

**BANK ONE**

**ANNUAL REPORT 2025**

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## Overview

### At a Glance

#### Our accolades in 2025

Bank One has been consistently recognized in various categories over the years, with repeat distinctions in some:

1. CFI.co Awards 2025
  - Best Custodian Bank (Indian Ocean) 2024
2. Global Finance World's Best Private Banks Awards 2025
  - Best Private Bank in Mauritius 2025

The Bank's reputation is further enhanced by long term relationships with prominent development finance institutions, including the German Investment Corporation (DEG), the International Finance Corporation (IFC) and the French Development Agency (Proparco). Bank One holds a 'BB' rating with a Stable Outlook from Fitch Ratings (as at June 2024).

Looking ahead, Bank One remains committed to fostering growth, enabling trade and investment, and supporting wealth creation and preservation for clients across Africa and beyond. The Bank will continue to provide the strategic support, tools and financial solutions necessary for clients to expand and succeed across Africa and beyond, with a continued focus on empowering their prosperity.

<p><b>Business Registration No:</b> C07040612</p> <p><b>Registered Office:</b> 16, Sir William Newton Street Port Louis, Mauritius Telephone: (230) 202 9200 Fax: (230) 212 8883 Website: www.bankone.mu</p> <p><b>Nature of Business:</b> Bank One is licensed by the Bank of Mauritius (BOM) to carry out banking business in Mauritius.</p> <p>The Bank also holds the following licences issued by the Financial Services Commission of Mauritius:</p> <ol style="list-style-type: none"><li>a) Licence to act as Insurance Agent in Mauritius</li><li>b) Licence for distribution of financial products in Mauritius</li><li>c) Investment Adviser (Unrestricted) Licence in Mauritius</li><li>d) Custodian Licence</li><li>e) Custodian Services (NON-CIS) Licence</li></ol>	<p><b>Main correspondent banks:</b> Abu Dhabi Commercial Bank Bank Of China Johannesburg Branch Citibank NA, London Citibank NA, New York DBS Bank Ltd, Singapore I and M Bank Ltd, Nairobi I &amp; M Bank (Uganda) Limited JP Morgan Chase Bank Mashreqbank Psc. CRDB Bank Plc SBM Bank (Mauritius) Ltd, Mumbai Standard Bank Of South Africa Limited Sumitomo Mitsui Banking Corporation BNI Madagascar</p> <p><b>External Auditor:</b> PricewaterhouseCoopers PwC Centre, Avenue de Telfair Telfair 80829 Moka Mauritius</p>
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Directors in office during the financial year ended 31 December 2025

Mr. Tchang Fa (Cyril) Wong Sun Thiong	Appointed as Independent Director on 01.08.2023 and Appointed as Independent Chairperson on 05.03.2025
Mr. Moonesar (Sunil) Ramgobin	Executive Director
Mr. Lakshmana Bheenick	Non-Executive Director
Mr. Christopher Kihara Maina	Non-Executive Director
Mr. Mark John Van Beuningen	Non-Executive Director; Appointed on 06.06.2025
Mr. Shameer Aswin Patel	Non-Executive Director; Appointed on 01.10.2025
Mr. Jérôme de Chasteauneuf	Non-Executive Director; Resigned on 06.06.2025
Ms. Gauri A. Gupta	Non-Executive Director; Resigned on 30.09.2025
Mr. Ignacio Serrahima Arbestain	Independent Director
Mr. Marc Alain Jacques Israel	Independent Director
Ms. Jo-Ann Pohl	Independent Director; Appointed on 17.03.2025
Ms. Alice Kiasyo Kilonzo	Independent Director; Appointed on 13.10.2025
Ms. Roselyne Renel	Independent Chairperson of the Board; Resigned on 04.03.2025

Executive management team as at 31 December 2025

<p>Chief Executive Officer                  Chief Financial Officer &amp; Interim Chief Operating Officer                  Chief Risk Officer                  Head of Corporate &amp; Institutional Banking                  Head of Consumer, Private Banking and Wealth Management                  Head of Treasury                  Head of Compliance                  Head of Legal                  Head of Strategy &amp; Partnerships                  Company Secretary</p>	<p>Mr. Moonesar (Sunil) Ramgobin                  Mr. Ranjeevesingh Gowreesunkur                  Mr. Vinay Sharma                  Mr. Loïc Chollet-Vergé                  Mr. Guillaume Passebecq</p> <p>Mr. Rishyraj (Rishy) Lutchman                  Mr. Bunsrajsing (Ashish) Gowreesunker                  Ms. Valérie Duval                  Mr. William Mulusa                  Ms. Kareen Ng</p>
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## BRANCH & CORPORATE OFFICE NETWORK



## BRANCH

**Bank One City Centre  
& Main Branch**

## ADDRESS

**16, Sir William Newton Street  
Port Louis**

**Flacq**

**Charles de Gaulle Street, Central Flacq**

**Rose Hill**

**342, Royal Road, Rose Hill**

**Quatre Bornes**

**74, St Jean Road, Quatre Bornes**

**Vacoas**

**John Kennedy Avenue, Vacoas**

**Curepipe**

**A10 Royal Road, Curepipe**

**Rose Belle**

**G-29, Centre Commercial du Vieux Moulin  
Rose Belle**

## CORPORATE OFFICE

**Bank One Waterfront**

## ADDRESS

**Astrolabe Building, Port Louis Waterfront  
Port Louis**

## Lounge

**Bank One Tribeca Lounge**

## ADDRESS

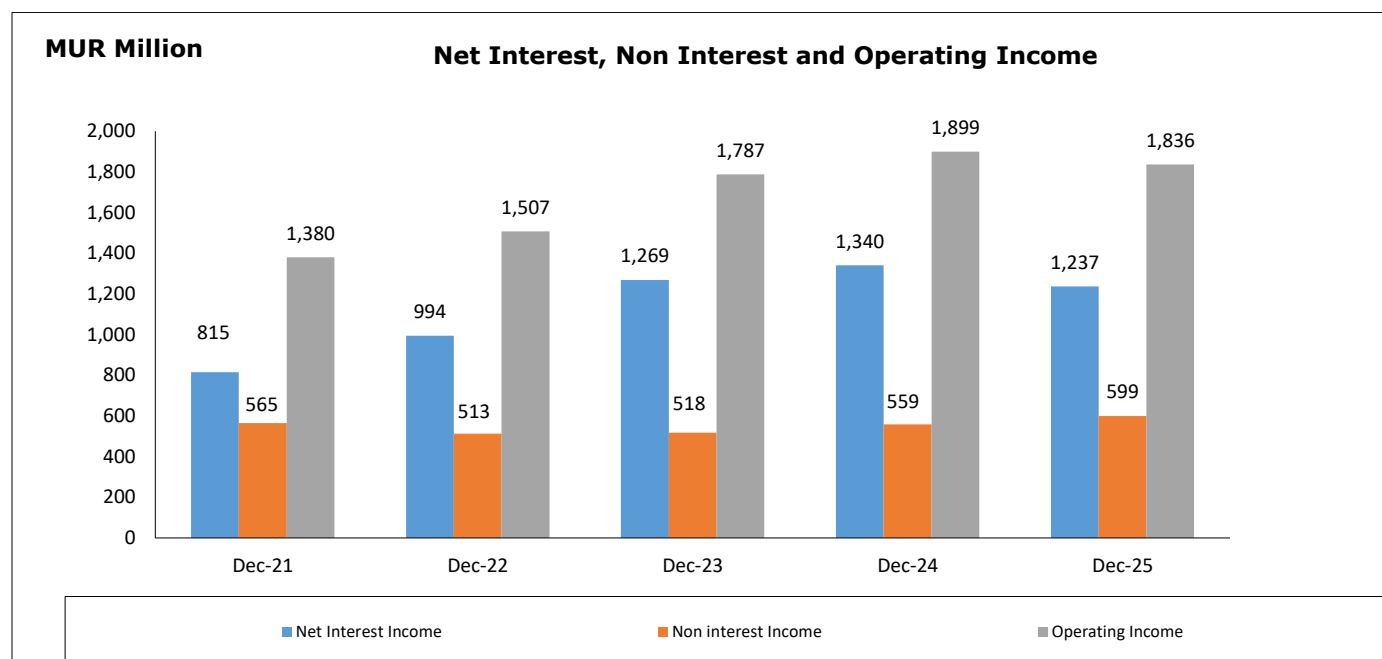
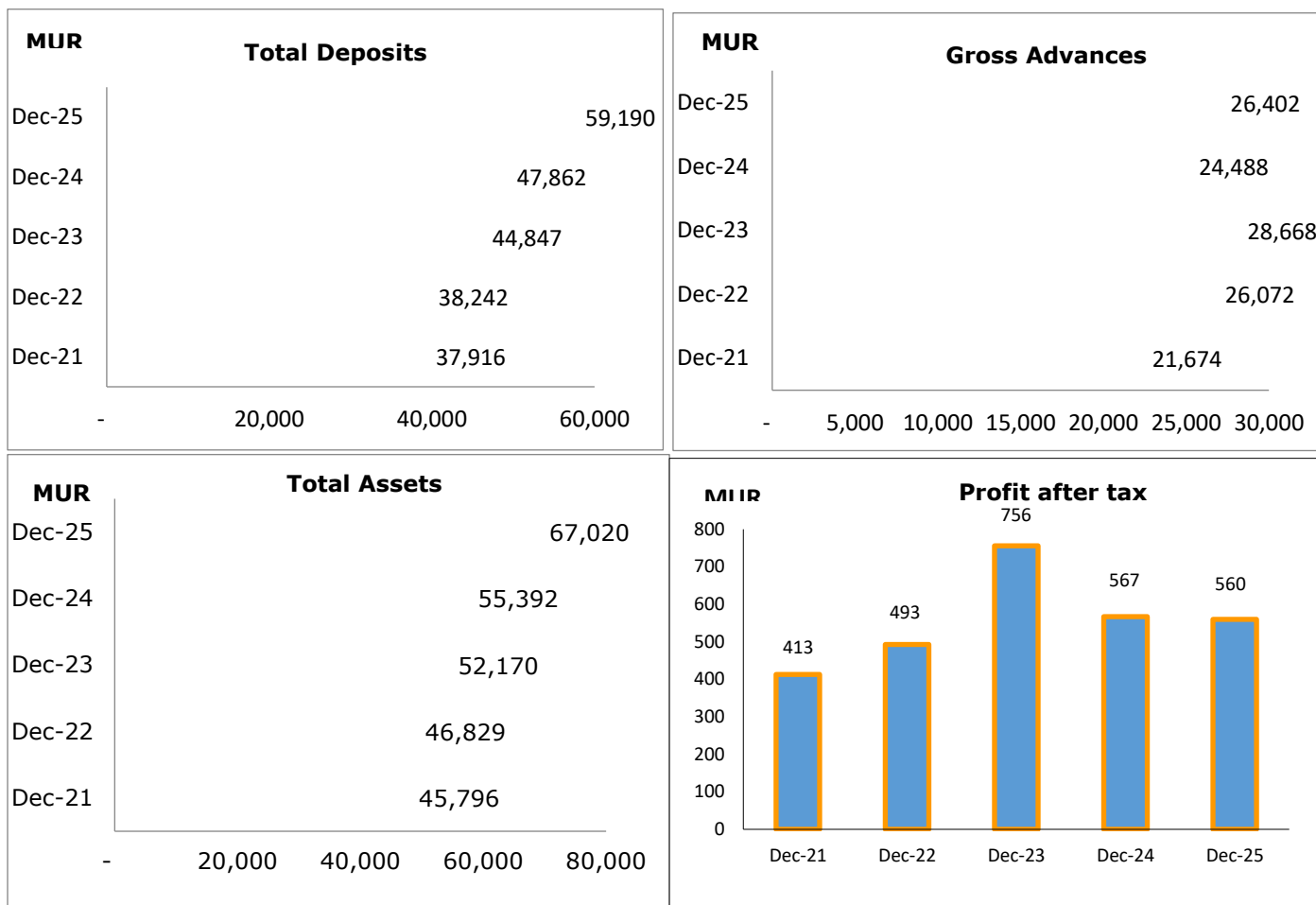
**Ground Floor, Tribeca Mall, MU, Trianon 72261**

