	–	–	–	–	–
Total derivatives designated as hedging instruments in fair value hedging relationships	–	–	132,597	–	–	–	–	–

9.3 Financial instruments held-for-hedging continued

9.3.2 Hedge items classified as fair value hedges:

	Fair value of assets	Fair value of liabilities	Fair value gain/(loss)	Fair value gain/(loss) used to test hedge ineffectiveness	Accumulated fair value hedge adjustments	Accumulated fair value hedge adjustments for which hedge accounting stopped
	USD	USD	USD	USD	USD	USD
31 December 2024						
Loans and advances						
Interest rate risk fair value hedging relationships	**–**	**–**	**–**	**–**	**–**	**–**
Total items classified as fair value hedges	**–**	**–**	**–**	**–**	**–**	**–**
31 December 2023						
Loans and advances						
Interest rate risk fair value hedging relationships	–	–	–	–	–	–
Total items classified as fair value hedges	–	–	–	–	–	–
31 December 2022						
Loans and advances						
Interest rate risk fair value hedging relationships	–	–	(108,007)	(108,007)	–	–
Total items classified as fair value hedges	–	–	(108,007)	(108,007)	–	–

9.3.3 Hedge ineffectiveness recognised in profit or loss:

	Trading revenue	Other fair value movements	Net interest income
	USD	USD	USD
31 December 2024			
Fair value hedges			
Interest rate risk fair value hedging relationships	**–**	**–**	**–**
31 December 2023			
Fair value hedges			
Interest rate risk fair value hedging relationships	–	–	–
31 December 2022			
Fair value hedges			
Interest rate risk fair value hedging relationships	–	–	24,590

10. Pledged assets

The following table presents details of financial assets that have been sold or otherwise transferred, but which have not been derecognised or which were partially derecognised together with their associated liabilities. This table does not disclose the total risk exposure in terms of these transactions; instead, it provides disclosures as required by IFRS.

	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net fair value
	USD	USD	USD	USD	USD
2024					
Sovereign bonds	**67,084,164**	**59,680,898**	**63,824,653**	**59,680,898**	**4,143,755**
2023					
Sovereign bonds	67,048,142	59,687,934	61,521,822	59,687,934	1,833,888

The assets pledged by the Bank are strictly for the purpose of providing collateral to the counterparty. To the extent that the counterparty is permitted to sell and/or repledge the assets in the absence of default, they are classified in the statement of financial position as pledged assets. These transactions are conducted under terms that are customary to standard repurchase agreements and securities borrowing activities.

The majority of other financial assets that do not qualify for derecognition include debt securities held by counterparties as collateral under repurchase agreements. Risks to which the Bank remain exposed include credit and interest rate risk.

There were no pledged assets in 2022.

10.1 Reconciliation of the expected credit losses on pledged assets.

	Stage 1	Stage 2	Stage 3 (incl IIS)	Total
	USD	USD	USD	USD
Opening ECL 1 January 2023	—	—	—	—
Transfers between stages	—	—	—	—
Net ECL raised	10,892	—	—	10,892
ECL on new exposures raised	—	—	—	—
Subsequent changes in ECL	10,892	—	—	10,892
Change in ECL due to derecognition	—	—	—	—
Impaired accounts written off	—	—	—	—
Exchange and other movements	—	—	—	—
Closing ECL 31 December 2023	10,892	—	—	10,892
Opening ECL 1 January 2024	**10,892**	**—**	**—**	**10,892**
Transfers between stages	**—**	**—**	**—**	**—**
Net ECL released	**(4,918)**	**—**	**—**	**(4,918)**
ECL on new exposures raised	**—**	**—**	**—**	**—**
Subsequent changes in ECL	**(4,918)**	**—**	**—**	**(4,918)**
Change in ECL due to derecognition	**—**	**—**	**—**	**—**
Impaired accounts written off	**—**	**—**	**—**	**—**
Exchange and other movements	**—**	**—**	**—**	**—**
Closing ECL 31 December 2024	**5,974**	**—**	**—**	**5,974**

10.2 Collateral accepted as security for assets

As part of the reverse repurchase and securities borrowing agreements, the Bank has received securities that are not recorded in the statement of financial position that it is allowed to sell or repledge. The fair value of the financial assets accepted as collateral that the Bank is permitted to sell or repledge in the absence of default is USD 8.2m.

The Bank did not sell or repledge any securities received as collateral under repurchase agreements during the year.

11. Loans and advances to banks

	2024	2023	2022
	USD	USD	USD
Loans and advances to banks	**490,123,421**	596,322,927	667,350,330
Less stage 1 ECL collective allowance	**(211,686)**	(372,215)	(391,428)
	489,911,735	595,950,712	666,958,902

	2024	2023	2022
	USD	USD	USD
Remaining term to maturity			
Up to 3 months	**111,940,025**	170,563,335	143,533,338
Over 3 months and up to 6 months	**95,966,000**	133,934,346	216,116,687
Over 6 months and up to 12 months	**93,649,231**	107,230,767	187,585,226
Over 1 year and up to 5 years	**188,568,165**	184,594,480	120,115,079
Over 5 years	**—**	—	—
	490,123,421	596,322,928	667,350,330
Current assets	**301,555,256**	411,728,448	547,235,251
Non-current assets	**188,568,165**	184,594,480	120,115,079

Reconciliation of the expected credit losses for loans and advances to banks at amortised cost

	Stage 1	Stage 2	Stage 3 (incl IIS)	Total
	USD	USD	USD	USD
Opening ECL 1 January 2022	812,609	—	—	812,609
Transfers between stages	—	—	—	—
Net ECL (released)/raised	(421,181)	—	—	(421,181)
ECL on new exposures raised	206,600	—	—	206,600
Subsequent changes in ECL	(627,781)	—	—	(627,781)
Change in ECL due to derecognition	—	—	—	—
Impaired accounts written off	—	—	—	—
Exchange and other movements	—	—	—	—
Closing ECL 31 December 2022	391,428	—	—	391,428
Opening ECL 1 January 2023	391,428	—	—	391,428
Transfers between stages	—	—	—	—
Net ECL (released)/raised	(19,213)	—	—	(19,213)
ECL on new exposures raised	338,430	—	—	338,430
Subsequent changes in ECL	(357,643)	—	—	(357,643)
Change in ECL due to derecognition	—	—	—	—
Impaired accounts written off	—	—	—	—
Exchange and other movements	—	—	—	—
Closing ECL 31 December 2023	372,215	—	—	372,215
Opening ECL 1 January 2024	**372,215**	**—**	**—**	**372,215**
Transfers between stages	**—**	**—**	**—**	**—**
Net ECL released	**(160,529)**	**—**	**—**	**(160,529)**
ECL on new exposures raised	**103,120**	**—**	**—**	**103,120**
Subsequent changes in ECL	**(263,649)**	**—**	**—**	**(263,649)**
Change in ECL due to derecognition	**—**	**—**	**—**	**—**
Impaired accounts written off	**—**	**—**	**—**	**—**
Exchange and other movements	**—**	**—**	**—**	**—**
Closing ECL 31 December 2024	**211,686**	**—**	**—**	**211,686**

Credit risk exposure of loans and advances to banks at amortised cost

31 December 2024

	Gross carrying value	SB 1–12		SB 13–20		SB 21–25		Stage 3		Total gross carrying amount of non-performing loans	Securities and expected recoveries on specifically impaired loans	Interest in suspense	Gross specific impairment coverage %	Non-performing loans %
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Sub standard	Doubtful					
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD		
Bank lending	**490,123,421**	**6,770,273**	—	**483,353,148**	—	—	—	—	—	—	—	—	—	—
Sovereign lending	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gross carrying value of loans and advances	**490,123,421**	—	—	—	—	—	—	—	—	—	—	—	—	—
Less: Total expected credit loss provision at amortised cost	**(211,686)**	—	—	—	—	—	—	—	—	—	—	—	—	—
Stage 1	**(211,686)**													
Stage 2	—													
Stage 3	—													
Purchased/ originated credit impaired	—													
IIS	—													
Net carrying value at amortised cost	**489,911,735**													

Credit risk exposure of loans and advances to banks at amortised cost continued

31 December 2023

	Gross carrying value	SB 1–12		SB 13–20		SB 21–25		Stage 3		Total gross carrying amount of non-performing loans	Securities and expected recoveries on specifically impaired loans	Interest in suspense	Gross specific impairment coverage %	Non-performing loans %
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Sub standard	Doubtful					
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD		
Bank lending	596,322,927	24,528,524	—	571,794,403	—	—	—	—	—	—	—	—	—	—
Gross carrying value of loans and advances	596,322,927	—	—	—	—	—	—	—	—	—	—	—	—	—
Less: Total expected credit loss provision at amortised cost	(372,215)	—	—	—	—	—	—	—	—	—	—	—	—	—
Stage 1	(372,215)	—	—	—	—	—	—	—	—	—	—	—	—	—
Stage 2	—													
Stage 3	—													
Purchased/ originated credit impaired	—													
IIS	—													
Net carrying value at amortised cost	—													
	595,950,712													