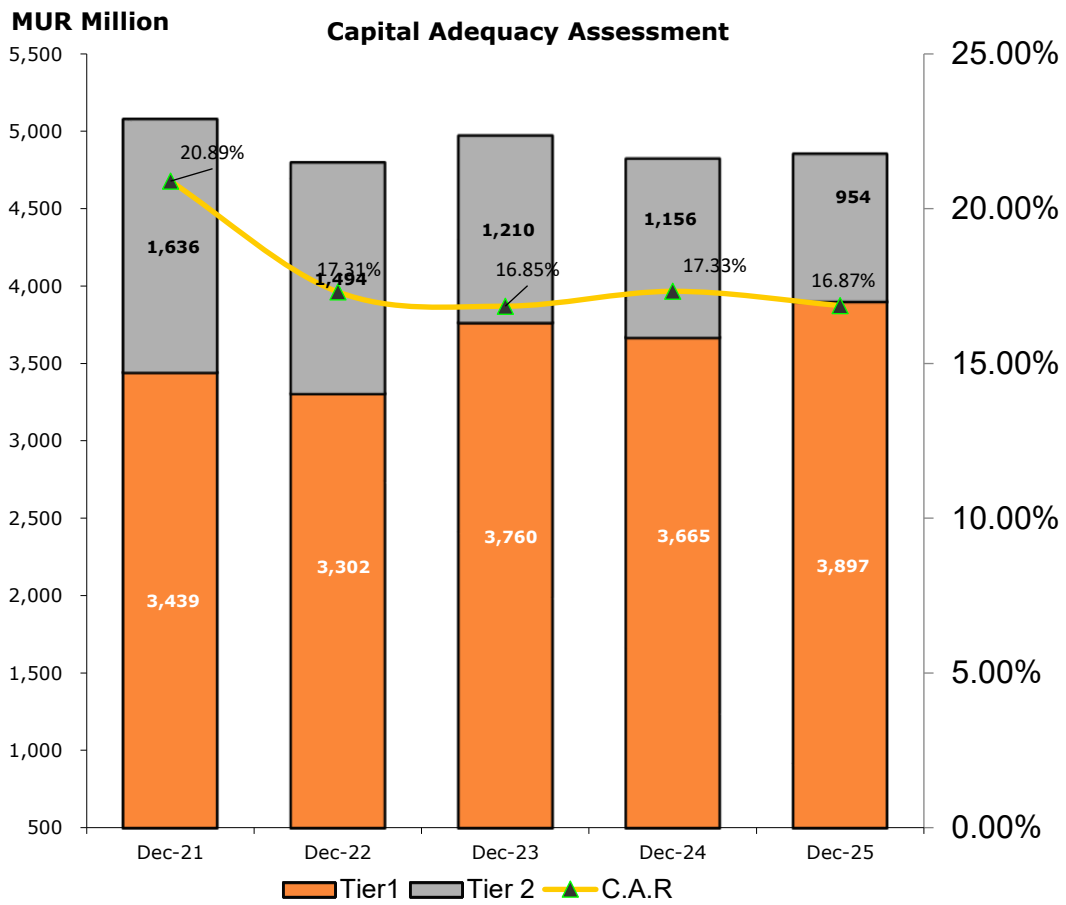
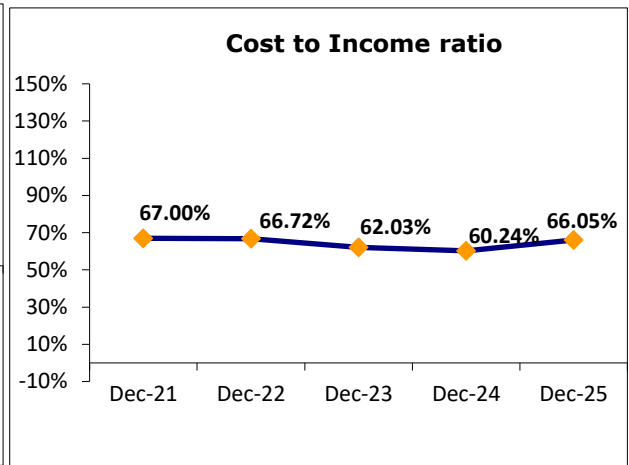
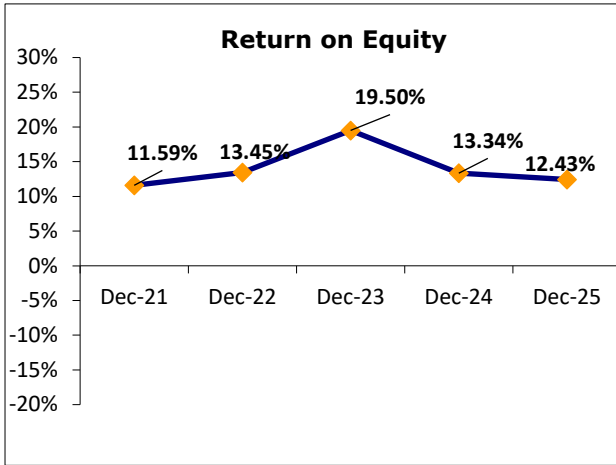
**Phone: +230 202 9200**

**Email: [contactcentre@bankone.mu](mailto:contactcentre@bankone.mu)**

Our reputation is further enhanced by long-term relationships with prominent development finance institutions, including the German Investment Corporation (DEG), the International Finance Corporation (IFC), and the French Development Agency (Proparco). Bank One holds a 'BB-' rating with a Stable Outlook from Fitch Ratings (as at February 202). Looking forward, Bank One remains committed to empowering prosperity by fostering growth, innovation, and success for businesses and individuals. We continue to provide the strategic support, tools, and financial solutions necessary for businesses and individuals to expand and succeed across Africa and beyond.

## Financial highlights





# Leadership

## Chairperson's report

Dear Shareholders

### Annual Chairperson's Report 2025 – Bank One

On behalf of the Board of Directors, I am pleased to present the Annual Report for Bank One Limited for the financial year ended 31 December 2025. This report reflects not only our financial performance but also our broader commitment to sustainably create greater value for our customers, communities and all stakeholders. Bank One continues to consolidate its position as a key financial services player across Africa and beyond, underpinned by the strong backing of its shareholders: CIEL Group, a leading Mauritian conglomerate with a substantive footprint in Africa and Asia, and I&M Group, one of East Africa's most dynamic and fast-growing banking groups.

### Global Economy

The year 2025 unfolded against a backdrop of modest global recovery and persistent macro-economic uncertainty. Global growth hovered around 3.0%–3.3%, supported by resilient trade activity, accommodative monetary policy in major economies, and strong investment in technology-intensive industries. Disinflation gained traction, with headline inflation easing to approximately 4.1% worldwide. However, geopolitical tensions, supply chain realignments, and high sovereign debt levels continued to pose downside risks to the global outlook.

### Sub-Saharan Africa Economy

Sub-Saharan Africa (SSA) demonstrated cautious resilience, with regional growth estimated around 4.1%–4.4% in 2025. The region benefited from stabilising commodity prices, improved fiscal discipline in select markets, and renewed investment in energy, manufacturing, and infrastructure. Nevertheless, SSA remained vulnerable to external shocks, currency fluctuations, and elevated debt servicing costs. Despite these challenges, the long-term outlook for Africa remains positive, underpinned by demographic expansion, digital transformation, and deepening regional trade integration.

### Local Economic Landscape

Mauritius sustained a stable growth trajectory, supported by recovery in tourism, robust financial services activity, and steady investment flows. Inflation moderated compared to the prior year, although cost pressures persisted in certain sectors. The monetary policy stance remained cautiously balanced, reflecting the need to support growth while safeguarding price stability. Key challenges included local currency volatility, structural weaknesses in select industries, and ongoing sensitivity to global economic developments.

### Banking Sector Performance

In 2025, the Mauritian banking sector remained **sound, well-capitalised, and resilient**, supported by strong balance sheets, healthy profitability, and a stable regulatory environment. Banks continued to play a pivotal role in financing economic activity, benefitting from solid liquidity conditions and ongoing financial sector reforms that strengthen the country's position as a modern and competitive International Financial Centre.

Credit to the private sector stood at 11.4% in December 2025, reflecting households front-loading borrowing ahead of fiscal changes. Credit is expected to grow more in line with nominal GDP in 2026, supported by falling US\$ rates. Most corporate segments continue to generate positive cash flow, with the banking sector's NPL ratio relatively stable at circa 6% over the year with the Corporate sector's NPL at 5.9% in December 2025. Despite the increase in the Key Rate earlier in the year, debt-servicing capacity for both households and corporates remains adequate.

### **Bank One Performance**

In this evolving landscape, Bank One delivered a resilient performance in 2025. The Bank advanced its strategic agenda with disciplined execution across core business lines. We refined our Corporate & Institutional Banking business strengthening sectoral relevance and enabling sharper client engagement. The Private Banking and Wealth Management franchise continued to deepen client relationships, while Consumer Banking maintained focus on emerging affluent and mid-affluent segments.

Operational resilience improved through enhanced risk management practices, strengthened governance, and continued investment in digital capabilities, including onboarding automation, data enablement, and cybersecurity reinforcement.

### **Financial Performance and Strategic Focus**

The Bank recorded 24% deposits growth and solid asset performance across both onshore and offshore portfolios, although profitability was tempered by tax increments, higher funding costs and timing gaps in asset ramp-up. Non-interest income faced pressure, yet treasury performance and private banking contributions helped stabilise overall revenue at MUR 1,836 million with PAT at MUR 560 million.

Strategically, 2025 marked a year of consolidation and forward momentum. Key priorities included:

- **Deepening sector focus** in Corporate and Institutional Banking to drive sustainable revenue growth.
- **Focused digitalization** geared towards accelerating customer acquisition and improving customer experience.
- **Strengthening balance sheet resilience** through diversification, disciplined pricing, funding optimisation, and risk-adjusted returns.
- **Expanding regional collaboration** with the shareholder network entities to unlock cross-border opportunities.

These efforts collectively laid the groundwork for stronger performance in 2026 and beyond.

### **ESG and Community**

ESG remained a central pillar of our long-term ambition. The Bank strengthened climate-risk assessment practices, advanced compliance with ESG-related regulatory requirements, and deepened engagement with Development Finance Institutions (DFIs). Community investments focused largely on advancing financial literacy, empowerment, and support to vulnerable groups. Our sustainability agenda also emphasised responsible lending, environmental stewardship, and transparent governance.

## Empowering Prosperity

Guided by our purpose, **Empowering Your Prosperity**, the Bank continued to shape meaningful outcomes for clients, communities, and partners. Empowering prosperity means ensuring that every interaction, product, and decision contributes to long-term economic and social wellbeing across Mauritius and the wider African region. In 2025, this purpose was reflected through improved client experience, stronger partnerships, and initiatives that enable individuals and businesses to grow confidently.

## Acknowledgements

On behalf of the Board, I express our gratitude to our shareholders for their continued trust, to our executive leadership for their steadfast direction, and to all employees for their dedication and professionalism. I extend our sincere appreciation to our customers and partners, whose loyalty and engagement inspire our ambition to excel.

I would like to express my sincere appreciation to Roselyn Renel for her steadfast leadership as Chairperson of the Board of Directors over the past four years. My heartfelt thanks also go to Gauri Gupta and Jérôme de Chasteauneuf, who retired from the Board during the year, for their significant contributions to the Bank and to the Board.

At the same time, I am pleased to warmly welcome our new directors - Shameer Patel, Alice Kilonzo and Mark van Beuningen. Their collective expertise and stewardship will be instrumental as the Bank embarks on its next phase of growth.

As we look ahead, we remain committed to executing our strategy at an accelerated pace, helping our clients navigate uncertainty, accelerating our transformation agenda, and delivering sustainable value for all our stakeholders. Together, we will continue to build a stronger and more resilient institution that contributes meaningfully to economic progress and shared prosperity.

Signed by:  
  
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Cyril Wong  
Chairperson of the Board

Date: 11 March 2026

## CEO's report

**2025 was a defining year for Bank One — one where disciplined execution, purposeful transformation, and resilience shaped our trajectory.** In an environment marked by shifting macroeconomic dynamics, we remained agile and unwavering in our ambition to accelerate the changes that matter most for our customers and our franchise. Our commitment to excellence was recognised through several industry distinctions, including Best Private Bank and Best SME Bank in Mauritius, and Best Custodian Bank in the Indian Ocean. These accolades reflect not only the trust our clients place in us, but also our determination to push the boundaries of innovation and service.

Across our Corporate & Institutional Banking (CIB) franchise, we sharpened our strategic focus by reorganising into four specialised segments: Global Business Corporates (GBCs), Financial Institutions, International Corporates, and Domestic Corporates whilst reinforcing leadership capabilities. Our streamlined focus and go-to-market approach leveraging critical partnerships, renewed momentum in trade finance, and progress in transaction banking and treasury demonstrate the foundation we are laying for sustainable growth. While our onshore and offshore books expanded, profitability was tempered by timing gaps in asset ramp-up, higher funding costs, and pressure on non-interest income – challenges we are addressing through strengthened client engagement, improved pricing discipline, and an enhanced product suite.

Our Consumer, Private Banking and Wealth Management business continued to mature into a key pillar of future growth. In Consumer Banking, we made significant strides in elevating customer experience through digital-first innovation and the launch of our flagship phygital branch; a symbol of our belief in blending expert human advisory with seamless digital convenience. In Private Banking & Wealth Management, we deepened our role in positioning Mauritius as a leading IFC and wealth hub for Africa. Our offshore wealth business grew strongly, supported by a deliberate expansion of our open-architecture model and new global asset manager partnerships. Assets under Custody crossed USD 1Bn and Assets under Management reached USD 1.5Bn in the year, reflecting the trust placed in our highly client-centric model.

At the Bank level, we continued to reinforce fundamentals. Customer deposits increased by 24%, treasury income grew by 12%, and our customer satisfaction score rose to 80%. Our BB- (Stable) Fitch rating was reaffirmed, signalling resilience, sound risk governance, and prudent balance sheet management. Our digital transformation agenda also advanced meaningfully, with enterprise data foundations, automated credit workflows, and real-time wealth tools driving faster decisions and more personalised client engagement.

**Looking to 2026, we are entering a phase of accelerated growth.** Some of the key strategic thrusts of this dispensation include:

**Disciplined Growth and Balance Sheet Optimisation:** We are committed to disciplined and sustainable growth. Our focus is on growing non-funded income, optimising our balance sheet, and driving operating efficiency. By maintaining a robust risk and compliance framework, we ensure resilience and safeguard the bank's long-term ambitions, while delivering value for our shareholders.

In CIB, we will build on commercial synergies with the Shareholder network entities, scale trade finance and syndication participation, deepen Sub-Saharan corridor flows, strengthen offshore deposit mobilisation, and enhance treasury sophistication.

**Accelerating Wealth & Affluent Focus:** We are cementing our leadership in private banking and wealth management, expanding our cards and payments offerings, and building ecosystem partnerships that redefine convenience and value for our clients.

Our ambition is clear: double Assets Under Management by 2028, enhance our presence across key emerging wealth markets in Africa and the UAE, and invest in digital custody, AI-driven reporting, and ESG-linked propositions.

**Winning with our Customers and Communities:** Our journey remains anchored in customer-centricity. We are reimagining experiences through high-personalisation, seamless omnichannel journeys, and simplified onboarding. Our digital ambassadors out of our virtual client relationship hub ensure that every customer, regardless of segment, is supported through this transition.

Beyond our commercial mandate, we strengthened our societal contribution – renewing support for the CIEL Ferney Trail and launching a pioneering CSR partnership with the Association Alzheimer and Dementia Mauritius. Through education, national awareness campaigns, and employee volunteering, we are championing inclusion and supporting families impacted by dementia.

**Our people at the heart of it all:** Our people continue to be the cornerstone of our success. We continue to invest in leadership development, talent retention, and employee engagement programmes, fostering a culture of collaboration and innovation. These efforts have strengthened our organisational capabilities and position us for stronger future growth.

Risk management and compliance also remain a top priority. We have enhanced our governance frameworks and deployed advanced monitoring tools to ensure resilience and safeguard stakeholder interests in an increasingly complex regulatory environment.

**As we look forward, our purpose - Empowering Your Prosperity - continues to guide us.** We remain committed to building a stronger, more innovative, and more customer-driven Bank One, enabling prosperity for individuals, businesses, and communities across Mauritius and the African continent.

On behalf of the Board and the Executive Management Team, I extend my gratitude to our customers, employees, shareholders and partners for their unwavering support and trust. Together, we will continue to shape a future defined by progress, resilience, and shared prosperity.

Signed by:  
  
75A6FC2F951B4BC...

**Sunil Ramgobin**  
CEO and Director

Date: 11 March 2026

## Directors' Profiles

### **TCHANG FA WONG SUN THIONG (CYRIL WONG)**

**(Appointed as Independent Director on 01.08.2023 and Chairperson on 05.03.2025; Resident)**

Cyril Wong was a Non-Executive director and Chairman of the Audit Committee of ABSA Bank (Mauritius) Ltd from August 2014 to July 2023. Prior to that he was the executive director and vice chairman of the Board of the Barclays Bank (Mauritius) Ltd. Before joining the Board, Cyril held a number of senior management positions in Barclays Mauritius, including the roles of Finance Director and Chief Compliance and Risk Officer. Before joining Barclays, Cyril held senior positions such as Head of Finance in multinational companies like ExxonMobil and British American Tobacco. He has an extensive experience in board leadership roles and acts as independent director on a number of companies.

Cyril holds a First-Class Honours degree in Physics from the University of Manchester. He is a Fellow of the Institute of Chartered Accountants in England and Wales and is also a Fellow of the Mauritius Institute of Directors.

Directorship in listed entities: ABC Motors Co Ltd, MDIT, Sanlam Africa Core Real Estate Investment Ltd & Avanz Growth Markets Ltd.

### **MOONESAR RAMGOBIN (SUNIL RAMGOBIN)**

**Chief Executive Officer & Executive Director (Appointed on 11.10.2024; Resident)**

Moonesar (Sunil) Ramgobin is a seasoned banking executive with over three decades of experience spanning multiple segments of the financial industry. His areas of expertise include Corporate and Investment Banking, Retail Banking, Business/SME Banking, Wealth Management, Custody Services, and Islamic Banking.

Before joining Bank One, Sunil held the roles of Chief Business Officer and Executive Director at Absa Bank (Mauritius) Limited. His distinguished career also includes senior leadership positions within leading financial institutions in Mauritius and the Middle East, such as Al Rajhi Bank, BNP Paribas, the BPCE Group, State Bank of Mauritius (SBM), and Standard Bank Group.

### **LAKSHMAN BHEENICK**

**Non-Executive Director (Appointed on 01.06.2021; Resident)**

Lakshman Bheenick is currently the CEO at CIEL Finance Limited. Prior to joining CIEL Finance Limited, he was the CEO of Standard Bank (Mauritius) Limited from June 2010 to February 2021. Prior to that, he held the position of Head of Global Markets from June 2006 to May 2010. He started his career in 1996 with Barclays Bank Plc in Mauritius and left in June 2006 as Head of Market Making & Liquidity Management. Lakshman holds a BA (Econ) from the University of Manchester.

### **MARK VAN BEUNINGEN**

**Non-Executive Director (Appointed on 06.06.2025; Resident)**

Mark van Beuningen is currently the Group Executive Strategy & Investments at CIEL Limited. Prior to joining CIEL, Mark was Group CEO of Cim Financial Services Ltd from October 2017 to March 2024. Mark has also been a Principal in the Boston Consulting Group's Johannesburg and Sydney offices from July 2010 to December 2015. He also acquired experience in structured finance at Macquarie Bank in Sydney and financial services assurance at KPMG in Cape Town respectively.

Mark holds a BBusSci (Hons) in Finance and Accounts from the University of Cape Town and an MBA from the Australian Graduate School of Management. Mark qualified as a Chartered Financial Analyst in 2007 and Chartered Accountant (SA) in 2005

### **KIHARA MAINA**

#### **Non-Executive Director (Appointed on 01.09.2023; Non-Resident)**

Kihara Maina is currently the Regional CEO at I&M Group since February 2023. He was the Chief Executive Officer of I&M Bank in Kenya from May 2016 to February 2023 and is a seasoned banker with experience spanning close to 30 years, mostly in senior executive leadership roles. Prior to joining I&M Bank, he was the Managing Director of Barclays Bank Tanzania Limited (now Absa Bank Tanzania Limited).

Kihara holds a Bachelor of Science degree in Mathematics from the Moi University and an Executive Master of Business Administration in Finance from Chicago Booth School of Business.

### **SHAMEER PATEL**

#### **Non-Executive Director (Appointed on 01.10.2025; Non-Resident)**

Shameer Patel currently occupies the post of Director of Retail and Business Banking at I&M Bank Ltd. He was previously the General Manager – Strategy & Transformation of I&M Bank Ltd from 2017 till 2021. Mr. Patel has over a decade of leadership experience in banking, focusing on Retail & Business Banking, Strategy & Transformation and Corporate Banking and has sat on Boards of Banking and non Banking organizations over the years. Shameer Patel holds a Bachelor of Arts in Economics & Geography from the University of Leeds, United Kingdom.

### **IGNACIO SERRAHIMA ARBESTAIN (IGNASI SERRAHIMA)**

#### **Independent Director (Appointed on 16.04.2019; Non-Resident)**

Ignasi Serrahima has been a freelance consultant since March 2014, advising various entities in Madrid, Barcelona, Dubai, Riyadh, Nairobi and Mumbai in areas of strategic development and human resources. Prior to launching his consultancy business, Ignasi occupied various M&A roles at Banco Popular Espanol, S.A (Madrid) and Bankinter, S.A. (Madrid) between September 2000 to March 2014. He holds a degree in Business Administration and an MBA at ESADE, Spain, as well as a Master in International Management from the Thunderbird School of Global Management, USA.

### **MARC ISRAEL**

#### **Independent Director (Appointed on 27.05.2022; Resident)**

Marc Israel is an accomplished Entrepreneur, Author, and Public Speaker, has had a successful career spanning various technology industries. After a 17-year stint at Microsoft, where he served as the Chief Technology Officer for Sub-Saharan Africa and had the privilege to launch Office 365 across the continent, Marc leveraged his extensive technical leadership experience to set up Aetheis, Mo Angels and Globe4Tech. These companies operate in the domains of cognitive services, blockchain, and startup investment services. Additionally, Marc holds a Non-Executive Director position at Mauritius Network Services and Turbine, and lectures at the Université des Mascareignes, Curtin University/Charles Telfair Education, and HEC Paris.

Marc's educational background includes a degree in Robotics and Engineering from École Supérieure D'Ingénieurs en Électrotechnique et Électronique in Paris. He has also completed prestigious INSEAD and Wharton Executive Education programs, where he achieved distinction.

### **JO-ANN PÖHL**

#### **Independent Director (Appointed on 17.03.2025; Non-Resident)**

Jo-Ann Pöhl is a Senior Advisor/Associate Director at Kearney Africa. She is a seasoned executive with over 25 years of experience in financial strategy, operational excellence, audit and assurance oversight, governance, risk management and leadership across various sectors, including banking, insurance, ICT, and professional services. Prior to joining Kearney Africa, she was the Group Chief Financial Officer at iOCO (EOH Group) and Bowmans. Additionally, she led teams across multiple

countries as the CFO for Africa at Standard Chartered Bank and as the Head of Finance for Africa and the Middle East at Barclays.

Jo-Ann holds a Bachelor of Commerce and Post Graduate Diploma in Accounting from Rhodes University, followed by a Post Graduate Diploma in Business Administration from University of Wales/Robert Kennedy College. She is also a Chartered Accountant (South Africa), a Fellow of ACCA, and a member of both the Institute of Directors and the Institute of Bankers in South Africa.

### **ALICE KIASYO KILONZO**

#### **Independent Director (Appointed on 13.10.2025; Non-Resident)**

Alice Kilonzo was previously the Managing Director of Ecobank Rwanda from November 2016 till November 2022. She is seasoned banking executive with 28 years of experience at Barclays Bank, Citibank, and Ecobank Group. Her expertise spans strategic planning, budgeting, business development, revenue generation, Trade Finance, and risk management. Prior to that, she was the Trade Head at Ecobank Group from May 2012 to October 2016 and Director – Trade Head at Citibank from January 2006 to May 2012.

Alice holds a B.A. Honours Degree in Politics with International Relations from University of Warwick, United Kingdom and an M.A. in Economic and Social Studies from the University of Manchester, United Kingdom

### **ROSELYNE RENEL**

#### **Independent Chairperson**

#### **(Appointed as Independent Director on 24.05.2021 and Chairperson on 01.01.2022; Non-Resident. Resigned on 04.03.2025)**

Roselyne Renel is based in the UK and is currently the Group Chief Credit Officer of Lloyds Banking Group (LBG). Prior to joining LBG, Roselyne was employed by Standard Chartered Bank (SCB) as the Group Head, Enterprise Risk Management (January 2016 – January 2020) and Group Chief Credit Officer (November 2013 to December 2015). Before joining SCB, she spent two and half years at Standard Bank of South Africa as Chief Risk Officer for the Corporate & Investment Banking division and just over 16 years at Deutsche Bank, where she held various senior roles including Chief Credit Officer for Emerging Markets and the Investment Bank.

Roselyne followed a senior executive advanced management program at the University of Columbia, USA. She completed the Credit Risk Graduate program delivered by Manufacturers Hanover Trust (now JP Morgan Chase) and also holds an Accounting & Bookkeeping Advanced Certification from the London Chamber of Commerce.

### **JEROME DE CHASTEAUNEUF**

#### **Non-Executive Director (Appointed on 25.08.2021; Resident. Resigned on 06.06.2025)**

Jérôme de Chasteauneuf currently serves as the Group Finance Director of CIEL Limited (CIEL), one of the largest diversified investment groups in Mauritius. Since joining CIEL in 1993, Jérôme has been instrumental in the CIEL Group's development and involved on multiple strategic IPOs, international expansion projects, merger and acquisitions and company restructuring.

In addition to overseeing the Group's financials, Jérôme is a Board member of most of the CIEL Group's subsidiaries including listed entities Alteo Limited, Miwa Sugar Limited and Sun Limited. Jérôme de Chasteauneuf also sits as a Non-Executive Director on the Board of the Stock Exchange of Mauritius and on the Board of Harel Mallac & Co. Ltd.

He is a Chartered Accountant of England and Wales and holds a BSc Honours in Economics from the London School of Economics and Political Science, UK (1989).

**GAURI A. GUPTA**

**Non-Executive Director (Appointed on 02.03.2017; Non-Resident. Resigned on 30.09.2025)**

Gauri Gupta heads I&M Group's Corporate Advisory function. Gauri's forte lies in M&A transactions including transaction structuring and negotiation of legal documentation. She holds a B.Com degree and is a Chartered Accountant from the Institute of Chartered Accountants of India. Gauri is also a certified International Mergers and Acquisitions Expert and a Charterholder of the Institute for Mergers, Acquisitions and Alliances. Her experience of over 25 years in Banking covers Credit, Risk Management, Product Development, Finance, and Strategic Planning.

Gauri has been instrumental in the enhancement of the corporate governance framework at I&M for over 15 years and oversees governance matters, investor relations and sustainability for I&M Group Plc, the parent entity for I&M Bank Group, listed on the Nairobi Securities Exchange.

Gauri is a director on the board for several companies under the I&M Bank Group.

## Senior Management Team's Profile

### **VINAY SHARMA**

#### **Chief Risk Officer**

With over 30 years in financial services, Vinay has held senior risk leadership roles at both global and regional banks. He has been approved by the Bank of England as Chief Risk Officer since 2015 for UK based banks, overseeing risk frameworks across Asia, the Middle East and Africa. Prior to that, he spent over a decade at Bank of New York Mellon based in Singapore and London as Managing Director, Risk Management.

Vinay's strategic approach to risk management has driven sustainable growth across complex portfolios. He earned an MBA from the University of Manchester. He joined Bank One as Chief Risk Officer on 5 May 2025.

### **RANJEEVESINGH GOWREESUNKUR (RANJEEVE GOWREESUNKUR)**

#### **Chief Financial Officer & Interim Chief Operating Officer**

Ranjeve Gowreesunkur joined Bank One in 2008 as Financial Accountant, bringing with him more than 20 years of extensive banking experience, having worked in various senior positions at Union Bank, Delphis Bank, First City Bank, SBI (Mauritius) Limited and Deutsche Bank (Mauritius) Limited. After acting as Head of Finance for six years, he was subsequently promoted as Chief Financial Officer in 2014.

Fellow of the Association of Chartered Certified Accountants and a registered Professional Accountant with the Mauritius Institute of Professional Accountants, Ranjeeve also holds an MBA with Finance from Herriot Watt University.

### **GUILLAUME PASSEBECQ**

#### **Head of Consumer, Private Banking & Wealth Management**

Guillaume Passebecq is an International School of Management (IDRAC) graduate who has spent his entire career in the banking sector. He started off as a Portfolio Manager at B\* capital Paris, the BNP Paribas brokerage house in 1999. In 2007, he was appointed as Head of Sales at BNP Paribas Personal Investors Luxembourg. He joined AfrAsia Bank in 2014 and was subsequently appointed as Head of Private Banking.

Guillaume joined Bank One as the Head of Private Banking in March 2017. He brought along the expertise needed to uplift the Private Banking offer. The Bank's array of clients has also been widened to accommodate Asset Managers, Investment Funds, Pension Funds, Family Offices and Financial Intermediaries through a one stop shop and open architecture model.