Credit risk exposure of loans and advances to banks at amortised cost continued

31 December 2022

	Gross carrying value	SB 1–12		SB 13–20		SB 21–25		Stage 3		Total gross carrying amount of non-performing loans	Securities and expected recoveries on specifically impaired loans	Interest in suspense	Gross specific impairment coverage %	Non-performing loans %
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Sub standard	Doubtful					
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD		
Bank lending	667,350,330	227,031,919	–	440,318,411	–	–	–	–	–	–	–	–	–	–
Gross carrying value of loans and advances	667,350,330	–	–	–	–	–	–	–	–	–	–	–	–	–
Less: Total expected credit loss provision at amortised cost	(391,428)	–	–	–	–	–	–	–	–	–	–	–	–	–
Stage 1	(391,428)													
Stage 2	–													
Stage 3	–													
Purchased/originated credit impaired	–													
IIS	–													
Net carrying value at amortised cost	666,958,902													

12. Loans and advances to customers

	2024 USD	2023 USD	2022 USD
Bank – Total			
Corporate customers	**297,243,173**	278,898,542	179,488,004
Entities outside Mauritius	**239,831,481**	144,374,874	92,689,058
Gross loans and advances to customers*	**537,074,654**	423,273,416	272,177,062
Less stage 3 ECL	**(8,026,966)**	(15,343,020)	(15,607,054)
Less stage 1 and 2 ECL	**(3,405,188)**	(3,942,045)	(3,199,368)
	525,642,500	403,988,351	253,370,640

*Amount is net of interest in suspense of USD 5,332,333 (2023: USD 4,491,402 , 2022: USD 2,253,002)

	2024 USD	2023 USD	2022 USD
Resident			
Corporate customers	**297,243,173**	278,898,542	179,488,004
	297,243,173	278,898,542	179,488,004
Less stage 3 ECL	**(8,026,966)**	(15,343,020)	(15,607,054)
Less stage 1 and 2 ECL	**(1,880,536)**	(1,735,089)	(852,705)
	287,335,671	261,820,433	163,028,245
Non-resident			
Corporate customers	**—**	—	—
Entities outside Mauritius	**239,831,481**	144,374,874	92,689,058
	239,831,481	144,374,874	92,689,058
Less stage 3 ECL	**—**	—	—
Less stage 1 and 2 ECL	**(1,524,652)**	(2,206,956)	(2,346,663)
	238,306,829	142,167,918	90,342,395

(a) Gross loans and advances to customers remaining term to maturity

	2024 USD	2023 USD	2022 USD
Bank – Total			
Up to 3 months	**144,357,323**	111,190,706	75,535,564
Over 3 months and up to 6 months	**29,925,476**	10,739,130	29,200,481
Over 6 months and up to 12 months	**16,064,405**	16,269,362	88,223,219
Over 1 year and up to 5 years	**346,727,450**	285,074,218	79,217,798
Over 5 years	**—**	—	—
	537,074,654	423,273,416	272,177,062
Resident			
Up to 3 months	**92,054,839**	96,667,619	45,522,335
Over 3 months and up to 6 months	**16,330,354**	10,739,130	29,200,481
Over 6 months and up to 12 months	**11,644,340**	16,269,362	68,216,264
Over 1 year and up to 5 years	**177,213,640**	155,222,432	36,548,924
Over 5 years	**—**	—	—
	297,243,173	278,898,543	179,488,004

(a) Gross loans and advances to customers remaining term to maturity continued

	2024 USD	2023 USD	2022 USD
Non-resident			
Up to 3 months	**52,302,484**	14,523,087	30,013,229
Over 3 months and up to 6 months	**13,595,122**	—	—
Over 6 months and up to 12 months	**4,420,065**	—	20,006,955
Over 1 year and up to 5 years	**169,513,810**	129,851,786	42,668,874
Over 5 Years	**—**	—	—
	239,831,481	144,374,873	92,689,058
Current assets	**190,347,204**	138,199,198	192,959,264
Non-current assets	**346,727,450**	285,074,218	79,217,798

(b) Credit concentration of risk by industry sectors

	2024 USD	2023 USD	2022 USD
Bank – Total			
Mining and quarrying	**79,023,326**	53,836,625	10,247,791
Manufacturing	**37,414,733**	8,207,211	20,006,955
Electricity, gas, steam and air conditioning supply	**10,442,939**	6,672,602	8,893,324
Wholesale and retail trade; and repair of motor vehicles and motorcycles	**53,225,103**	26,724,584	33,270,990
Transportation and storage	**35,553,806**	35,625,397	—
Real estate activities	**23,640,908**	23,669,717	23,527,759
Administrative and support service activities	**61,224**	69,415	253,182
Financial Corporations (excluding Global Business Companies)	**13,698,566**	7,039,975	5,685,218
Public Non-Financial Corporations	**5,010,979**	—	—
Global Business Corporations (GBCs)	**279,003,070**	261,427,890	170,291,843
	537,074,654	423,273,416	272,177,062
Resident			
Wholesale and retail trade; and repair of motor vehicles and motorcycles	**8,900,890**	10,361,262	3,257,761
Administrative and support service activities	**61,224**	69,415	253,182
Financial Corporations (excluding Global Business Companies)	**4,267,010**	7,039,975	5,685,218
Public Non-Financial Corporations	**5,010,979**	—	—
Global Business Corporations (GBCs)	**279,003,070**	261,427,890	170,291,843
	297,243,173	278,898,542	179,488,004
Non-resident			
Mining and quarrying	**79,023,326**	53,836,625	10,247,791
Manufacturing	**37,414,733**	8,207,211	20,006,955
Electricity, gas, steam and air conditioning supply	**10,442,939**	6,672,602	8,893,324
Wholesale and retail trade; and repair of motor vehicles and motorcycles	**44,324,213**	16,363,322	30,013,229

(b) Credit concentration of risk by industry sectors continued

	2024 USD	2023 USD	2022 USD
Transportation and storage	**35,553,806**	35,625,397	—
Real estate activities	**23,640,908**	23,669,717	23,527,759
Financial Corporations (excluding Global Business Companies)	**9,431,556**	—	—
	239,831,481	144,374,874	92,689,058

(c) Segmental analysis – Geographical area

	2024 USD	2023 USD	2022 USD
Africa	**491,999,034**	379,710,029	268,940,293
Europe	**25,146,164**	35,356,176	3,236,769
Asia	**19,929,456**	8,207,211	—
	537,074,654	423,273,416	272,177,062

(d) Allowance for credit impairment by industry sectors

	2024					2023	2022
	Gross amount of performing loans	Impaired loans	Stage 3 ECL/ specific allowance	Stage 1 and 2 ECL collective allowance	Total allowances for credit impairment	Total allowances for credit impairment	Total allowances for credit impairment
	USD	USD	USD	USD	USD	USD	USD
Bank – Total							
Mining and quarrying	**79,023,326**	**–**	**–**	**778,577**	**778,577**	449,397	84,846
Manufacturing	**37,414,733**	**–**	**–**	**302,034**	**302,034**	25,590	5,266
Electricity, gas, steam and air conditioning supply	**10,442,939**	**–**	**–**	**83,530**	**83,530**	1,545,067	2,061,760
Wholesale and retail trade; and repair of motor vehicles and motorcycles	**53,225,103**	**–**	**–**	**202,117**	**202,117**	110,856	190,851
Transportation and storage	**35,553,806**			**53,325**	**53,325**	80,447	–
Real estate activities	**23,640,908**			**33,504**	**33,504**	5,747	6,286
Administrative and support service activities	**61,224**	**–**	**–**	**398**	**398**	675	1,967
Financial Corporations (excluding Global Business Companies)	**13,698,566**	**–**	**–**	**82,405**	**82,405**	135,305	9,081
Public Non-Financial Corporations	**5,010,979**	**–**	**–**	**1,588**	**1,588**	–	–
Global Business Corporations (GBCs)	**266,042,102**	**12,960,968**	**8,026,966**	**1,867,710**	**9,894,676**	16,931,981	16,446,365
	524,113,686	**12,960,968**	**8,026,966**	**3,405,188**	**11,432,154**	19,285,065	18,806,422

(d) Allowance for credit impairment by industry sectors continued

	2024					2023	2022
	Gross amount of performing loans	Impaired loans	Stage 3 ECL/ specific allowance	Stage 1 and 2 ECL collective allowance	Total allowances for credit impairment	Total allowances for credit impairment	Total allowances for credit impairment
	USD	USD	USD	USD	USD	USD	USD
Resident							
Wholesale and retail trade; and repair of motor vehicles and motorcycles	**8,900,890**	**–**	**–**	**7,910**	**7,910**	10,148	2,346
Administrative and support service activities	**61,224**	**–**	**–**	**398**	**398**	675	1,967
Financial Corporations (excluding Global Business Companies)	**4,267,010**	**–**	**–**	**2,930**	**2,930**	135,305	9,081
Public Non-Financial Corporations	**5,010,979**	**–**	**–**	**1,588**	**1,588**	–	–
Global Business Corporations (GBCs)	**266,042,102**	**12,960,968**	**8,026,966**	**1,867,710**	**9,894,676**	16,931,981	16,446,365
	284,282,205	**12,960,968**	**8,026,966**	**1,880,536**	**9,907,502**	17,078,109	16,459,759

(d) Allowance for credit impairment by industry sectors continued

	2024					2023	2022
	Gross amount of performing loans	Impaired loans	Stage 3 ECL/ specific allowance	Stage 1 and 2 ECL collective allowance	Total allowances for credit impairment	Total allowances for credit impairment	Total allowances for credit impairment
	USD	USD	USD	USD	USD	USD	USD
Non-resident							
Mining and quarrying	**79,023,326**	**–**	**–**	**778,577**	**778,577**	449,397	84,846
Manufacturing	**37,414,733**	**–**	**–**	**302,034**	**302,034**	25,590	5,266
Electricity, gas, steam and air conditioning supply	**10,442,939**	**–**	**–**	**83,530**	**83,530**	1,545,067	2,061,760
Wholesale and retail trade; and repair of motor vehicles and motorcycles	**44,324,213**	**–**	**–**	**194,207**	**194,207**	100,708	188,505
Transportation and storage	**35,553,806**	**–**	**–**	**53,325**	**53,325**	80,447	–
Real estate activities	**23,640,908**	**–**	**–**	**33,504**	**33,504**	5,747	6,286
Financial Corporations (excluding Global Business Companies)	**9,431,556**	**–**	**–**	**79,475**	**79,475**	–	–
	239,831,481	**–**	**–**	**1,524,652**	**1,524,652**	2,206,956	2,346,663

Impaired loans of USD 12,960,968 as at 31 December 2024 (2023: USD 20,065,272, 2022:USD 20,733,255) were from clients resident in Zimbabwe and Mozambique.

(e) Reconciliation of the expected credit losses for loans and advances at amortised cost

	Stage 1	Stage 2	Stage 3 (incl IIS)	Total
	USD	USD	USD	USD
Opening ECL 1 January 2022	919,789	268,496	15,607,054	16,795,339
Transfers between stages	3,666	(3,666)	—	—
Net ECL raised/(released)	2,207,210	(196,127)	—	2,011,083
ECL on new exposures raised	2,094,052	—	—	2,094,052
Subsequent changes in ECL	113,158	(196,127)	—	(82,969)
Change in ECL due to derecognition	—	—	—	—
Impaired accounts written off	—	—	—	—
Exchange and other movements	—	—	—	—
Closing ECL 31 December 2022	3,130,665	68,703	15,607,054	18,806,422
Opening ECL 1 January 2023	3,130,665	68,703	15,607,054	18,806,422
Transfers between stages	—	—	—	—
Net ECL raised/(released)	625,993	116,684	(264,034)	478,643
ECL on new exposures raised	1,750,735	—	—	1,750,735
Subsequent changes in ECL	(1,124,742)	116,684	(264,034)	(1,272,092)
Change in ECL due to derecognition	—	—	—	—
Impaired accounts written off	—	—	—	—
Exchange and other movements	—	—	—	—
Closing ECL 31 December 2023	3,756,658	185,387	15,343,020	19,285,065
Opening ECL 1 January 2024	**3,756,658**	**185,387**	**15,343,020**	**19,285,065**
Transfers between stages	**(61,599)**	**61,599**	**—**	**—**
Net ECL raised/(released)	**(419,399)**	**(117,458)**	**(7,316,054)**	**(7,852,911)**
ECL on new exposures raised	**1,184,798**	**—**	**—**	**1,184,798**
Subsequent changes in ECL	**(1,604,197)**	**(117,458)**	**(7,316,054)**	**(9,037,709)**
Change in ECL due to derecognition	**—**	**—**	**—**	**—**
Impaired accounts written off	**—**	**—**	**—**	**—**
Exchange and other movements	**—**	**—**	**—**	**—**
Closing ECL 31 December 2024	**3,275,660**	**129,528**	**8,026,966**	**11,432,154**

(f) Credit risk exposure of loans and advances at amortised cost

31 December 2024

	Gross carrying value	SB 1–12		SB 13–20		SB 21–25		Stage 3		Total gross carrying amount of non-performing loans	Securities and expected recoveries on specifically impaired loans	Interest in suspense	Balance sheet impairments for non-performing, specifically impaired loans (stage 3)
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Sub standard	Doubtful				
Corporate lending	**542,406,987**	**96,475,455**	**—**	**399,991,013**	**27,647,218**	**—**	**—**	**—**	**18,293,301**	**18,293,301**	**4,934,002**	**5,332,333**	**8,026,966**
Gross carrying value of loans and advances	**542,406,987**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Less: Total expected credit loss provision for loans and advances at amortised cost	**(11,432,154)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Stage 1	**(3,275,660)**												
Stage 2	**(129,528)**												
Stage 3	**(8,026,966)**												
Purchased/ originated credit impaired	**—**												
IIS	**(5,332,333)**												
Net carrying value of loans and advances at amortised cost*	**525,642,500**												

*Corporate lending excludes interest in suspense.

(f) Credit risk exposure of loans and advances at amortised cost continued

31 December 2023

	Gross carrying value	SB 1–12		SB 13–20		SB 21–25		Stage 3		Total gross carrying amount of non-performing loans	Securities and expected recoveries on specifically impaired loans	Interest in suspense	Balance sheet impairments for non-performing, specifically impaired loans (stage 3)
		Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Sub standard	Doubtful				
Corporate lending	427,764,818	57,278,074	—	307,538,328	8,049,422	30,342,320	—	—	24,556,674	24,556,674	4,722,252	4,491,402	15,343,020
Gross carrying value of loans and advances	427,764,818	—	—	—	—	—	—	—	—	—	—	—	—
Less: Total expected credit loss provision for loans and advances at amortised cost	(19,285,065)	—	—	—	—	—	—	—	—	—	—	—	—
Stage 1	(3,756,658)												
Stage 2	(185,387)												
Stage 3	(15,343,020)												
Purchased/ originated credit impaired	—												
IIS	(4,491,402)												
Net carrying value of loans and advances at amortised cost*	403,988,351												

*Corporate lending excludes interest in suspense.

(f) Credit risk exposure of loans and advances at amortised cost continued

31 December 2022

	Gross carrying value	SB 1–12 Stage 1	SB 1–12 Stage 2	SB 13–20 Stage 1	SB 13–20 Stage 2	SB 21–25 Stage 1	SB 21–25 Stage 2	Stage 3 Sub standard	Stage 3 Doubtful	Total gross carrying amount of non-performing loans	Securities and expected recoveries on specifically impaired loans	Interest in suspense	Balance sheet impairments for non-performing, specifically impaired loans (stage 3)
Corporate lending	274,430,064	47,338,944	—	181,108,924	12,688,978	8,893,324	1,413,637	—	22,986,257	22,986,257	5,126,201	2,253,002	15,607,054
Gross carrying value of loans and advances	274,430,064	—	—	—	—	—	—	—	—	—	—	—	—
Less: Total expected credit loss provision for loans and advances at amortised cost	(18,806,422)	—	—	—	—	—	—	—	—	—	—	—	—
Stage 1	(3,130,665)												
Stage 2	(68,703)												
Stage 3	(15,607,054)												
Purchased/ originated credit impaired	—												
IIS	(2,253,002)												
Net carrying value of loans and advances at amortised cost*	253,370,640												

*Corporate lending excludes interest in suspense. Loans and advances include the element of MTM amounting to USD 108,007 hedge accounting (refer to Note 9.3.2).

13. Financial investments

	2024 USD	2023 USD	2022 USD
Comprising:			
Sovereign bonds	**303,101,000**	301,860,746	464,645,971
	303,101,000	301,860,746	464,645,971
Classified as:			
Net debt financial investments measured at amortised cost	**303,101,000**	301,223,493	461,888,877
Gross debt financial investments measured at amortised cost	**303,124,757**	301,267,630	461,908,187
Less: Expected credit losses for debt financial investments measured at amortised cost (Note 13.4)	**(23,757)**	(44,137)	(19,310)
Net debt financial investments measured at fair value through OCI	**—**	637,253	2,757,094
Gross debt financial investments measured at fair value through OCI	**—**	637,253	2,757,094

13.1 Maturity analysis

	2024 USD	2023 USD	2022 USD
Current:			
Up to 3 months	**—**	637,253	97,579,027
Over 3 months and up to 6 months	**—**	46,928,440	95,686,731
Over 6 months and up to 12 months	**183,293,781**	—	2,193,533
Non-current:			
Over 1 year and up to 5 years	**119,807,219**	254,295,053	269,186,680
	303,101,000	301,860,746	464,645,971