### **LOÏC CHOLLET-VERGÉ**

#### **Head of Corporate and Institutional Banking**

Loïc has over 20 years of international experience in banking/finance, business development and management. He joined Bank One on 30 December 2025. Prior to this, he served as the Chief Executive Officer and Executive Director of Warwyck Private Bank Ltd. He also held senior leadership roles within the BPCE Group, notably as General Manager of the Monaco Branch of Caisse d'Épargne Côte d'Azur.

Loïc holds a degree in Industrial Engineering and Management from Institut Polytechnique de Grenoble and in Industrial Engineering and Operations Research from University of California at Berkeley.

## **RISHYRAJ LUTCHMAN (RISHY LUTCHMAN)**

### **Head of Treasury**

Rishy Lutchman is a seasoned banker with over 30 years in the Treasury field. He holds an ACI Diploma, a PGCE in derivatives & financial products and a BBA from the Management College of Southern Africa. Before joining Bank One in February 2014, he worked for 26 years within the Treasury division of the State Bank of Mauritius Ltd (SBM), where he covered different desks, including sales, interbank and fixed income. There, Rishy acquired a comprehensive knowledge of the Mauritian and Malagasy markets.

## **BUNSRAJSING GOWREESUNKER (ASHISH GOWREESUNKER)**

### **Head of Compliance**

Ashish Gowreesunker is a seasoned banking professional with over 25 years of experience at senior level covering both first and second lines of defense roles, spanning across Retail Banking, Custody, Global Business, Corporate Banking, Remediation, and Compliance with the HSBC Group. Ashish has also served as the Head of Risk and Compliance at Mauritius International Trust Company Limited, a leading Corporate, Fiduciary and Fund Services Group headquartered in Mauritius with operational offices in Seychelles.

Ashish is passionate about ensuring the safe growth of institutions while optimizing resources to capture all opportunities for growth. Throughout his career, he has demonstrated a strong commitment to maintaining the highest standards of regulatory compliance and risk management. Ashish is a member of the International Compliance Association and the Association of Certified Anti-Money Laundering Specialists. Ashish was appointed as Head of Compliance of Bank One Limited in December 2024.

## **VALERIE DUVAL**

### **Head of Legal**

Valerie Duval has over 30 years of experience in the financial services sector, with strong expertise spanning banking, insurance and legal risk management. She has held senior leadership positions in the insurance industry for more than 13 years, notably with Swan Insurance Co Ltd and La Prudence Mauricienne Ltd (now known as Mauritius Union). She has been serving as the Head of Legal at Bank One for the last 17 years where she has been instrumental in establishing and strengthening the Bank's legal function. In this role, she advise the Bank on all legal matters relating to its operations and strategic initiatives, and provides legal oversight and support across all lines of business.

Valerie holds a Law degree from the University of Mauritius and is a Barrister at Law in Mauritius (sworn in 1995). She has completed several executive leadership and management programmes during her career and is a graduate of the CIEL-HEC Paris Executive Programme (2023). She is a member of the Mauritius Bar Association and a Fellow of the Mauritius Institute of Directors. She previously served as Vice- President of the Mauritian NGO Terrain for Interactive Pedagogy through Arts (TIPA). In 2025, she was appointed as an Independent Director on the Board of Sicom Ltd.

## **SHAMITA JOYNATHSING RAMPROGUS**

### **Head of People and Culture**

Shamita is an experienced human resources leader with over 20 years of expertise spanning talent management and people experience. She joined Bank One on 19 January 2026, bringing with her a proven track record of driving people centred strategies within leading organisations in Mauritius.

Before joining Bank One, Shamita served as Head of People Experience at Allianz Services Mauritius from May 2023 to January 2026. Prior to that, she was Head of Human Resources at KPMG Mauritius between January 2018 and March 2023. She also held senior leadership responsibilities as Senior

Manager / Acting Group Head of HR at the Harell Mallac Group from February 2016 to November 2017.

Shamita holds a degree in Psychology from Concordia University in Canada.

### **WILLIAM MULUSA**

#### **Head of Strategy & Partnerships**

William is a seasoned, strategy, planning and business performance management practitioner with over 12 years of experience gleaned from a multi-sectoral background with over 5 years at PricewaterhouseCoopers Limited Kenya. He has deep expertise in strategic management, financial management, organisation development and capacity building, monitoring and evaluation, strategic risk management and portfolio, programme and project management.

Besides being a lead strategist for various financial services institutions, William has also worked as a Strategy Analyst at a financial service institution serving the East African market. He holds a Bachelor of Commerce degree from the University of Nairobi and an MSc in Management from the Middlesex University. He is a Certified Public Accountant and Member of the Institute of Public Accountants Kenya (ICPAK).

### **KAREEN NG CHIT WING (KAREEN NG)**

#### **Company Secretary**

With over 15 years of experience as a chartered governance professional, Kareen has served as Company Secretary within a diverse range of companies, including those listed on both the Official and DEM markets of the Stock Exchange of Mauritius. Her extensive experience spans multiple industries, including banking and financial services, automotive, shipping and logistics, as well as food and hospitality. Kareen has a proven track record of collaborating closely with Boards to ensure robust governance practices and corporate compliance. She joined Bank One in May 2017, continuing her career in governance and corporate services.

Kareen Ng is an associate member of the Chartered Governance Institute UK & Ireland. She also holds a BSc in Computer Science and Information Systems from the University of South Africa and is a Certified Meta Coach from the International Society of Neuro-Semantics.

## Performance

### Economic outlook

#### Macroeconomic Overview and Outlook

The global economy in 2025 remained remarkably resilient, supported by stabilising trade tensions, accommodative financial conditions, and a continued capacity to adjust to shifting policy and market dynamics. The IMF estimates world output for 2025 at 3.3%, reflecting steady global activity despite uneven momentum across sectors. A key driver of this resilience was the continued strength of technology-related investment, which contributed to robust exports of semiconductors and related equipment, particularly from Asian economies. This surge in high-tech trade helped sustain global trade flows, with brisk expansion in technology-linked exports offsetting slowing momentum in other product categories. These dynamics underline the increasingly pivotal role of technology-intensive industries as a stabilising force for global economic activity amid broader structural and geopolitical uncertainties.

Global inflation remained largely steady throughout 2025. While sequential measures of headline and core inflation firmed slightly, annual inflation surprised mildly on the downside. At the same time, cost-of-living pressures continued to influence inflation expectations in major economies, with one-year-ahead indicators and input-price measures still elevated in several manufacturing surveys. The combination of contained inflation outcomes and resilient technology-driven trade performance provided a measure of macroeconomic stability. Even so, the global environment remains sensitive to shifts in trade conditions, financial market sentiment and supply-chain dynamics, underscoring the need for continued vigilance as economies navigate an increasingly complex backdrop.

In Sub-Saharan Africa (SSA), IMF estimates place 2025 growth at 4.4%, reflecting an economy that continued to expand despite uneven performance and a challenging external setting. The World Bank highlights contributions from moderating inflation, stronger-than-expected prices for key commodities, including gold, other precious metals and coffee, and resilient private consumption, supported by firm high-frequency indicators in the latter half of the year. It is further emphasised that fiscal consolidation remains a priority given narrowing fiscal space, elevated debt burdens and declining official development assistance. Per-capita income gains, however, remain insufficient to meaningfully reduce extreme poverty or address labour-market pressures. Additional downside risks stem from softer external demand, weaker commodity prices, regional political instability and potential declines in donor support, reinforcing the importance of sustained reform efforts to convert aggregate growth into broader welfare gains.

Against this backdrop of moderating global and regional growth, domestic economic activity in Mauritius also softened in 2025. Growth remained supported by the financial sector, tourism and ICT, although contractions in construction and public administration weighed on momentum. Real GDP expanded by 3.6% in the second quarter, lower than earlier in the year. For 2025 overall, the Bank of Mauritius projects growth at 3.1%, broadly aligned with the 3.2% forecast by Statistics Mauritius, signalling a clear deceleration from 2024.

Tourism continued to underpin economic performance, with arrivals reaching 1.4 million in 2025 and earnings rising 8.7% over the first three quarters and expected to exceed MUR 100Billion. The sector is expected to remain supportive throughout the year, anchored by projected arrivals of more than 1.5 million in 2026. However, downside risks persist, particularly from geopolitical tensions and US tariff measures, which continue to weigh on the broader export environment.

Mauritius' external position weakened, with the current account deficit widening to 8.6% of GDP in 2025Q2, driven mainly by a larger goods deficit and higher tax outflows from global business entities. For the full year, the Bank of Mauritius expects a deficit of 6.5% of GDP, slightly higher than in 2024. Nonetheless, the overall balance of payments is expected to remain in surplus, supported by resilient financial inflows.

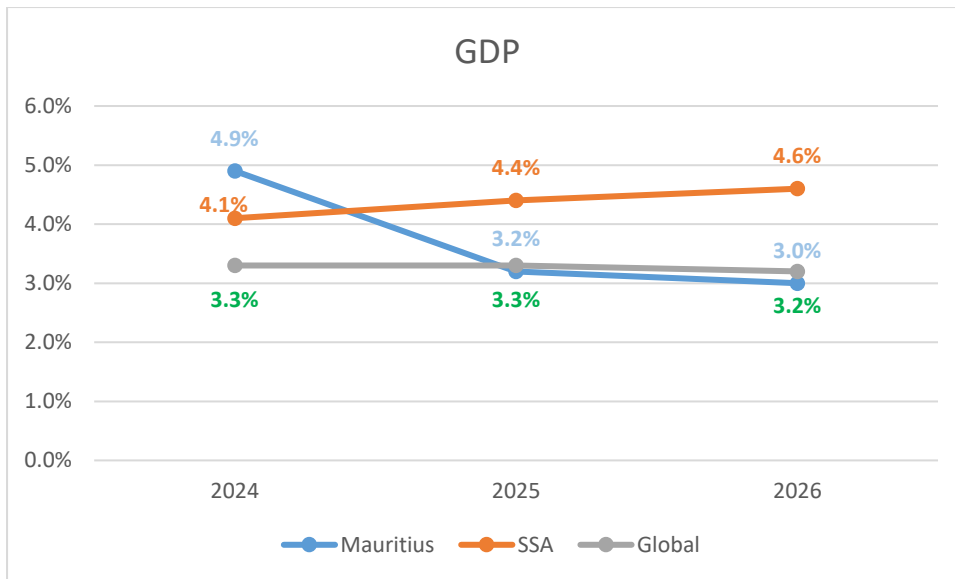
Financial conditions remain broadly stable. Liquidity management efforts continued to support orderly functioning of the foreign exchange market. Gross Official International Reserves stood at US\$9.5 billion, around 13 months of import cover, while the banking sector remained well capitalised, liquid and with financial stability risks deemed contained.

Global growth is expected to remain steady but moderate as the effects of higher trade barriers gradually fade. The IMF projects global growth at 3.3% in 2026 and 3.2% in 2027, only slightly easing from 2025, as slowing momentum in high-tech sectors continues to provide partial support to global activity. Advanced-economy growth is expected to remain subdued, with the US expanding at a solid pace and the euro area constrained by structural headwinds. Emerging and developing economies are projected to grow just above 4%, supported by resilient domestic demand in China and India. A more conservative profile from the World Bank places global growth at 2.6% in 2026, rising slightly to 2.7% in 2027, reflecting softer trade, weaker manufacturing activity and easing labour markets.

Risks to the global outlook remain tilted to the downside. Renewed trade tensions, geopolitical instability and tighter global financial conditions could dampen demand and disrupt supply chains. Additional concerns relate to potential corrections in technology-driven equity valuations or adjustments in expectations around AI-related productivity gains. There are also risks from further tariff escalation and persistent policy uncertainty. Conversely, stronger-than-expected advances in AI adoption, easing financial conditions and progress in trade negotiations could support a firmer global recovery.

For SSA, World Bank projections show growth strengthening to 4.3% in 2026 and 4.5% in 2027, driven by improving investment and exports and a broadly stable external environment, alongside security gains in fragile and conflict-affected countries. Despite the expected pickup, regional growth remains below long-term pre-pandemic averages and insufficient to accommodate rapid labour-force expansion or materially reduce poverty. Limited exposure to US markets should cushion most SSA economies from tariff-related disruptions, though the expiry of AGOA presents notable risks for textile- and vehicle-exporting countries. Monetary policy is expected to remain cautious, and fiscal consolidation, amid elevated debt burdens, will continue to weigh on demand. Climate events, conflict, tighter global financial conditions and declining official development assistance remain key downside risks, though firmer commodity prices, AfCFTA progress and ongoing reforms could offer upside.

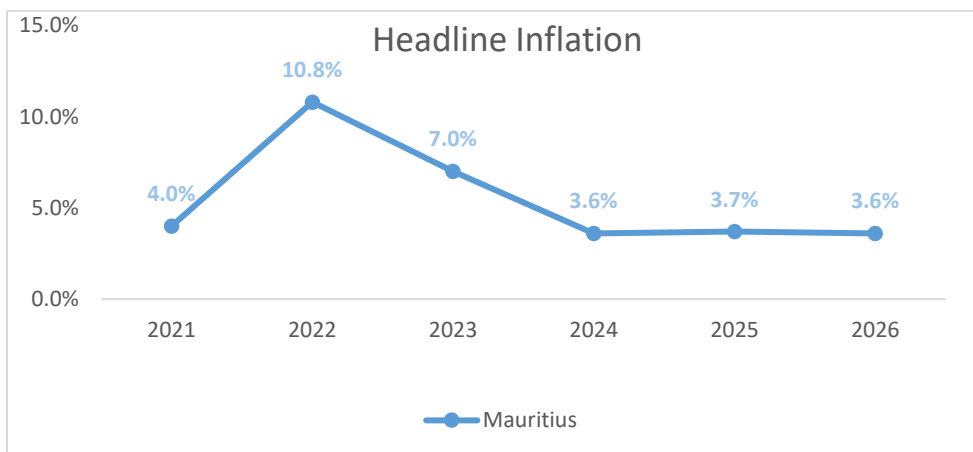
Mauritius is expected to see moderate growth in 2026 as post-rebound momentum eases and external conditions remain challenging. The World Bank forecasts growth at 3.4%, while the Bank of Mauritius projects 3.0%, indicating a stable yet subdued expansion. Services will continue to anchor growth, particularly financial services, ICT and tourism, while structural weaknesses in construction, export-oriented manufacturing and public administration persist. Tourism is expected to remain central to economic activity, supported by rising arrivals from emerging markets and continued strength in sectoral earnings.