13.2 Reconciliation of financial investments measured at fair value through OCI

	2024 USD	2023 USD	2022 USD
At 01 January	**637,253**	2,757,094	3,527,537
Purchase of financial investments	**1,936,565**	85,888,183	12,217,791
Matured	**(2,534,560)**	(88,047,797)	(12,913,578)
Accrued interest	**(236)**	(13,462)	3,009
Fair value movements	**(39,022)**	53,235	(77,665)
At 31 December	**—**	637,253	2,757,094

13.3 Reconciliation of financial investments measured at amortised cost

	2024 USD	2023 USD	2022 USD
At 01 January	**301,223,493**	461,888,877	212,468,472
Purchase of financial investments	**84,522,568**	118,932,987	364,995,691
Matured	**(85,239,938)**	(214,680,445)	(121,350,284)
Investments pledged	**—**	(67,026,508)	—
Accrued interest	**2,574,497**	2,136,558	5,787,822
Net ECL release/(raised)	**20,380**	(27,976)	(12,824)
At 31 December	**303,101,000**	301,223,493	461,888,877

13.4 Reconciliation of expected credit losses for debt financial investments measured at amortised cost

	Stage 1 USD	Stage 2 USD	Stage 3 (incl IIS) USD	Total USD
Opening ECL 1 January 2022	6,486	—	—	6,486
Transfers between stages	—	—	—	—
Net ECL raised	12,824	—	—	12,824
ECL on new exposures raised	14,929	—	—	14,929
Subsequent changes in ECL	(2,105)	—	—	(2,105)
Change in ECL due to derecognition	—	—	—	—
Impaired accounts written off	—	—	—	—
Exchange and other movements	—	—	—	—
Closing ECL 31 December 2022	19,310	—	—	19,310
Opening ECL 1 January 2023	19,310	—	—	19,310
Transfers between stages	—	—	—	—
Net ECL raised	24,827	—	—	24,827
ECL on new exposures raised	11,210	—	—	11,210
Subsequent changes in ECL	13,617	—	—	13,617
Change in ECL due to derecognition	—	—	—	—
Impaired accounts written off	—	—	—	—
Exchange and other movements	—	—	—	—
Closing ECL 31 December 2023	44,137	—	—	44,137
Opening ECL 1 January 2024	**44,137**	**—**	**—**	**44,137**
Transfers between stages	**—**	**—**	**—**	**—**
Net ECL released	**(20,380)**	**—**	**—**	**(20,380)**
ECL on new exposures raised	**3,966**	**—**	**—**	**3,966**
Subsequent changes in ECL	**(24,346)**	**—**	**—**	**(24,346)**
Change in ECL due to derecognition	**—**	**—**	**—**	**—**
Impaired accounts written off	**—**	**—**	**—**	**—**
Exchange and other movements	**—**	**—**	**—**	**—**
Closing ECL 31 December 2024	**23,757**	**—**	**—**	**23,757**

13.5 Reconciliation of expected credit losses for debt financial investments measured at fair value through OCI

	Stage 1 USD	Stage 2 USD	Stage 3 (incl IIS) USD	Total USD
Opening ECL 1 January 2022	128	—	—	128
Transfers between stages	—	—	—	—
Net ECL raised	5	—	—	5
ECL on new exposures raised	133	—	—	133
Subsequent changes in ECL	(128)	—	—	(128)
Change in ECL due to derecognition	—	—	—	—
Impaired accounts written off	—	—	—	—
Exchange and other movements	—	—	—	—
Closing ECL 31 December 2022	133	—	—	133
Opening ECL 1 January 2023	133	—	—	133
Transfers between stages	—	—	—	—
Net ECL released	(131)	—	—	(131)
ECL on new exposures raised	2	—	—	2
Subsequent changes in ECL	(133)	—	—	(133)
Change in ECL due to derecognition	—	—	—	—
Impaired accounts written off	—	—	—	—
Exchange and other movements	—	—	—	—
Closing ECL 31 December 2023	2	—	—	2
Opening ECL 1 January 2024	**2**	**—**	**—**	**2**
Transfers between stages	**—**	**—**	**—**	**—**
Net ECL released	**(2)**	**—**	**—**	**(2)**
ECL on new exposures raised	**—**	**—**	**—**	**—**
Subsequent changes in ECL	**(2)**	**—**	**—**	**(2)**
Change in ECL due to derecognition	**—**	**—**	**—**	**—**
Impaired accounts written off	**—**	**—**	**—**	**—**
Exchange and other movements	**—**	**—**	**—**	**—**
Closing ECL 31 December 2024	**—**	**—**	**—**	**—**

14. Property, plant and equipment

	Computer equipment	Office equipment	Furniture and fittings	Motor vehicles	Total
	USD	USD	USD	USD	USD
Cost					
Balance at 01 January 2022	3,396,904	929,398	4,246,886	187,221	8,760,409
Acquisitions	205,245	131,715	36,475	—	373,435
Transfers	—	—	(119,120)	—	(119,120)
Disposals/write-offs	(478,764)	(79,481)	(481,281)	—	(1,039,526)
Balance at 31 December 2022	3,123,385	981,632	3,682,960	187,221	7,975,198
Acquisitions	213,201	10,640	17,726	—	241,567
Transfers	—	—	58,605	—	58,605
Disposals/write-offs	(1,233,404)	(42,359)	(183,004)	—	(1,458,767)
Balance at 31 December 2023	**2,103,182**	**949,913**	**3,576,287**	**187,221**	**6,816,603**
Acquisitions	**109,464**	**60,988**	**101,032**	**250,293**	**521,777**
Transfers	**—**	**—**	**(619,628)**	**—**	**(619,628)**
Disposals/Write-offs	**(692,374)**	**(146,079)**	**(1,420,522)**	**(20,199)**	**(2,279,174)**
Balance at 31 December 2024	**1,520,272**	**864,822**	**1,637,169**	**417,315**	**4,439,578**
Depreciation and impairment losses					
Balance at 01 January 2022	2,841,439	758,717	2,420,844	136,240	6,157,240
Depreciation for the year	315,185	46,133	299,740	50,981	712,039
Disposals/write-offs	(478,134)	(66,746)	(448,527)	—	(993,407)
Balance at 31 December 2022	2,678,490	738,104	2,272,057	187,221	5,875,872
Depreciation for the year	233,781	46,212	162,022	—	442,015
Disposals/write-offs	(1,233,404)	(42,359)	(183,004)	—	(1,458,767)
Balance at 31 December 2023	**1,678,867**	**741,957**	**2,251,075**	**187,221**	**4,859,120**
Depreciation for the year	**188,577**	**47,565**	**161,905**	**27,188**	**425,235**
Disposals/write-offs	**(692,374)**	**(146,079)**	**(1,414,793)**	**(20,199)**	**(2,273,445)**
Balance at 31 December 2024	**1,175,070**	**643,443**	**998,187**	**194,210**	**3,010,910**
Carrying Amounts					
Balance at 31 December 2024	**345,202**	**221,379**	**638,982**	**223,105**	**1,428,668**
Balance at 31 December 2023	424,315	207,956	1,325,212	—	1,957,483
Balance at 31 December 2022	444,895	243,528	1,410,903	—	2,099,326

Furniture and fittings do not include any work in progress (WIP) as at 31 December 2024 (2023: USD 619,628, 2022: 561,023).

15. Intangible assets

	Computer software
	USD
Cost	
Balance at 01 January 2022	20,749,558
Acquisitions	—
Balance at 31 December 2022	20,749,558
Acquisitions	—
Disposals	(2,878)
Balance at 31 December 2023	**20,746,680**
Acquisitions	**200,000**
Disposals	**—**
Balance at 31 December 2024	**20,946,680**
Amortisation and impairment losses	
Balance at 01 January 2022	6,158,221
Amortisation for the year	1,493,388
Balance at 31 December 2022	7,651,609
Amortisation for the year	1,470,937
Disposals	(2,878)
Balance at 31 December 2023	**9,119,668**
Amortisation for the year	**1,480,009**
Disposal	**—**
Balance at 31 December 2024	**10,599,677**
Carrying amounts	
Balance at 31 December 2024	**10,347,003**
Balance at 31 December 2023	11,627,012
Balance at 31 December 2022	13,097,949

There were no capitalised borrowing costs related to the acquisition of software during the year (2023: Nil, 2022: Nil).

16. Leases

(i) Amounts recognised in statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2024 USD	2023 USD	2022 USD
Right-of-use assets			
Buildings	**1,211,346**	447,998	1,100,818
Other – Parking and collocation data centre	**872,332**	216,009	480,476
	2,083,678	664,007	1,581,294
Lease liabilities			
Current	**728,876**	664,925	853,690
Non-current	**1,370,671**	—	663,182
	2,099,547	664,925	1,516,872

Additions to the right-of use assets during the 2024 financial year were USD 2,279,253 (2023: nil, 2022: USD 254,232).

Retirement of the right-of use assets during the 2024 financial year were USD 4,209,781 (2023: nil, 2022: USD 318,385).