Source: IMF World Economic Outlook, Bank of Mauritius

The current account deficit is expected to remain elevated in 2026, reflecting ongoing import pressures and challenges in the export sector. Risks stem from the possible expiry of AGOA, higher US tariffs and instability in Madagascar, a key link in supply chains for major Mauritian exporters. Nonetheless, robust financial inflows through the Mauritius IFC and strong reserve buffers are expected to support external stability.

Inflation is projected at around 3.6% in 2026, close to the central bank's medium-term target. While easing global commodity prices and stable freight costs should help contain imported inflation, domestically driven pressures, particularly wage-induced services inflation, are expected to persist. The inflation outlook remains highly sensitive to global shocks, including tariff-related supply disruptions, geopolitical tensions and climate-related risks.



Source: Bank of Mauritius

Overall, Mauritius is expected to experience steady but modest growth in 2026, supported by resilient services activity and a strong tourism performance, but constrained by external headwinds, structural bottlenecks and persistent inflation risks. The Bank of Mauritius maintains a cautious stance to preserve macroeconomic stability amid an increasingly uncertain global environment.

## Financial analysis

### Statement of financial position

In a volatile and challenging operating environment, the Bank expanded its total assets to MUR 67.0 billion as at 31 December 2025, up from MUR 55.4 billion in 2024. Gross advances increased by 8% year-on-year, reaching MUR 26.4 billion, supported by both local and offshore portfolios. Total deposits rose by a commendable 24% to MUR 59.2 billion, driven mainly by foreign currency inflows.

Throughout the year, the Bank operated under elevated domestic interest rates, while multiple U.S. Federal Reserve rate cuts compressed USD margins. In response to heightened uncertainty, the Bank pursued a prudent lending strategy, favouring selective credit deployment and placing excess liquidity in short-term instruments.

Capital adequacy remained strong, with a CAR of 16.87% and a Tier 1 ratio of 13.55%, comfortably above regulatory minimums.

Non-performing loans decreased from MUR 1,477 million to MUR 1,155 million, reflecting repayments from a major offshore customer, and improving the NPL ratio from 6.04% to 4.37%.

### Statement of Comprehensive Income

Due to limited loan deployment and USD margin compression, Net Interest Income (NII) fell by 8%, closing at MUR 1,237 million. Non-interest income rose 7% to MUR 599 million, benefiting from strong Treasury performance, particularly on foreign exchange dealings and derivatives, which generated MUR 390 million. Custody and Trade Finance activities also showed improved results.

Operating income declined by 3.3% to MUR 1,836 million. Operating expenses grew modestly by 6% to MUR 1,213 million, mainly due to transformation initiatives and human capital development.

The cost-to-income ratio deteriorated from 60.24% to 66.05%.

Impairment charges for stages 1 and 2 remained at a stable percentage of the performing loans book. The bank reported a net impairment release of MUR 2.51 million compared to a net impairment charge of MUR 156 million in 2024, related to an offshore exposure.

The increase in the Bank's tax charge was largely attributable to changes in tax laws with the introduction of fair share contributions for residents and non-residents.

The Bank recorded a profit after tax of MUR 560 million for the year under review (2024: MUR 567 million).

### Achievements vs Objectives 2025 and Plan for 2026

Objectives for 2025	Performance in 2025	Objectives for 2026
<b><u>Return on Average Equity (ROAE)</u></b> To achieve a ROAE of above 18.9%.	Achieved a ROAE of 12.43%.	To achieve a ROAE of above 14.9%.
<b><u>Return on Average Assets (ROAA)</u></b> To achieve a ROAA of above 1.4%.	Achieved a ROAA 0.89%.	To achieve a ROAA of above 1.0%.

<b><u>Operating income</u></b> Growth of above 25% in operating income.	3.3% decrease in operating income.	Growth of above 34% in operating income.
<b><u>Cost to income ratio</u></b> Cost to Income ratio of below 56.4%.	Cost to income ratio of 66.05% on account of lower revenue.	Cost to income ratio of below 59%.
<b><u>Deposits growth</u></b> Deposit growth of 19% contributed by both local and offshore segments.	24% growth in deposits base, largely contributed by the offshore segments.	Deposit growth of 22%.
<b><u>Gross loans and advances growth</u></b> 34% growth in gross loans and advances book.	Gross loan book increased by 8%, contributed by both local and the offshore segments.	27% growth in gross loans and advances book.
<b><u>Impaired ratio</u></b> Gross impaired ratio to be brought down to below 4%.	Gross impaired ratio of 4.37%.	Gross impaired ratio to be brought down to below 2.5%.
<b><u>Capital Adequacy Ratio (CAR)</u></b> Maintain CAR above 14.5%.	CAR at 16.87% as at December 2025	Maintain CAR above 14.50%.
<b><u>Liquidity Coverage Ratio (LCR)</u></b> Maintain LCR above 120%	LCR remained high at 328%	Maintain LCR above 120%

Overall, limited loan growth and higher funding costs constrained operating income. Nonetheless, recoveries from an impaired offshore exposure supported profitability and strengthened asset quality.

### **Interest Income and Expense**

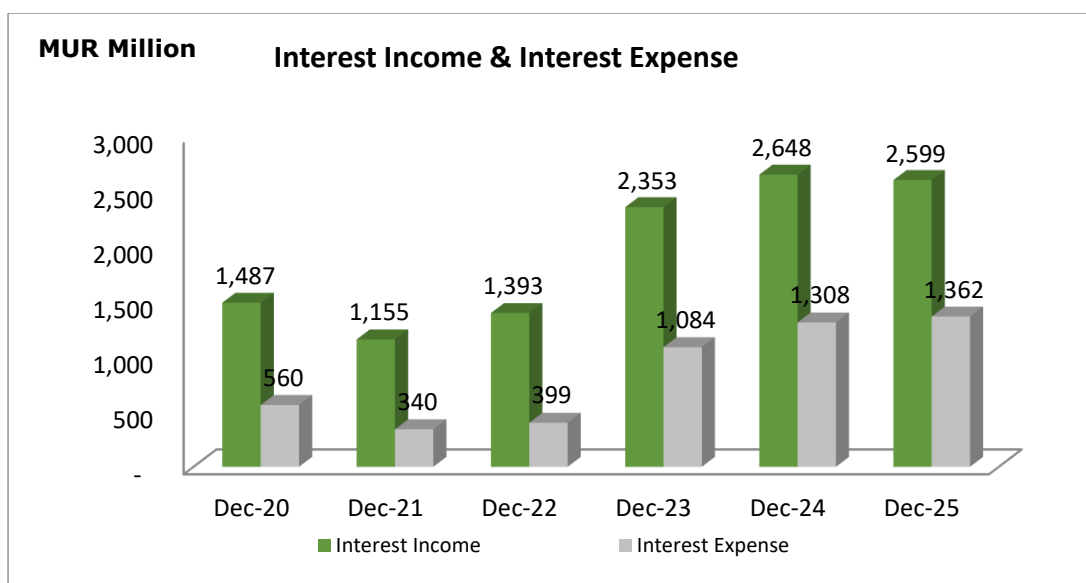
<b><u>Statement of Profit or Loss</u></b>	Year ended Dec-23 MUR 000	Year ended Dec-24 MUR 000	Year ended Dec-25 MUR 000
Net interest income	1,268,906	1,340,023	<b>1,236,618</b>
Net fee and commission income	261,995	208,986	<b>207,518</b>
Net trading income	255,594	349,292	<b>390,373</b>
Other operating income	678	930	<b>1,375</b>
<b>Operating Income</b>	<b>1,787,173</b>	<b>1,899,231</b>	<b>1,835,884</b>
Non-interest expense	(1,108,593)	(1,144,122)	<b>(1,212,611)</b>
Profit before impairment	678,580	755,109	<b>623,273</b>
Allowance for recoveries/(impairment)	132,150	(156,244)	<b>2,516</b>
Profit before tax	810,730	598,865	<b>625,789</b>
Income tax expense	(54,920)	(31,451)	<b>(65,328)</b>
<b>Profit for the year</b>	<b>755,810</b>	<b>567,414</b>	<b>560,461</b>

## **Interest Income and Expense**

*Core revenue is defined as net interest income plus core non-interest revenue after elimination of the*

	Year ended Dec-23 MUR 000	Year ended Dec-24 MUR 000	Year ended Dec-25 MUR 000
<b><u>Interest income</u></b>			
Loans and advances to customers and banks	1,714,574	1,759,691	<b>1,482,014</b>
Investment securities and bonds	270,635	289,779	<b>330,766</b>
Placements	367,557	598,171	<b>786,389</b>
	<u>2,352,766</u>	<u>2,647,641</u>	<u><b>2,599,169</b></u>
<b><u>Interest expense</u></b>			
Deposits from customers	845,756	1,125,523	<b>1,233,882</b>
Borrowings from Banks	157,598	107,590	<b>67,832</b>
Subordinated liabilities	74,049	66,940	<b>56,343</b>
Lease liabilities	6,457	7,565	<b>4,494</b>
	<u>1,083,860</u>	<u>1,307,618</u>	<u><b>1,362,551</b></u>
Net interest income	1,268,906	1,340,023	<b>1,236,618</b>
Average interest earning assets	42,433,969	48,990,481	<b>57,926,938</b>
Average interest-bearing liabilities	27,439,200	32,254,001	<b>37,884,526</b>
Interest income/average interest earning assets	5.54%	5.40%	<b>4.49%</b>
Interest expense/average interest-bearing liabilities	3.95%	4.05%	<b>3.60%</b>
Net Margin	1.59%	1.35%	<b>0.89%%</b>
Core revenue	1,787,173	1,898,301	<b>1,834,509</b>

**Core revenue \***  
*effects of any unusual, non-operational items.*



Interest income declined by 2% to MUR 2.60 billion, reflecting higher reliance on placements as opposed to traditionally higher-yielding loan assets. The return on average interest-earning assets dropped from 5.04% to 4.49% due to lower loan yields and the impact of USD rate cuts.

Interest expense increased by 4% as deposit costs rose in line with a higher share of interest-bearing liabilities and a stable 4.50% domestic key policy rate. These dynamics contributed to an 8% fall in net interest income.

### Non-Interest Income

	Dec-23 MUR 000	Dec-24 MUR 000	Dec-25 MUR 000
Net fees and commission	261,995	208,986	<b>207,518</b>
Net trading income	255,594	349,292	<b>390,373</b>
Other operating income	678	930	<b>1,375</b>
	<u>518,267</u>	<u>559,208</u>	<u><b>599,266</b></u>

Low asset growth limited fee-based revenue generation. Card business income remained subdued due to low transactional activity. However, Treasury's effective liquidity and FX management contributed to a strong 12% rise in trading income. The Bank continues to diversify its non-interest income base.

### Non-Interest Expense and Cost Management

	Dec-23 MUR 000	Dec-24 MUR 000	Dec-25 MUR 000
Personnel expenses	674,637	633,411	<b>670,854</b>
Depreciation and amortization	110,637	94,878	<b>103,187</b>
Other expenses	323,319	415,833	<b>438,570</b>
	<u>1,108,593</u>	<u>1,144,122</u>	<u><b>1,212,611</b></u>

Total expenses increased by 6%. Personnel expenses rose by 6% due to salary adjustments and planned recruitments. Depreciation and amortisation grew following the capitalisation of transformation-related projects. Higher IT investment, insurance costs, and right-of-use amortisation for the new Tribeca branch contributed to increased operating expenses.

### **Credit Exposure**

The Bank's total credit exposure increased by 8% to MUR 26.4 billion. Exposures to construction and financial/business services declined, while other sectors grew. The personal segment remains predominantly mortgage-driven. Exposure to banks decreased from MUR 5.8 billion to MUR 4.7 billion due to normal maturity cycles.

<b>Sectors</b>	2023	2024	2025		
	Total	Total	Resident	Non-Resident	Total
<b>Lending</b>	MUR 000	MUR 000	MUR 000	MUR 000	MUR 000
Agriculture & fishing	29,942	388,126	<b>605,082</b>	-	<b>605,082</b>
Manufacturing	47,856	39,892	<b>372,839</b>	<b>255,655</b>	<b>628,494</b>
Tourism	1,092,597	704,031	<b>1,397,655</b>	-	<b>1,397,655</b>
Transport	694,789	658,001	<b>382,025</b>	<b>692,285</b>	<b>1,074,310</b>
Construction	1,798,178	1,273,575	<b>1,008,095</b>	<b>11,152</b>	<b>1,019,247</b>
Financial and business services	1,714,392	1,522,780	<b>969,951</b>	<b>367,993</b>	<b>1,337,944</b>
Traders	2,405,685	2,451,218	<b>2,381,895</b>	<b>889,815</b>	<b>3,271,710</b>
Personal	9,599,800	9,392,080	<b>8,138,707</b>	<b>208,319</b>	<b>8,347,026</b>
Professional	12,478	11,287	<b>10,411</b>	-	<b>10,411</b>
Global business license holders	456,855	233,941	<b>878,348</b>	-	<b>878,348</b>
Central government	1,326,516	1,352,179	-	<b>2,272,311</b>	<b>2,272,311</b>
Others	571,407	622,097	<b>749,776</b>	<b>93,273</b>	<b>843,051</b>
	<b>19,750,495</b>	<b>18,649,207</b>	<b>16,894,784</b>	<b>4,790,803</b>	<b>21,685,589</b>
Lending to banks	8,917,253	5,839,020	-	<b>4,716,464</b>	<b>4,716,464</b>
Total credit exposure	<b>28,667,748</b>	<b>24,488,227</b>	<b>16,894,784</b>	<b>9,507,267</b>	<b>26,402,053</b>
Investments securities – FVTOCI	2,427,459	4,180,399	<b>5,081,951</b>	<b>3,557</b>	<b>5,085,508</b>

Investment securities – Amotised cost	10,625,229	9,523,131	<b>573,992</b>	<b>13,773,016</b>	<b>14,347,008</b>
Off balance sheet	5,762,928	4,803,344	<b>1,627,864</b>	<b>6,264,816</b>	<b>7,892,680</b>

### Credit Quality

	Dec-23 MUR 000	Dec-24 MUR 000	Dec-25 MUR 000
Impaired advances	1,205,299	1,477,530	<b>1,155,413</b>
Allowance for impairment – stage 3	565,343	756,086	<b>636,432</b>
Impaired advances/Gross advances	4.20%	6.04%	<b>4.37%</b>
Net impaired/Net advances	2.29%	3.05%	<b>2.02%</b>
Provision coverage ratio	46.90%	51.17%	<b>55.08%</b>

Impaired advances declined due to significant repayments, improving the gross impaired ratio to 4.37%. Provision coverage strengthened to 55.08%. The Bank maintains adequate collateral against remaining impaired exposures.