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets	2024 USD	2023 USD	2022 USD
Buildings	**(592,054)**	(652,821)	(729,914)
Other – Parking and collocation data centre	**(267,530)**	(264,466)	(219,163)
	(859,584)	(917,287)	(949,077)
Interest expense (Note 27)	**(43,879)**	(56,066)	(93,720)
Expense relating to short-term lease (Note 33)	**(155,649)**	(115,782)	(123,302)

The total cash outflow for leases in 2024 was USD 888,510 (2023: USD 908,013, 2022: USD 893,164).

	2024 USD
Depreciation	**(859,584)**
Carrying amounts of right-of-use assets	**2,083,678**
Lease liabilities	**(2,099,547)**
2023	
Depreciation	(917,287)
Carrying amounts of right-of-use assets	664,007
Lease liabilities	(664,925)
2022	
Depreciation	(949,077)
Carrying amounts of right-of-use assets	1,581,294
Lease liabilities	(1,516,872)

17. Deferred tax assets/(liabilities)

The movement on the deferred tax amount is as follows:

	2024 USD	2023 USD	2022 USD
At 01 January	**1,199,671**	318,771	153,304
Movement during the year recognised in profit or loss (Note 35)	**(675,619)**	778,416	186,509
Movement during the year recognised in OCI	**7,262**	102,484	(21,042)
At 31 December	**531,314**	1,199,671	318,771

Deferred income tax assets and liabilities are attributable to the following items:

	2024 USD	2023 USD	2022 USD
Deferred tax assets:			
Expected credit losses	**1,563,472**	2,348,935	950,763
Other temporary differences	**230,369**	135,678	53,596
	1,793,841	2,484,613	1,004,359
Deferred tax liabilities:			
Other temporary differences	**—**	—	(40,401)
Accelerated depreciation	**(1,262,527)**	(1,284,942)	(645,187)
	(1,262,527)	(1,284,942)	(685,588)

The deferred tax release in profit or loss comprise the following differences:

	2024 USD	2023 USD	2022 USD
Expected credit losses	**753,535**	(1,398,172)	(97,710)
Other temporary differences	**(55,501)**	(19,999)	(3,559)
Accelerated depreciation	**(22,415)**	639,755	(85,240)
	675,619	(778,416)	(186,509)

18. Other assets

	2024 USD	2023 USD	2022 USD
Mandatory balances with central bank[1]	**5,161,773**	6,631,470	5,212,382
Prepayments	**467,468**	394,758	386,922
Sundry Debtor	**609,656**	206,803	80,123
Other[2]	**649,426**	434,505	283,158
	6,888,323	7,667,536	5,962,585
Current	**6,876,412**	7,655,855	5,961,196
Non-current	**11,911**	11,681	1,389

1. Mandatory balances with central bank relate to deposits placed with the central bank for the purpose of reserve requirements and are therefore not available for use.

2. Other consists of stock for stationery, sundry debtor vendor and withholding tax.

19. Deposits from banks

	2024 USD	2023 USD	2022 USD
Money Market Deposits	**1,599,802**	129,678,750	116,052,036
Other deposits from banks	**3,476,616**	4,072,431	22,592,075
	5,076,418	133,751,181	138,644,111
Current	**5,076,418**	133,751,181	138,644,111

20. Deposits from customers

	2024 USD	2023 USD	2022 USD
Corporates			
Demand deposits			
Current accounts	**720,389,751**	790,812,333	1,361,034,437
Savings accounts	**—**	—	—
Call accounts	**495,226,254**	562,218,883	634,506,735
Time deposits			
Up to 3 months	**713,204,469**	386,372,901	314,558,133
Over 3 months and up to 6 months	**33,092,948**	26,094,271	9,020,168
Over 6 months and up to 12 months	**81,531,145**	59,017,197	34,054,317
Over 1 year and up to 5 year	**1,006,195**	—	17,928,441
Over 5 years	**—**	—	—
	2,044,450,762	1,824,515,585	2,371,102,231
Resident			
Demand deposits			
Current accounts	**306,083,427**	287,774,019	330,843,112
Savings accounts	**—**	—	—
Call accounts	**436,191,543**	530,182,592	618,729,980
Time deposits			
Up to 3 months	**523,801,974**	299,727,070	257,582,966
Over 3 months and up to 6 months	**25,372,770**	5,881,798	7,854,496
Over 6 months and up to 12 months	**81,531,145**	55,719,117	33,646,703
Over 1 year and up to 5 years	**1,006,195**	—	—
Over 5 years	**—**	—	—
	1,373,987,054	1,179,284,596	1,248,657,257
Non-resident			
Demand deposits			
Current accounts	**414,306,324**	503,038,314	1,030,191,325
Call accounts	**59,034,711**	32,036,291	15,776,755
Time deposits			
Up to 3 months	**189,402,494**	86,645,831	56,975,167
Over 3 months and up to 6 months	**7,720,179**	20,212,473	1,165,672
Over 6 months and up to 12 months	**—**	3,298,080	407,614
Over 1 year and up to 5 years	**—**	—	17,928,441
Over 5 years	**—**	—	—
	670,463,708	645,230,989	1,122,444,974
Current liabilities	**2,043,444,567**	1,824,515,585	2,353,173,790
Non-current liabilities	**1,006,195**	—	17,928,441

21. Trading liabilities

	2024 USD	2023 USD	2022 USD
Client accounts	**10,071,765**	—	—
Current	**10,071,765**	—	—

Trading liabilities represent dual currency deposits from clients, which are embedded with foreign exchange options. These deposits offer clients the possibility of receiving a higher yield compared to standard fixed deposits. The dual currency deposits and the embedded foreign currency options are managed together as part of the trading portfolio.

22. Current tax liabilities

	USD 2024	USD 2023	USD 2022
Income tax based on chargeable income	**11,584,027**	8,966,552	2,181,681
Withholding taxes	**—**	—	(25,801)
Advanced payments made	**(6,689,320)**	(6,727,417)	(1,231,375)
	4,894,707	2,239,135	924,505

23. Other liabilities

	Notes	USD 2024	USD 2023	USD 2022
Accrued expense		**1,507,400**	5,148,403	3,437,356
Retirement benefit obligations	32(c)	**1,403,676**	1,181,752	512,918
Other liabilities and provisions		**—**	258,197	1,272,117
Sundry creditors		**1,129,731**	2,401,473	2,109,455
Deferred income		**1,642,141**	1,337,217	603,732
Dividend accrued		**6,675,000**	—	—
Others[1]		**6,360,470**	6,116,233	5,686,922
		18,718,418	16,443,275	13,622,500
Current		**16,487,320**	14,436,587	12,934,848
Non-current		**2,231,098**	2,006,688	687,652

1. Others comprise clearance settlement, credit in transit, VAT and provision for off-balance sheet.

24. Share capital

	2024 USD	2023 USD	2022 USD
Authorised capital: -			
Ordinary (40,000,000 shares of USD 1 each)	**40,000,000**	40,000,000	40,000,000
Issued and paid capital			
Ordinary (35,000,000 shares of USD 1 each)	**35,000,000**	35,000,000	35,000,000
Unissued capital			
Ordinary (5,000,000 shares of USD 1 each)	**5,000,000**	5,000,000	5,000,000

25. Contingent liabilities

	2024 USD	2023 USD	2022 USD
Guarantees on account of customers	**64,343,963**	57,423,898	26,555,724
Letters of credit and other obligations on account of customers	**14,502,689**	16,684,941	32,479,363
	78,846,652	74,108,839	59,035,087
Less IFRS 9 provision on off-balance sheet exposures	**(204,907)**	(20,651)	(31,843)
	78,641,745	74,088,188	59,003,244

An employee has entered a case at the Industrial Court against the Bank and claiming constructive dismissal against the Bank and requesting judgment for severance allowance. The Bank has retained the services of senior counsels to defend the Bank.

(a) Reconciliation of the allowance for expected credit loss for "off-balance sheet" exposures, by class

	Stage 1		Stage 2		Stage 3 (incl IIS)		Total		Total
	LCs	Guarantees	LCs	Guarantees	LCs	Guarantees	LCs	Guarantees	
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Opening ECL 1 January 2022	20,582	7,772	–	737	–	–	20,582	8,509	29,091
Transfers between stages	–	–	–	–	–	–	–	–	–
Net ECL raised/(released)	(13,042)	13,448	–	2,346	–	–	(13,042)	15,794	2,752
ECL on new exposures raised	26	11,364	–	–	–	–	26	11,364	11,390
Subsequent changes in ECL	(13,068)	2,084	–	2,346	–	–	(13,068)	4,430	(8,638)
Change in ECL due to derecognition	–	–	–	–	–	–	–	–	–
Impaired accounts written off	–	–	–	–	–	–	–	–	–
Exchange and other movements	–	–	–	–	–	–	–	–	–
Closing ECL 31 December 2022	7,540	21,220	–	3,083	–	–	7,540	24,303	31,843
Opening ECL 1 January 2023	7,540	21,220	–	3,083	–	–	7,540	24,303	31,843
Transfers between stages	–	–	–	–	–	–	–	–	–
Net ECL released	(1,295)	(7,184)	–	(2,713)	–	–	(1,295)	(9,897)	(11,192)
ECL on new exposures raised	69	875	–	–	–	–	69	875	944
Subsequent changes in ECL	(1,364)	(8,059)	–	(2,713)	–	–	(1,364)	(10,772)	(12,136)
Change in ECL due to derecognition	–	–	–	–	–	–	–	–	–
Impaired accounts written off	–	–	–	–	–	–	–	–	–
Exchange and other movements	–	–	–	–	–	–	–	–	–
Closing ECL 31 December 2023	6,245	14,036	–	370	–	–	6,245	14,406	20,651
Opening ECL 1 January 2024	**6,245**	**14,036**	**–**	**370**	**–**	**–**	**6,245**	**14,406**	**20,651**
Transfers between stages	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Net ECL raised/(released)	**2,013**	**(6,269)**	**–**	**188,512**	**–**	**–**	**2,013**	**182,243**	**184,256**
ECL on new exposures raised	**–**	**477**	**–**	**–**	**–**	**–**	**–**	**477**	**477**
Subsequent changes in ECL	**2,013**	**(6,746)**	**–**	**188,512**	**–**	**–**	**2,013**	**181,766**	**183,779**
Change in ECL due to derecognition	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Impaired accounts written off	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Exchange and other movements	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Closing ECL 31 December 2024	**8,258**	**7,767**	**–**	**188,882**	**–**	**–**	**8,258**	**196,649**	**204,907**

26. Other borrowed funds

	USD 2024	USD 2023	USD 2022
Other borrowed funds at amortised cost			
Comprising:			
Borrowings under repurchase agreement	**59,680,898**	59,687,934	–
Term borrowings	**46,019,618**	31,644,036	–
Total other borrowed funds at amortised cost	**105,700,516**	91,331,970	–
Current	**14,959,006**	–	–
Non-current	**90,741,510**	91,331,970	–

As part of the yield enhancement strategy, the Bank entered into a repurchase agreement and borrowed funds by pledging USD sovereign bonds from the financial investments portfolio. The borrowed funds were deployed in assets with a higher yield. Term borrowings represent borrowings from the Group to fund long-term foreign currency loans to customers.

27. Net interest income

	2024 USD	2023 USD	2022 USD
Interest income measured at amortised cost			
Loans and advances to banks	**87,241,171**	92,471,391	32,610,900
Loans and advances to customers	**39,670,275**	25,785,124	14,745,722
Financial investments	**12,795,931**	12,082,361	4,532,909
Other (IFRS unwinding)	**448,112**	310,544	124,640
Total interest income	**140,155,489**	130,649,420	52,014,171
Interest income on items measured at fair value through OCI			
Financial investments	**2,048**	101,719	38,527
Total	**140,157,537**	130,751,139	52,052,698
Interest expense			
Interest expense on items measured at amortised cost			
Deposits from banks	**(8,137,942)**	(6,094,945)	(2,009,363)
Deposits from customers	**(49,751,466)**	(39,724,110)	(10,274,841)
Other borrowed funds	**(2,575,105)**	(2,293,672)	–
Other:			
Interest on lease liabilities	**(43,879)**	(56,066)	(93,720)
Total interest expense	**(60,508,392)**	(48,168,793)	(12,377,924)
Net interest income	**79,649,145**	82,582,346	39,674,774

28. Net fee and commission income

	2024 USD	2023 USD	2022 USD
Fee and commission income			
Corporate banking customer fees	**6,176,121**	6,027,971	5,270,442
Corporate banking credit-related fees	**2,954,951**	2,573,590	2,397,613
Investment banking fees	**–**	–	517,500
Custody fees	**1,285**	6,433	7,010
Total fee and commission income	**9,132,357**	8,607,994	8,192,565
Fee and commission expense	**–**	(2,500)	–
Net fee and commission income	**9,132,357**	8,605,494	8,192,565

29. Net trading income

	2024 USD	2023 USD	2022 USD
Fixed income/Money Market	**38,750**	17,538	187,501
Foreign exchange	**13,935,138**	11,410,792	11,873,345
	13,973,888	11,428,330	12,060,846

30. Other operating income

	2024 USD	2023 USD	2022 USD
Rental Income and Recharges	**236,873**	273,480	241,001
Services Recovery	**270,510**	41,253	17,253
Fx Currency Sell-Off	**1,154**	(6,773)	5,605
	508,537	307,960	263,859

31. Net impairment (charge)/release on financial assets

	2024 USD	2023 USD	2022 USD
Loans and advances to customers*	**9,538,679**	(248,902)	(912,177)
Loans and advances to banks and cash and cash equivalents	**162,372**	22,828	565,203
Financial investments	**25,300**	(35,588)	(12,829)
Non-funded facilities**	**(250,952)**	(166,261)	(172,786)
Recoveries on loans and advances previously written off	**–**	–	1,525,340
	9,475,399	(427,923)	992,751

* Loans and advances to customers include unwind time value of money of USD 235,205 for 31 Dec 2024.

** Impairment charge relates to off-balance sheet exposures.

32. (a) Personnel expenses

	2024 USD	2023 USD	2022 USD
Wages and salaries	**5,927,019**	5,567,832	4,385,109
Other personnel expenses	**4,347,738**	3,481,950	6,181,824
Compulsory social security obligations	**32,414**	29,400	62,165
Contributions to defined contribution plans	**504,570**	421,984	460,173
Retirement benefit cost	**169,790**	(118,027)	299,533
Share-based payment – cash settled	**732,551**	633,087	557,744
	11,714,082	10,016,226	11,946,548

32. (b) Share-based payments

(i) Deferred bonus scheme (DBS)

Employees who are granted an annual performance award over a certain threshold have part of their award deferred. The award is indexed to the Group's share price and accrues notional dividends during the vesting period, which are payable on vesting. The awards vest in three equal amounts at 18 months, 30 months and 42 months from the date of award. The final pay-out is determined with reference to the Group's share price on vesting date.The final value is calculated with reference to the number of units multiplied by the Standard Bank Group's share price and is delivered in cash in Mauritius. The award also accrues notional dividends during the vesting period, payable at vesting.

The provision in respect of liabilities at 31 December 2024 and the amount charged for the year under the scheme is USD 811,797 (2023: USD 528,420, 2022: USD 324,475). Total expenses recognised in staff costs for 2024 were USD 732,551 (2023: USD 633,087, 2022: USD 557,744).

Reconciliation	**2024 Units**	2023 Units	2022 Units
Units outstanding at beginning of year	**3,115**	3,594	7,504
Granted	**1,675**	11,677	901
Transferred out	**(1,291)**	(4,612)	—
Exercised	**(2,346)**	(7,544)	(4,811)
Lapsed	**—**	—	—
Units outstanding at end of the year	**1,153**	3,115	3,594
Weighted average fair value at grant date (R)	**164**	152	160
Expected life (years)	**3**	3	3
Risk-free interest rate (%)	**n/a**	n/a	n/a

(ii) Cash-settled deferred bonus scheme (CSDBS)

Employees granted an annual performance award over a threshold have part of their award deferred. In addition, the Group makes special awards of CSDBS to qualifying employees.

The award units are denominated in the local currency of employees' host countries, the value of which moves parallel to the changes in the price of the Standard Bank Group's (SBG's) shares listed on the JSE and accrue notional dividends over the vesting period, which are payable on vesting.

Awards vest in three equal tranches at 18 months, 30 months and 42 months from the date of award. Final pay-out is determined with reference to the SBG share price on the vesting date.

31 December 2024

Currency	Weighted average fair value at grant date	Expected life at grant date (years)	Opening balance (Unit)	Granted (Unit)	Dropped (unit)	Forfeited (Unit)	Exercised (Unit)	Transferred between Group companies (Unit)	Outstanding (Unit)
MUR	**183**	**3**	**83,260**	**111,014**	**—**	**—**	**(33,350)**	**—**	**160,924**
CNY	**142**	**—**	**4,577**	**—**	**—**	**—**	**(4,577)**	**—**	**—**
UGX	**—**	**—**	**—**	**1,572**	**—**	**—**	**(1,572)**	**—**	**—**

31 December 2023

Currency	Weighted average fair value at grant date	Expected life at grant date (years)	Opening balance (Unit)	Granted (Unit)	Dropped (Unit)	Forfeited (Unit)	Exercised (Unit)	Transferred between Group companies (Unit)	Outstanding (Unit)
MUR	174.33	3	32,820	76,915	—	(3,409)	(23,066)	—	83,260
CNY	142	—	13,435	21,100	(15,416)	—	(14,542)	—	4,577

31 December 2022

Currency	Weighted average fair value at grant date	Expected life at grant date (years)	Opening balance (Unit)	Granted (Unit)	Dropped (Unit)	Forfeited (Unit)	Exercised (Unit)	Transferred between Group companies (Unit)	Outstanding (Unit)
MUR	160.33	2.51	45,713	11,805	—	—	(24,698)	—	32,820
CNY	153	—	—	23,104	—	—	(9,669)	—	13,435

(iii) Shares appreciation rights scheme (SARP)

The SARP is a long-term scheme representing appreciation rights awarded to employees and is based on the SBG share price. The awards that are made to individuals of a Group entity outside Africa are classified as cash-settled.