### Loans to Customers

Sectors	Gross Amount of loans		Impaired Loans		Impairment cover on Impaired Loans	
	Resident MUR 000	Non-Resident MUR 000	Resident MUR 000	Non-Resident MUR 000	Resident	Non-Resident
Agriculture and fishing	605,082	-	-	-	-	-
Manufacturing	372,839	255,655	-	-	-	-
Tourism	1,397,655	-	4,291	-	34%	-
Transport	382,025	692,285	233,308	-	100%	-
Construction	1,008,095	11,152	-	-	-	-
Financial and business services	969,951	367,993	1,217	367,993	100%	53%
Traders	2,381,895	889,815	9,396	-	89%	-
Personal	8,138,707	208,319	148,368	4,837	57%	57%
Professional	10,411	-	-	-	-	-
Global business license Holders	878,348	-	-	-	-	-
Central government	-	2,272,311	-	385,950	-	29%
Others	749,778	93,273	53	-	0%	-
<b>Total</b>	<b>16,894,786</b>	<b>4,790,803</b>	<b>396,633</b>	<b>758,780</b>		

#### **Sectors**

Loans to banks	-	<b>4,716,464</b>	-	-		
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Of the total impairment portfolio, 34.33% relates to resident borrowers and 65.67% to non-resident clients.

**General Provisions**

In line with the Bank of Mauritius guideline issued in August 2024, the Bank maintained additional portfolio provisions—both general and sector-specific—through appropriations from retained earnings.

Other details regarding credit quality are given in note 15 (h) of the Financial Statements.

## Strategy

### Lines of business and digital transformation

#### Consumer Banking (CBB)

2025 marked the consolidation of our transition from Personal Financial Services to a fully integrated Consumer Banking model. This evolution has enabled clearer segmentation, improved operational efficiency and a sharper value proposition across Retail, Premium and Business Banking.

A key milestone in our distribution strategy was the launch of the Tribeca Lounge, symbolising our shift from a transactional branch model toward a more advisory-led, experience-driven environment. This initiative reflects our ambition to redefine physical banking spaces while accelerating digital adoption.

Cards and Open Banking remained central pillars of our innovation roadmap. We strengthened our cards proposition and continued to enhance digital capabilities to improve client convenience, flexibility and speed of execution. Our Open Banking strategy progressed meaningfully, with further integration of payment solutions and ecosystem partnerships.

Business Banking gained further momentum during the year, supported by enhanced SME segmentation, refined credit frameworks and closer alignment with our risk and advisory teams. We continued to position Bank One as a partner of choice for entrepreneurs and mid-sized corporates, offering structured financing, working capital solutions and transactional banking capabilities tailored to their growth ambitions.

Increased collaboration with Private Banking has also enabled a more holistic approach to business owners, combining corporate and personal wealth advisory.

Operational optimisation remained a priority, with continued branch rationalisation, service model enhancements and closer collaboration between Consumer and Private Banking teams to deliver seamless client journeys.

The integrated Consumer and Private Banking platform has further strengthened its strategic coherence, supporting disciplined growth, enhanced client experience and long-term value creation.

#### Private Banking – Wealth Management

Private Banking continued its strong growth trajectory in 2025, delivering solid performance across net interest income, fee generation and assets under custody. The acceleration plan initiated over the past two years, supported by selective team expansion and enhanced advisory capabilities, has translated into improved client acquisition and deeper wallet share.

Assets under custody expanded further, driven by sustained trading activity and the onboarding of both individual and institutional clients. Volumes increased across diversified instruments, locally and internationally, reflecting stronger client engagement and broader product sophistication.

Beyond growth, the focus this year has been on reinforcing governance, risk discipline and product suitability frameworks, ensuring that expansion is both sustainable and aligned with our long-term positioning as a trusted wealth partner in Mauritius and beyond.

## **Corporate Banking (CBD)**

Domestic Corporate Banking continues to play a pivotal role in supporting local and regional corporates through tailored financing and advisory solutions. Our focus remains on deepening client relationships and delivering responsive, high-touch service.

We serve a diversified client base operating within Mauritius, across Africa, and internationally, offering specialised solutions including structured trade finance, project finance, and real estate financing under GFA-VEFA structures. These capabilities allow us to support complex transactions and long-term investment strategies.

Digital transformation remains a core enabler of our value proposition. We continue to invest into enhancing our transactional and payment platforms, enabling clients to manage day-to-day operations efficiently across multiple digital channels. Our objective is to provide seamless, secure, and convenient banking experiences that strengthen client engagement and operational agility.

## **International Banking (IBD)**

In 2025, the Bank maintained its BB- (Stable Outlook) credit rating from Fitch Ratings, reinforcing its standing among leading commercial banks in Sub-Saharan Africa and strengthening confidence among international depositors and counterparties.

The year was characterised by global interest rate cuts, which compressed margins and affected placement opportunities. Additionally, evolving funding dynamics in the Sub-Saharan Africa (SSA) region — including increased access to lower-cost funding from Development Finance Institutions (DFIs) — resulted in moderated asset growth. Geopolitical tensions continued to prevail, thus requiring diligent funding mechanisms.

In response, our International segments sharpened their strategic focus on syndicated transactions and collaboration with key Mandated Lead Arrangers (MLAs), whilst continuing to strengthen bilateral client relationships, so as to capture quality opportunities across the region. This segment has also transitioned from a product-centric approach to a customer-centric model, delivering bespoke, end-to-end financing solutions designed to foster long-term partnerships and attract new-to-bank clients. Trade finance continues to gain momentum and represents a key growth pillar going forward. Strengthened synergies across group entities in SSA further enhance our regional footprint and position Bank One as a trusted and strategic partner.

## **Treasury Business**

The Mauritian economy showed signs of resilience throughout the year under review, but the shortage of foreign currency remains a challenge as currency inflows could not match the demand for hard currency. The Central Bank's interventions brought some relief to the market with an injection of USD 220m by the end of December 2025, and these interventions also helped to contain the volatility in the USD/MUR exchange rate. The USD/MUR ended the year on a weaker note, around Rs.46.67 compared to Rs.48.14 at the start of 2025. As for the EUR/MUR and GBP/MUR, we experienced some MUR weaknesses for both exchange rates, with the EUR/MUR ending the year around Rs.55.033 versus Rs.49.354 in January 2025, and the GBP/MUR at Rs.63.112 in December 2025 compared to Rs.60.693 at start of 2025.

The MERI2 index, which is based on the currency distribution of merchandise trade and tourism earnings, showed a depreciation of the Mauritian rupee in December 2025 as compared to January 2025. The MERI2 levels were at 126.634 at start of the year 2025 versus 131.228 in December 2025.

On the interest rate front, the Central Bank raised the Key Rate by 50 basis points from 4.00% to 4.50% per annum in February, and maintained the same level throughout the year, to align with the global macroeconomic environment. The Central Bank maintained its monitoring of the surplus MUR on the local market through open market operations and issuance of BoM bills. Despite such issuances, the market still faced with surplus liquidity.

The treasury department has achieved significant performance contributing decent revenues on both non-funded and interest income of the Bank during 2025. Treasury will maintain its strategy towards building a strong partnership with counterparties in the SSA region.

### **Digital transformation**

In 2025, the Bank advanced its transformation agenda with a strong focus on digitalization, customer experience, and operational efficiency. Key initiatives delivered during the year strengthened our digital platforms, enhanced automation across core processes, and introduced innovative solutions that improved service delivery. These efforts not only modernized our technology landscape but also reinforced resilience, agility, and scalability in line with our strategic priorities. By embedding digital-first practices and leveraging data-driven insights, we continued to position the Bank as a trusted partner for customers navigating an increasingly digital economy.

*The Management Discussions and Analysis report may contain various forward-looking statements with respect to Bank One's financial position, business strategy, plans and management objectives. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances including, but not limited to, domestic market, global economic and business conditions, market risks such as changes in interest and exchange rates, policies and actions of governmental and regulatory authorities. We caution readers of this report not to place undue reliance on our forward-looking statements, as these factors may cause future results to differ materially from the plans, goals, expectations or interest expressed in the forward-looking statements. Bank One Limited does not undertake to update any forward-looking statements that may be made from time to time by the organisation or on its behalf.*

## Risk Management and Capital

Effective risk management is essential in delivering consistent and sustainable performance for all the Bank's stakeholders and is a central part of the financial and operational management of the Bank. The Bank adds value by taking and managing appropriate levels of risk, which in turn generates returns for shareholders.

### Board and Board Committees

The Bank's Board of Directors (the Board) remains ultimately responsible for ensuring that risks are adequately identified, measured and managed. The Board ensures proper governance is in place, allowing healthy risk discussions to take place in a forward-looking manner, while also learning lessons from past risk events. The Board approves the risk appetite and ensures risks are managed within the set tolerance levels.

The Board has ultimate responsibility for risk governance and internal control systems as well as in determining the nature and extent of the principal risks it is willing to take to achieve its strategic objectives, while ensuring that an appropriate risk culture has been embedded.

Risk oversight has been delegated to appropriate Board Committees which:

- ❖ 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 of risk, including fraud, in all areas of operations.
- ❖ Consider reports by the executive management on measures implemented to ensure compliance with the statutes, regulatory guidelines and internal policies and procedures.

As at 31 December 2025, the Board is satisfied that:

- ❖ Risk and capital management controls and processes across the Bank generally operated effectively.
- ❖ Business activities have been managed within risk appetite approved by the Board.
- ❖ The Bank is adequately capitalized and funded to support its strategy execution.

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 and continues to take appropriate remedial and timely action.

### Three Lines of Defense

The Bank leverages the three lines of defense model (as pictured below) to build and maintain a strong risk culture, where resilience is a priority for the effective management of risk. Focus is placed on multiple drivers to strengthen the risk culture.

<b>First Line</b>	<b>Second Line</b>	<b>Third Line</b>
<b>Business Lines</b>	<b>Risk Management &amp; Compliance</b>	<b>Internal Audit</b>
First Line of defense consists of the management of business		Third line of defense provides independent and objective

<p>lines. It is the responsibility of first line management to identify and manage risks. This includes, at an operational level, the daily effective management of risk in accordance with agreed risk policies, appetite and controls.</p>	<p>Second line of defense functions provide independent oversight and assurance and support management in ensuring that their specific risks are effectively managed as close to the source as possible.</p>	<p>assurance to the Board and Senior Management on the effectiveness of the first and second lines of defense.</p>
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## **Risk Governance**

Executive Management continuously ensures that legal, regulatory and business requirements are fully embedded in the Bank's policies, processes and governance frameworks which are supported by robust control mechanisms to ensure compliance with same.

## **Risk Management Team**

The Risk Management Team is responsible for day-to-day oversight on the management of risk and for instilling a strong risk culture across the Bank. Risk management is enterprise wide and is a crucial element in the execution of the Bank's strategy. The role of the risk management function is to ensure that the full spectrum of risks faced by the Bank is properly identified, assessed, managed, monitored and reported in the pursuit of strategic and financial goals. The Risk Management Team maintains its objectivity by being independent of operations. The Chief Risk Officer has a direct reporting line to the Chair of Board Risk Management Committee.

## **Risk Management Framework**

The Bank's fundamental approach to risk management is to ensure that both value preservation and value creation are promoted through the prudent and consistent adoption of the Risk Culture Statement. The risk culture journey is complemented by a comprehensive Risk Appetite Statement and monitored via Board-approved Risk Appetite Metrics.

The Board of Directors approves the risk policies and guidelines. The Bank's management has the responsibility for the effective execution of these policies through the implementation of appropriate procedures.

The Board and the relevant sub committees monitor the risk profile of the Bank on a quarterly basis. Limits on the quantum of Credit Risk, Market Risk, Operational Risk and Country Risk are set within prudent guidelines. Other non-quantifiable risks such as Compliance Risk, Reputational Risk and Strategic Risk, are also assessed and monitored on a qualitative basis, guided by appropriate metrics.

The Bank's Executive Management meets monthly through several management committees, to make a comprehensive impact assessment of the Bank's various risks. The Bank holds a monthly Executive Risk Committee that holistically assesses and manages the Bank's risks. The various risk functions escalate any issues and/or limit breaches to the relevant approval authorities, in line with the Bank's Escalation Matrix.

The following section outlines the principal risks that are core to the Bank including the management thereof.

## Credit Risk (Audited)

### Overview and Definition

Credit Risk is defined as the risk of loss arising from a client or counterparty failing to fulfil its financial obligations.

### Approach to managing Credit Risk

Credit risk is the most material risk which the Bank is exposed to. In the absence of an effective and efficient credit risk management process, credit losses can have a significant adverse impact on the Bank. The Bank has therefore devised a credit risk management process to:

- ❖ Maintain credit risk at an acceptable level relative to capital.
- ❖ Preserve the quality of the statement of financial position.
- ❖ Ensure returns are proportionate to the risks being taken.