Reconciliation	**Units 2024**	Units 2023	Units 2022
Units outstanding at beginning of year	**101,316**	101,316	—
Granted	**—**	—	101,316
Exercised	**—**	—	—
Lapsed	**—**	—	—
Units outstanding at end of the year	**101,316**	101,316	101,316
Weighted average fair value at grant date (R)	**34.92**	34.92	35.98

(iv) Performance reward plan (PRP)

The PRP is settled in SBG's shares to qualifying employees on the applicable vesting dates, together with notional dividends that are settled in cash. Shares that vest (if any), and that are delivered to the employee, are conditional on pre-specified performance metrics set annually by the SBG Remuneration Committee. These awards are classified as cash-settled awards at an SBG and company perspective, and have been partially hedged through the use of equity forwards.

Reconciliation	Units 2024	Units 2023
Units outstanding at beginning of year	**11,200**	—
Granted	**18,807**	11,200
Exercised	**—**	—
Lapsed	**—**	—
Units outstanding at end of the year	**30,007**	11,200
Expected life (years)	**3.07**	3.07
Weighted average fair value at grant date (R)	**179.82**	179.82

32. (c) Retirement benefits

The Bank participates in a defined contribution (DC) pension plan. Its contribution for DC employees are expensed to profit or loss and amounted to USD 504,570 for December 2024. (2023: USD 462,630; 2022: USD 415,589)

The Bank is subject to a partly funded defined benefit plan for its employees. The plan exposes the Bank to normal risks described below:

- 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 DC plan's debt investments and a decrease in inflationary pressures on salary and pension increases
- Salary risk: The plan liability is calculated by reference to the future projected salaries of plan participants. As such, an increase in the salary of the plan participants above the assumed rate will increase the plan liability, whereas an increase below the assumed rate will decrease the liability.

The Bank has a residual obligation imposed by the Workers' Rights Act (WRA) 2019 on top of its DC plan. It is therefore particularly exposed to investment underperformance for the DC plan.

The Bank has recognised a net defined liability of USD 1,403,676 as at 31 December 2024 (2023: USD 1,181,752, 2022: USD 512,918) in respect of employees whose benefits from the DC plan are not expected to fully offset the Company's retirement gratuity obligations under the Workers' Rights Act 2019 and in respect of any retirement and death gratuities for employees who are not members of any pension plan.

	2024 USD	2023 USD	2022 USD
Reconciliation of net defined benefit liability			
Opening balance	**1,181,752**	512,918	630,817
Amount recognised in profit or loss (Note 32(a))	**169,790**	(118,027)	299,533
Amount recognised in other comprehensive income	**52,134**[1]	890,160[2]	(414,879)[3]
Less benefits paid	**—**	(103,299)	(2,553)
Closing balance	**1,403,676**	1,181,752	512,918

[1] Remeasurement of defined benefit liabilities net of tax amounts to USD 44,872 for 2024.
[2] Remeasurement of defined benefit liabilities net of tax amounts to USD 787.676 for 2023.
[3] Remeasurement of defined benefit liabilities net of tax amounts to USD (393,837) for 2022.

	2024 USD	2023 USD	2022 USD
Reconciliation of present value of defined benefit obligation			
Opening balance	**1,181,752**	512,918	630,817
Current service cost	**109,918**	58,761	40,787
Interest expense	**59,872**	25,233	30,882
Past service cost	**—**	(202,021)	227,864
Benefits paid	**—**	(103,299)	(2,553)
Exchange difference	**(67,165)**	1,583	(6,683)
Liability experience loss/(gain)	**243,677**	798,993	(302,159)
Liability loss/(gain) due to change in financial assumptions	**(124,378)**	89,584	(106,037)
Closing balance	**1,403,676**	1,181,752	512,918
Components of amount recognised in profit or loss			
Current service cost	**109,918**	58,761	40,787
Past service cost	**—**	(202,021)	227,864
Net interest on net defined benefit liability	**59,872**	25,233	30,882
	169,790	(118,027)	299,533
Components of amount recognised in other comprehensive income			
Exchange difference	**(67,165)**	1,583	(6,683)
Liability experience loss/(gain)	**243,677**	798,993	(302,159)
Liability loss due to change in financial assumptions loss/(gain)	**(124,378)**	89,584	(106,037)
	52,134	890,160	(414,879)

During the year, benefits paid for the unfunded scheme amounted to USD 40,773 (2023: USD 33,847; 2022: USD 60,950).

Principal assumptions used at year end	2024	2023	2022
Discount rate	**5.3%**	5.2%	5.7%
Rate of salary increases	**3.4%**	3.9%	3.8%
Average retirement age (ARA)	**60**	60	60

Sensitivity analysis on defined benefit obligation at year end	USD	USD	USD
Increase due to 1% decrease in discount rate	**284,867**	331,400	224,000
Decrease due to 1% increase in discount rate	**241,509**	292,200	173,000

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

Future cash flows

The funding policy is to pay contributions to the Portable Retirement Gratuity Fund (PRGF) and top-up benefits out of the reporting entity's cash flow, as and when due.

Expected employer contribution for the next year (USD)	**63,974**
Weighted average duration of the defined benefit obligation	**15 years**

33. Operating lease expenses

	2024 USD	2023 USD	2022 USD
Operating lease expense	**155,649**	115,782	123,302

Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	2024 USD	2023 USD	2022 USD
Buildings			
Less than one year	**103,993**	74,218	25,170
Between one and five years	**—**	—	—
	103,993	74,218	25,170
Equipment			
Less than 1 year	**26,147**	27,932	4,702
Between 1 and 5 year	**21,789**	51,208	—
	47,936	79,140	4,702

The operating lease commitments mainly comprise the rental of physical storage, parking and photocopiers. The lease terms make provision for operating lease charges as per the rental agreement.

34. Other expenses

	2024 USD	2023 USD	2022 USD
Software licensing and other information technology cost	**1,714,704**	1,294,381	1,215,440
Professional fees	**3,348,564**	3,543,113	1,902,380
Marketing and advertising	**233,810**	315,274	91,210
Travel and entertainment	**425,496**	648,810	227,508
Bank charges	**1,156,510**	1,072,760	931,480
Turnkey cost	**(939,024)**	2,759,555	3,697,206
Administration and membership fees	**216,416**	187,166	156,038
Corporate social responsibility	**689,098**	329,202	131,092
Other	**1,666,910**	1,623,113	1,590,282
	8,512,484	11,773,374	9,942,636

35. Income tax expense

	2024 USD	2023 USD	2022 USD
Income tax charge	**11,800,957**	9,624,515	3,267,324
Deferred tax release (Note 17)	**675,619**	(778,416)	(186,509)
Income tax expense	**12,476,576**	8,846,099	3,080,815
Bank – Total			
Profit before income tax	**89,592,283**	77,760,586	36,017,805
Tax at the applicable tax rate	**9,625,005**	7,879,185	2,043,368
Non-allowable expenses	**675,620**	105,243	15,547
Withholding tax suffered	**153,607**	366,267	—
Under provision in previous years	**5,409**	225,384	817,178
Special levy	**252,340**	212,864	159,958
Corporate Climate Responsibility Levy	**1,699,433**	—	—
Absorbed VAT	**11,270**	14,293	13,177
Other taxes	**53,892**	42,863	31,587
	12,476,576	8,846,099	3,080,815

36. Statutory and other reserves

	2024 USD	2023 USD	2022 USD
Statutory reserves	**35,000,000**	35,000,000	30,485,962
Other reserves	**10,858,078**	(57,453)	393,076
Statutory and other reserves	**45,858,078**	34,942,547	30,879,038

	Credit risk reserves USD	Fair value reserves USD	Employee benefit reserves USD	Total USD
Balance at 1 January 2022	584,073	3,950	48,804	636,827
Net loss on fair value of debt instruments	—	(53,515)	—	(53,515)
Remeasurement of defined benefit liabilities	—	—	393,837	393,837
Share-based payment	—	—	—	—
Transfer to credit risk reserve	(584,073)	—	—	(584,073)
Balance at 1 January 2023	—	(49,565)	442,641	393,076
Net loss on fair value of debt instruments	—	49,183	—	49,183
Remeasurement of defined benefit liabilities	—	—	(787,676)	(787,676)
Share-based payment	—	—	—	—
Transfer from credit risk reserve	287,964	—	—	287,964
Balance at 1 January 2024	**287,964**	**(382)**	**(345,035)**	**(57,453)**
Net gain on fair value of debt instruments	**—**	**382**	**—**	**382**
Remeasurement of defined benefit liabilities	**—**	**—**	**(44,872)**	**(44,872)**
Share-based payment	**—**	**—**	**—**	**—**
Transfer to credit risk reserve	**10,960,021**	**—**	**—**	**10,960,021**
	11,247,985	**—**	**(389,907)**	**10,858,078**

Credit risk reserves
The Bank makes an appropriation from retained earnings to credit risk reserves to comply with the prudential guideline issued.