Credit risk is managed through:

- ❖ Defining credit risk appetite for counterparty, sector and country concentrations with regular monitoring to proactively adjust to changes in the economic environment.
- ❖ A culture of responsible lending.
- ❖ Expert scrutiny and approval of credit risk and its mitigation via a delegated authority framework.
- ❖ Identifying, assessing and measuring credit risk from an individual facility level through to an aggregate portfolio level.
- ❖ Monitoring credit risk exposures relative to approved limits, risk appetite, changes in the economic environment and in clients' state of affairs to identify early signs of weaknesses in the exposure as this, in turn, will enable the Bank to take prompt action, such as the tightening of appetite for particular products, increase in collateral requirements or curtailing originations.

### Governance and Reporting

Credit risk governance cuts across levels of hierarchy within the Bank through committees at Board, Executive Management and Management levels. The key committees for credit risk are illustrated below:

	EVALUATE   MONITOR	RESPOND   MONITOR
	Transaction level	Portfolio level
Board Committees	Board Credit Committee	Board Risk Management Committee
Executive Management Committees	Management Credit Committee	Executive Risk Committee
Management Committees	Credit Forum	
Individuals	Individual Delegated Authorities	

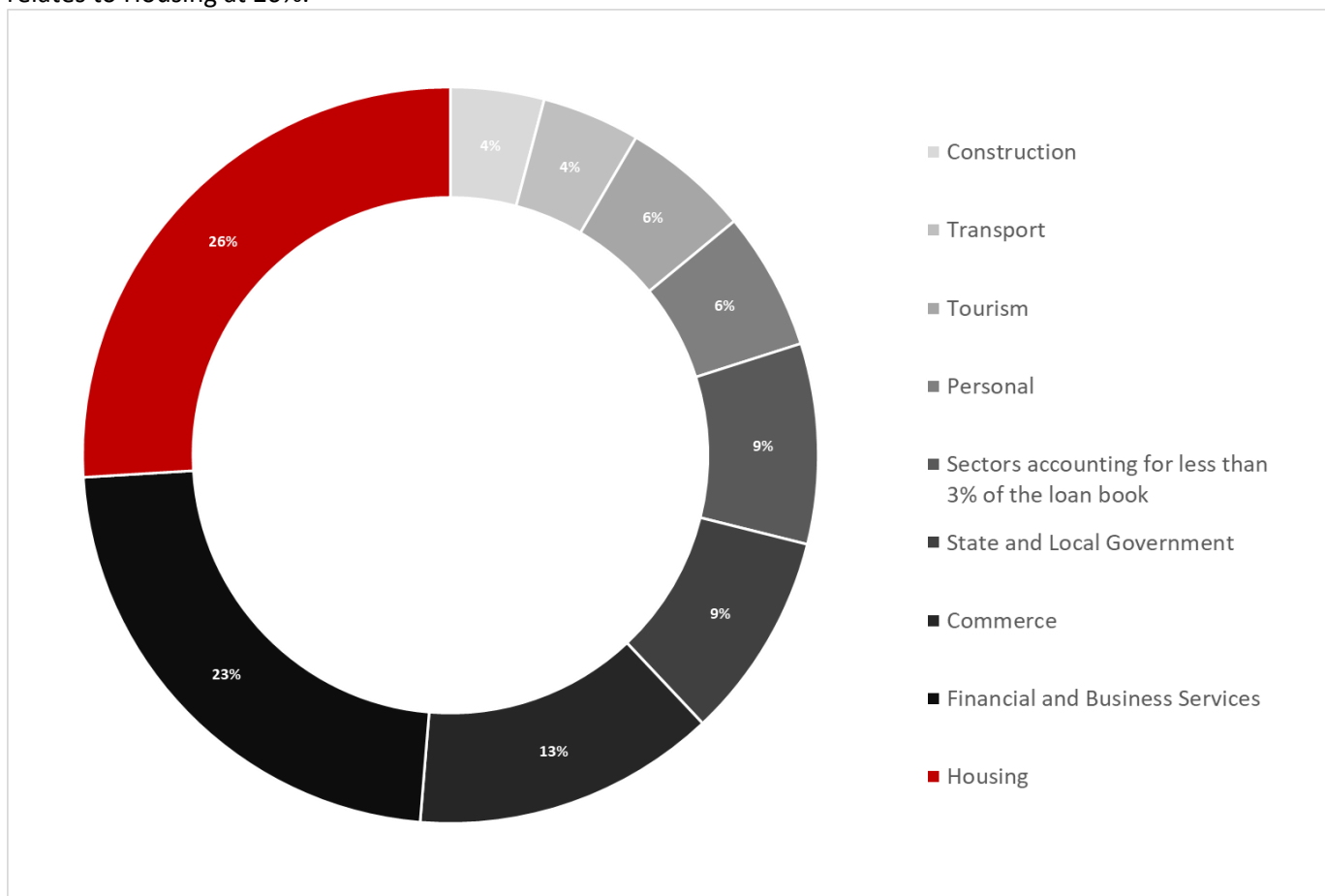
Credit growth strategy as documented in the annual business plan and the credit risk policy are approved by the Board and the credit risk portfolio is monitored on a monthly basis at the Executive Risk Committee. The Board Credit Committee is the ultimate credit approving authority of the Bank and approves all exposures above the Management Credit Committee delegated authority.

## Concentration Risk

Concentration risk is defined as the risk that any single obligor or group of obligors has the potential to produce losses large enough (relative to the Bank's capital, assets or overall risk acceptance level) to threaten the Bank's health or ability to maintain its core operations. The Bank manages concentration risk in terms of sectors, obligors/group of obligors and country. The Bank has internal policies which are in line with the requirements of the Bank of Mauritius Guideline on Credit Concentration Risk. As at 31 December 2025, the Bank was in compliance with the guideline.

### Sectorial concentration

As shown in the chart below, the Bank has a well-diversified loan portfolio. The largest concentration relates to Housing at 26%.



### Top 10 Single Obligor

Single Borrower	2025		2024		2023	
	Exposure MUR 000	% of Tier 1 Capital	Exposure MUR 000	% of Tier 1 Capital	Exposure MUR 000	% of Tier 1 Capital
1	729,614	18.72%	705,900	19.26%	756,226	20.11%
2	709,244	18.20%	705,900	19.26%	659,700	17.55%
3	700,000	17.96%	705,900	19.26%	659,700	17.55%
4	693,300	17.79%	705,806	19.26%	659,700	17.55%
5	693,300	17.79%	703,971	19.21%	659,700	17.55%
6	693,300	17.79%	691,770	18.88%	659,700	17.55%
7	693,300	17.79%	470,600	12.84%	618,720	16.46%
8	693,300	17.79%	470,600	12.84%	440,406	11.71%
9	693,300	17.79%	470,600	12.84%	439,800	11.70%
10	649,688	16.67%	470,600	12.84%	439,800	11.70%

Top single obligor exposure as a percentage of Tier 1 capital for December 2025 was lower than December 2024 given higher Tier 1 capital. As at 31 December 2025, the Bank was compliant with the Bank of Mauritius regulatory credit concentration limits for single obligors of 25%.

### Top 10 Groups

Group	2025		2024		2023	
	Exposure MUR 000	% of Tier 1 Capital	Exposure MUR 000	% of Tier 1 Capital	Exposure MUR 000	% of Tier 1 Capital
1	1,096,239	28.13%	987,425	26.95%	972,947	25.88%
2	1,065,668	27.35%	878,145	23.96%	791,640	21.06%
3	952,895	24.45%	471,000	12.85%	671,828	17.87%
4	924,400	23.72%	438,816	11.98%	657,171	17.48%
5	752,588	19.31%	94,647	2.58%	625,000	16.62%
6	749,875	19.24%			593,730	15.79%
7	712,000	18.27%			550,053	14.63%
8	271,220	6.96%			440,800	11.72%
9					440,406	11.71%
10					54,179	1.44%

As at 31 December 2025, the Bank was compliant with the Bank of Mauritius regulatory credit concentration limits for group exposures of 40%.

### Related Party Credit Transactions (Audited)

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. 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.

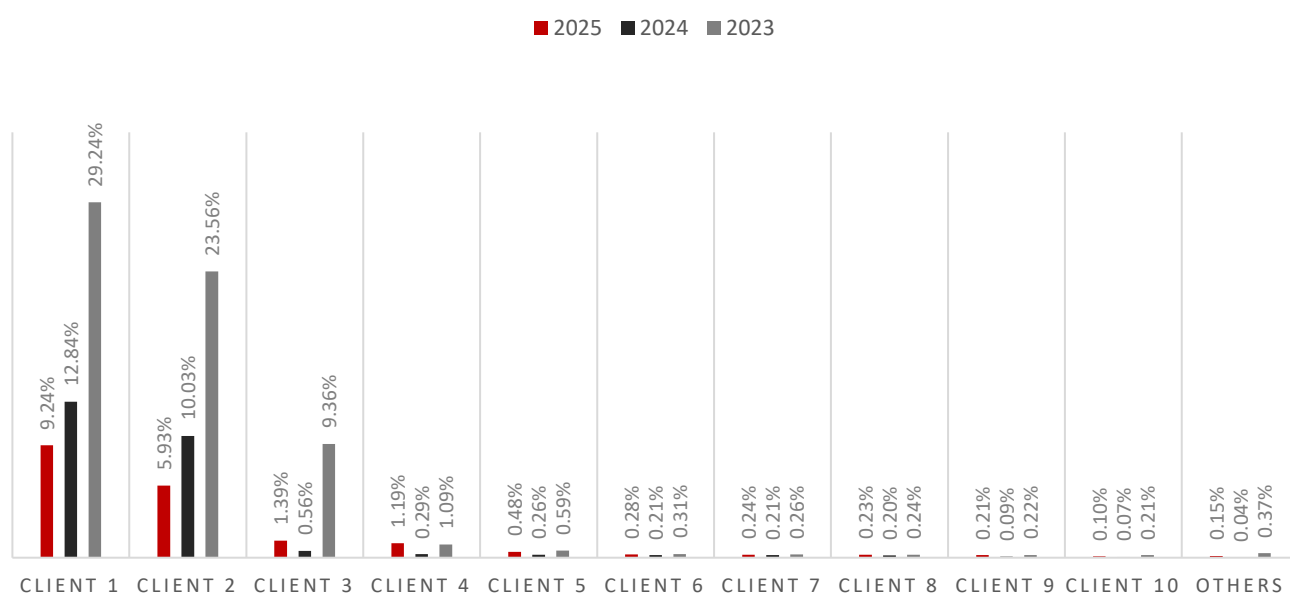
The Board has the authority to approve all related party exposures and has the responsibility to ensure that these exposures are at standard market principles in terms of the arm's length principle. As at 31 December 2025, the Bank was in compliance with the Bank of Mauritius Guideline on Related Party Transactions.

The aggregate related party exposure of the Bank amounted to MUR 0.76bn as at December 2025 (2024: MUR 0.91bn, 2023: MUR 2.46bn) which represents 19.45% of Tier 1 Capital (2024: 24.80%, 2023: 65.44%). The facilities include loans, overdrafts, credit cards, Bank placements and foreign exchange transactions. Collateral is taken for the facilities based on the credit risk assessment. Settlement of facilities are from the underlying obligor’s operating cash flow; on arm’s length terms and relevant conditions apply.

None of the loans advanced to related parties were classified as non-performing as at 31 December 2025 (2024: nil; 2023: nil).

The table below sets out the ten largest related party exposures and the respective percentages of the Bank’s Tier 1 capital:

## RELATED PARTY EXPOSURE (% OF TIER 1 CAPITAL)



### Collections Segment

The credit risk monitoring and control for Stage 1 and Stage 2 exposures are managed jointly by Business Lines and the Collections Team. As additional control, facilities that show signs of deterioration and frequent delinquency are placed under Watch List and followed up on in Management and Board Credit and Risk Committees.

### Recovery Segment

Stage 3 exposures are exclusively managed by the Collections and Recovery Team. The Bank prioritizes amicable resolutions through negotiations as the initial approach. In cases where negotiations fail, legal proceedings are promptly initiated to ensure timely asset recovery.

As of 31 December 2025, the Non-Performing Assets (NPA) portfolio saw a significant 22% reduction, resulting in an NPA ratio of 4.37%. The Provision Coverage Ratio improved from 51% in 2024 to 55% by the end of 2025. The Recovery team achieved notable success, recovering MUR 326 million from

high-value accounts, which corresponds to a 22% recovery rate on the NPA portfolio. These recoveries, along with reversals of provisions, recovery on bad debts written off, and interest recovered, contributed to a positive impact of MUR 106.81 million for the financial year 2025.

### Write off

When there is no realistic probability of recovery, assets are written off against the related impairment allowance on completion of the Bank's internal processes and when all reasonably expected recoveries have been collected. In subsequent periods, any recoveries of amounts previously written-off are recorded as a release to the credit impairment charge in the Statement of Profit or loss. The write off treatment is guided by the Bank of Mauritius guidelines on Classification, Provisioning and Write off of Credit Exposures.