Fair value reserves
The fair value reserves include the cumulative net change in the fair value of other comprehensive income for financial investments, including impairment losses until the investment is derecognised.

Share-based payment reserves
The fair value of share options is determined on the grant date and accounted for as staff costs over the vesting period of the share options, with a corresponding increase in the share-based payment reserve.

Employee benefit reserves
The Bank's post-employment benefits consist of post-employment retirement fund benefits. The Bank's obligations to fund these benefits are derived from actuarial valuations performed by the appointed actuaries taking into account various assumptions. The funds are subject to a statutory financial review by the Bank's independent actuaries.

37. Commitments

	2024 USD	2023 USD	2022 USD
Loans and other facilities			
Undrawn credit facilities	**275,551,066**	254,470,036	216,070,573
Less stages 1 and 2 ECL collective allowance	**(612,148)**	(545,452)	(367,999)
Less stage 3 specific allowance	**—**	—	—
	274,938,918	253,924,584	215,702,574

A reconciliation of the allowance for expected credit loss for "off-balance sheet" exposures, by class:

	Stage 1 USD	Stage 2 USD	Stage 3 (incl IIS) USD	Total USD
Opening ECL 1 January 2022	175,046	22,919	—	197,965
Transfers between stages	2,231	(2,231)	—	—
Net ECL released	160,583	9,451	—	170,034
ECL on new exposures raised	72,572	(840)	—	71,732
Subsequent changes in ECL	88,011	10,291	—	98,302
Change in ECL due to derecognition	—	—	—	—
Impaired accounts written off	—	—	—	—
Exchange and other movements	—	—	—	—
Closing ECL 31 December 2022	337,860	30,139	—	367,999
Opening ECL 1 January 2023	337,860	30,139	—	367,999
Transfers between stages	58,728	(58,728)	—	—
Net ECL raised	148,369	29,084	—	177,453
ECL on new exposures raised	165,220	—	—	165,220
Subsequent changes in ECL	(16,851)	29,084	—	12,233
Change in ECL due to derecognition	—	—	—	—
Impaired accounts written off	—	—	—	—
Exchange and other movements	—	—	—	—
Closing ECL 31 December 2023	544,957	495	—	545,452
Opening ECL 1 January 2024	**544,957**	**495**	**—**	**545,452**
Transfers between stages	**—**	**—**	**—**	**—**
Net ECL raised	**16,837**	**49,859**	**—**	**66,696**
ECL on new exposures raised	**73,614**	**—**	**—**	**73,614**
Subsequent changes in ECL	**(56,777)**	**49,859**	**—**	**(6,918)**
Change in ECL due to derecognition	**—**	**—**	**—**	**—**
Impaired accounts written off	**—**	**—**	**—**	**—**
Exchange and other movements	**—**	**—**	**—**	**—**
Closing ECL 31 December 2024	**561,794**	**50,354**	**—**	**612,148**

38. Related parties

Emoluments: Key management personnel	2024 USD	2023 USD	2022 USD
Short-term employee benefits	**3,880,883**	3,802,835	1,826,835
Post-employment benefits	**575,294**	1,181,756	515,477
Long-term benefits	**291,746**	260,946	246,428
Termination benefits	**—**	356,530	25,580
Share-based payments	**483,039**	431,755	341,446
	5,230,962	6,033,822	2,955,766

The following transactions were carried out with related parties:

(i) Balances and placements with parent

	2024 USD	2023 USD	2022 USD
At 01 January	**940,539,008**	1,215,937,358	1,469,099,798
Made during the year	**4,744,024,780**	28,877,899,781	44,099,974,610
Repaid during the year	**(5,213,488,484)**	(29,153,298,131)	(44,353,137,050)
At 31 December	**471,075,304**	940,539,008	1,215,937,358
Analysis by related party			
Standard Bank of South Africa	**471,075,304**	940,539,008	1,215,937,358
Loans and advances related to Standard Bank of South Africa			
Interest received from parent during the year	**36,377,144**	58,322,330	23,160,407
Accrued interest receivable from parent at 31 December	**19,058,833**	18,605,885	7,978,467

(ii) Balances and placements with other related parties

	2024 USD	2023 USD	2022 USD
At 01 January	**20,669**	118,395	16,668
Repaid during the year	**—**	(97,726)	—
Disbursed during the year	**29,749**	—	101,727
At 31 December	**50,418**	20,669	118,395
Loans and advances to other related parties			
At 01 January	**65,059,417**	119,977,330	17,736,989
Repaid during the year	**(54,700,417)**	(54,917,913)	—
Disbursed during the year	**—**	—	102,240,341
At 31 December	**10,359,000**	65,059,417	119,977,330
Analysis by related party			
Stanbic Bank Kenya Limited	**—**	—	36,142,135
Stanbic Bank Nigeria Limited	**10,359,000**	65,059,417	83,835,195
	10,359,000	65,059,417	119,977,330

(ii) Balances and placements with other related parties continued

	2024 USD	2023 USD	2022 USD
Interest received from other related entities during the year	**2,565,181**	5,708,968	1,505,490
Analysis by related party			
Stanbic Bank Kenya Limited	**—**	440,773	363,116
Stanbic Bank Nigeria Limited	**2,565,181**	5,268,195	1,142,374
	2,565,181	5,708,968	1,505,490
Accrued interest receivable from other related entities at 31 December	**1,956**	1,037,536	391,775
Analysis by related party			
Stanbic Bank Kenya Limited	**—**	—	170,111
Stanbic Bank Nigeria Limited	**1,956**	1,037,536	221,664

None of the facilities provided during the year under review were non-performing.

(iii) Borrowings from parent

	2024 USD	2023 USD	2022 USD
At 01 January	**91,331,970**	—	—
Received during the year	**14,368,546**	91,331,970	—
At 31 December	**105,700,516**	91,331,970	—
Analysis by related party			
Standard Bank of South Africa	**103,111,420**	88,867,552	—
Interest paid during the year	**5,831,889**	2,762,069	—
Interest payable at 31 December	**2,589,097**	2,464,418	—

Interest paid during the year relates to Standard Bank of South Africa.

(iv) Deposits from other related parties

	2024 USD	2023 USD	2022 USD
At 01 January	**119,013,352**	80,018,739	70,917,792
Received during the year	**1,638,000,000**	2,173,000,000	1,365,000,000
Repaid during the year	**(1,756,999,755)**	(2,134,005,387)	(1,355,899,053)
At 31 December	**13,597**	119,013,352	80,018,739
Interest paid on deposits	**4,808,468**	4,214,907	1,494,276
Interest payable at 31 December	**—**	233,059	160,048

(v) Deposits from parent

	2024 USD	2023 USD	2022 USD
At 01 January	**1,461,913**	16,600,634	12,917,664
Received during the year	**2,598,639**	—	3,682,970
Repaid during the year		(15,138,721)	—
At 31 December	**4,060,552**	1,461,913	16,600,634
Interest paid on deposits	**—**	1,054,915	444,916

Balances relate to vostro and deposit accounts and the Master Risk Participation Agreement (which ended in FY2022) from Standard Bank of South Africa.

(vi) Recharges

	2024 USD	2023 USD	2022 USD
Recharges to other related entities	**681,606**	468,910	418,314
Recharges to parent	**51,888**	57,489	30,995

(vii) Expenses

	2024 USD	2023 USD	2022 USD
Management fees paid to parent	**3,098,007**	3,088,139	1,805,343
Other expenses paid to parent	**3,454,492**	2,119,984	2,830,318
	6,552,499	5,208,123	4,635,661

Most of the other expenses paid to parent relate to IT support costs.

(viii) Amounts accrued but not yet paid for services rendered by parent

	2024 USD	2023 USD	2022 USD
Management fees	**819,634**	758,556	614,827
IT support services	**295,757**	1,098,573	1,136,861
Others	**—**	—	7,662
	1,115,391	1,857,129	1,759,350

(ix) Dividend paid to owner

	2024 USD	2023 USD	2022 USD
Dividend paid to owner	**45,000,000**	20,000,000	5,000,000

Dividend per share was USD 1.29 for the year ended 31 December 2024 (2023: 0.57, 2022: 0.14).

The dividend declared during 2024 amounted to USD 51,675,000.

(x) Foreign exchange transactions

The Bank conducts foreign exchange transactions with Group entities in the hedging of its currency risk.

(ix) The Bank did not have any non-performing related-party exposure as at 31 December 2024 (2023: nil and 2022: nil).

As at 31 December 2024, the Bank's top five exposures to related parties was USD 500.7m, which was two times the Bank's tier I capital.

39. Parent companies

The immediate parent company is Stanbic Africa Holdings Limited, a company incorporated in the United Kingdom and the ultimate parent company is Standard Bank Group Limited, a company incorporated in South Africa.

40. Subsequent event

The Directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could significantly affect the financial position of the Bank at 31 December 2024.

Standard Bank

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