## **Country Risk (Audited)**

### **Overview and Definition**

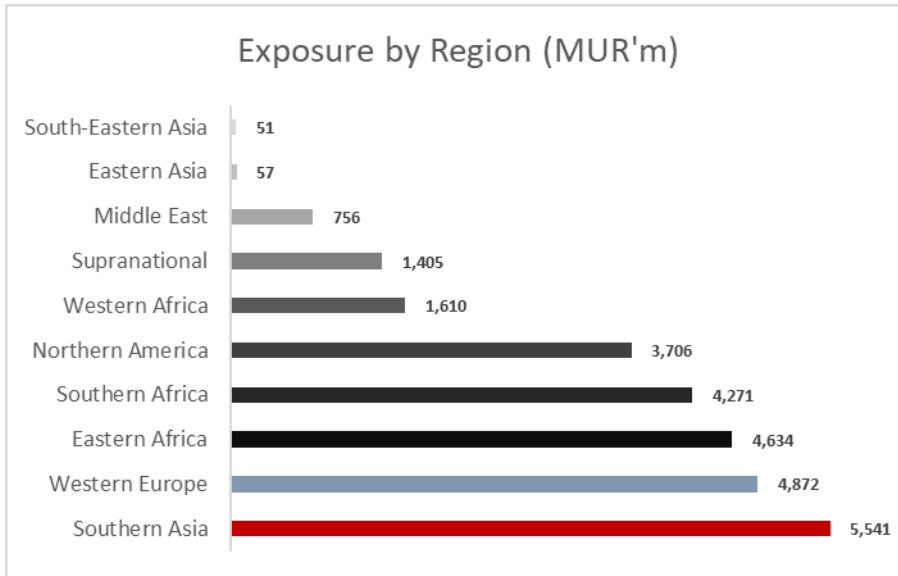
Country risk arises out of the uncertainty that obligors will be able to fulfil obligations due to the Bank given political or economic conditions in the host country. It also includes the risk that the Bank will be unable to obtain payment from customers or third parties on their contractual obligations because of certain actions taken by a foreign Government, primarily relating to the convertibility and transferability of foreign currency.

### **Approach to managing Country Risk**

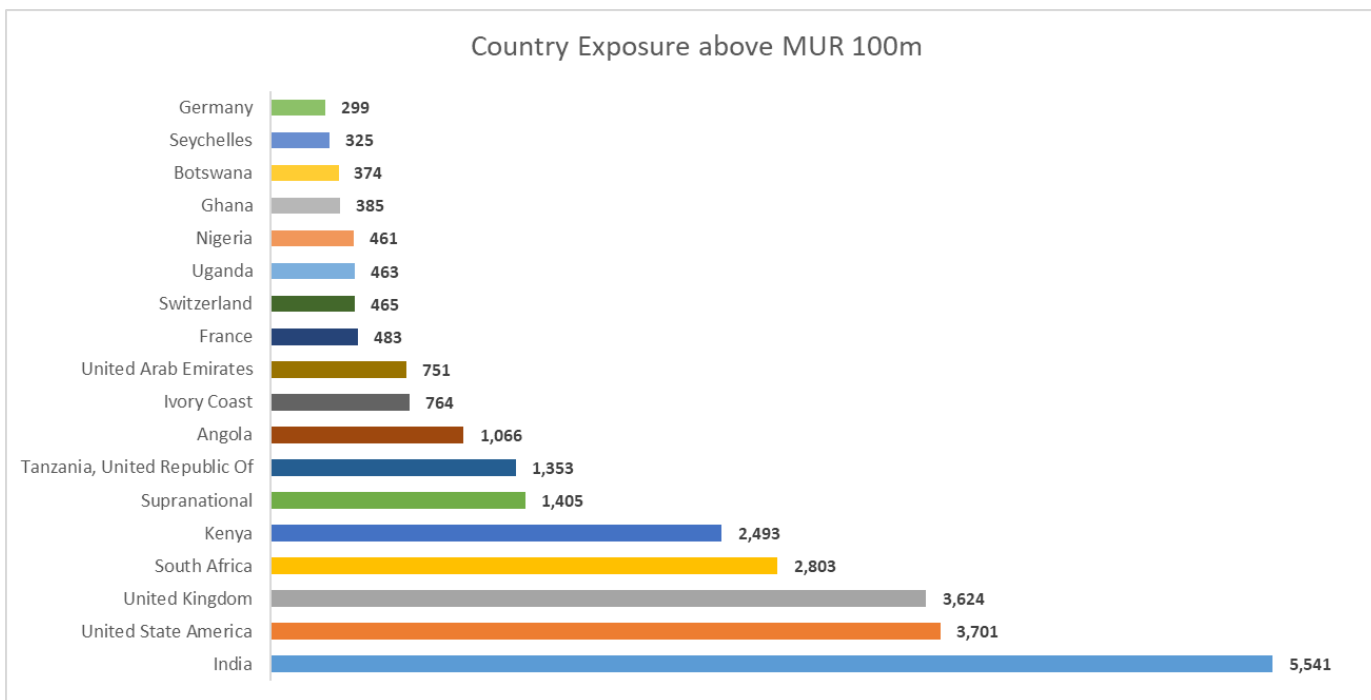
In line with global cross-border financing principles, the Bank has a country risk management policy supported by well-defined frameworks to:

1. Classify the country of risk which must reflect the primary geographical location of an obligor's revenue generation (cash flows) and assets. Country of risk transfers are applied when credit enhancements are included in the structure of exposures.
2. Allocate country limits to mitigate concentration risk. The Bank has a methodology which has been devised internally to set a cap on country limits. The methodology is hybrid and is based on external credit ratings, presence markets, market knowledge and economy size of the country (Gross Domestic Product).

The graph below provides a snapshot of the Bank's cross border exposures by region at end December 2025.



Per country, the Bank has the largest exposure to India, followed by United States of America and United Kingdom where the Bank's exposures are mainly on strong credit quality Domestic Systemically Important Banks.



## Governance and Reporting

The Bank's Management Credit Committee, Board Credit Committee and Board Risk Management Committee represent the primary governance bodies overseeing country risk.

## Market Risk (Audited)

### Overview and definition

Market Risk is defined as the risk that the Bank 's capital or earnings profile may be adversely affected by changes in market rates or prices, but not limited to, interest rates and foreign exchange. The Bank's current strategy is to not focus on equity and commodity investments.

### Approach to managing market risk

The Bank's approach to managing market risk comprises of a robust framework, strong governance, measurement tools and continuous regulatory alignment.

### Framework

The Bank has established a formal, enterprise-wide risk management framework that governs Market Risk in addition to the Market Risk policy that outlines the principles of identifying, managing, monitoring and reporting market risk. The roles and responsibilities of stakeholders in the management of Market Risk are clearly defined in the policy.

### Governance and reporting

The Bank ensures Market Risk management is embedded across the Bank. The effective governance of the Bank includes:

- Board and senior management oversight
- Independent risk management function
- Regular reporting and challenge.

The Board has delegated authority for Market Risk oversight to the Board Risk Management Committee at Board level and to the Assets & Liabilities Committee at management level. The Board approves the Market Risk limits and policy upon recommendation from the respective Committees. The Bank has defined quantitative limits aligned with its business strategy and appetite for each component of its Market Risk. The Market Risk exposures are monitored internally within the set limits and reported to Assets & Liabilities Committee and the Executive Risk Committee monthly and to Board Risk Management Committee quarterly. The limits and policy are reviewed annually, or more frequently as required and dictated by other external or internal factors, to reflect the Bank's appetite and current adherence to best practice in line with industry standards.

### Measurement tools

Market risk management is dynamic, and the measurement tools adopted by the Bank help to quantify the potential losses arising from movements in market variables including foreign exchange and interest rates.

#### (i) Foreign exchange risk (Audited)

The Bank maintains a limited net foreign exchange exposure, within the established limits. The Treasury team manages the Bank's net open position by offsetting the foreign positions arising from customer transactions against other customer transactions or by hedging through market cover transactions.

The net open position is reported to the Bank of Mauritius daily. For the year 2025, the Bank has always adhered to the regulatory limit for the Net Open Position of 15% of its Tier1 Capital.

The Foreign Exchange Risk is measured using the Value-at-Risk (VaR) metric. The VaR is calculated using historical market data and captures currency-specific and cross-currency correlations to provide a consolidated view of FX Market Risk across the Bank's trading portfolio.

Given VaR estimates the potential loss the Bank may be subject to in case of adverse movements in exchange rates, the Bank complements this measure with Expected Shortfall under normal market conditions. This provides additional insight into tail risks and potential losses that may arise during periods of high market volatility.

The VaR table shows the statistics at end of 2023, 2024 and 2025 for the Bank's 1-day 99 per cent confidence level VaR that are based on 200 historical days to year.

Actual Position	2025			2024			2023		
	USD	EUR	GBP	USD	EUR	GBP	USD	EUR	GBP
	(MUR 000)			(MUR 000)			(MUR 000)		
Value at Risk	799	239	9	953	59	5	279	14	3
Expected Shortfall	840	242	10	1211	77	6	329	15	4

The VaR is subject to predefined limits approved by the Board, allowing effective oversight and timely escalation of potential risk concentrations. A monthly report on Foreign Exchange Risk is submitted to the Asset & Liability Management Committee, and a quarterly report is submitted to the Board Risk Management Committee. Any breach in limits are immediately notified to Senior Management and simultaneously escalated to the relevant sanctioning authority, in line with the Bank's Escalation Matrix.

## (ii) Interest Rate Risk (Audited)

The Bank considers the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. The Board sets limits on the level of mismatch of interest rate repricing that may be undertaken which is reported monthly to ALCO.

The framework adopted by the Bank to measure interest rate risk exposures is consistent with the BOM guidelines for reporting interest rate risk exposures, which consists principally of interest rate sensitivity analysis and stress testing.

### Interest Rate Sensitivity Analysis

A detailed analysis of the Interest Rate Sensitivity Analysis as at 31 December 2025 is given in note 2 (f) of the Financial Statements.

Earnings at Risk Methodology is used to assess the impact of various interest rate change scenarios on Net Interest Income and Net Non-Interest Income over a 12-month horizon, as required under the domestic and global regulatory guidelines.

The interest rate risk in the banking book is managed by controlling interest rate sensitivities, which relate to the immediate effects of interest rate changes on assets, liabilities and off-balance sheet items. With the composition of the statement of financial position as at 31 December 2025, Net Interest Income is expected to rise in an increasing rate scenario and fall in a decreasing rate scenario.

### MUR & USD Earnings at Risk Analysis as at 31 December 2025

<b>Interest Rate Movement 2025</b>	<b>Impact on Earnings on account of interest basis (MUR'M)</b>	<b>Impact on Earnings on account of interest basis (USD'M)</b>
+ 100 bps	16.49	2.36
- 100 bps	(16.49)	(2.36)
+ 200 bps	32.97	4.71
- 200 bps	(32.97)	(4.71)

The Bank is able to absorb potential interest shocks.

Economic Value Methodology is used to assess the potential impact of interest rate changes on the present value of all future cash flows and therefore represents a comprehensive view of the potential long-term effects of changes in interest rates taking into consideration Bank's assets, liabilities, and off-balance sheet positions.

### **Governance and Reporting**

Interest rate risk exposure for different types of transactions is managed within risk limits and guidelines approved by the Board and monitored via the monthly Asset & Liability Management Committee, which reports any key risks monthly to the Executive Risk Committee and quarterly to the Board Risk Management Committee. The Treasury Department monitors the debt securities book on a weekly basis and reports monthly to the Asset & Liability Management Committee.

### **Liquidity Risk (Audited)**

#### **Overview and Definition**

Liquidity is the capacity of the Bank to deploy cash, convert assets into cash, or secure funds in a timely manner to meet obligations as they come due without incurring undue losses both in normal and stressful conditions.

#### **Approach to managing Liquidity Risk**

The Bank manages liquidity in accordance with applicable regulations and within its established risk appetite framework. The governance structure for liquidity risk management provides robust support for the measurement and oversight of liquidity, ensuring that payment obligations are consistently met under both normal and stressed market conditions. Furthermore, the Bank maintains compliance with minimum regulatory requirements at all times.

The Bank's approach to managing liquidity risk is achieved through a combination of maintaining adequate liquidity buffers and ensuring that cash flow requirements are met. This strategy enables the Bank to respond effectively to financial obligations, safeguarding its operational stability even during periods of stress.

The Bank seeks to keep secure funding and liquidity positions to support its business development objectives. Diversified and stable sources of funding are maintained which comprise mainly customer deposits and borrowings, both short as well as long term. Additionally, an appropriate level of liquid assets is kept ensuring that obligations can be met within a reasonable time frame.

Liquidity risk is measured and monitored separately for each material currency and on a consolidated level. The Bank assesses funding and liquidity positions with respect to obligations under both Business As Usual and stressed conditions. The Board has set internal targets on key regulatory measures such as the Liquidity Coverage Ratio and Net Stable Funding Ratio at currency level, whilst monitoring other ratios and Early Warning Indicators to assess its liquidity situation. The key actions undertaken to ensure that liquidity risk is effectively measured and monitored at the Bank include the following:

- Daily Liquidity Cash Reserve Ratio (CRR) planning and management involving relevant stakeholders
- Strong Liquidity Contingency Plan in place which provides active monitoring and detailed Early Warning Indicators under a liquidity stress situation.
- Effective monitoring and management of daily computation of liquidity ratios, which provides the Bank with cash flow projection with reasonable time frame.
- Preparing of weekly simulation on all Liquidity Ratios, based on scenario analysis of investment in high-quality liquid assets and outflow of top depositors.
- Conduct weekly calculations of deposit concentration ratios for categories such as Groups, Individuals, Parastatals, and Financial Institutions. This process facilitates effective monitoring of the distribution and concentration of deposits across these segments, thereby enhancing management of deposit concentration risk.
- Maintain adequate high-quality liquid assets, positive cashflow buffers, achievement of conservative maturity profile and operational deposit optimisation to ensure compliance with the liquidity coverage ratio while monitoring/reporting for assets and liabilities denominated in significant currencies.
- Close monitoring and reporting of the Liquidity Coverage Ratio and Net Stable Funding Ratio to the CEO, CFO, CRO, Treasurer and to the Assets and Liabilities Committee on a monthly basis or as required.

The table in note 2(g) of the Financial Statements analyses the Bank's assets and liabilities into relevant maturity buckets.

The Bank monitors liquidity gaps on a static, cumulative as well as on a dynamic basis. Under the dynamic scenario, the Bank arranges assets and liabilities into different maturity ranges according to the Bank of Mauritius Guideline on Liquidity Risk Management, considering the historical behavioural pattern of these assets and liabilities. Stress testing and scenario analysis form an important part of the Bank's liquidity management process.

### **Governance and Reporting**

The Asset and Liability Management Committee oversees the management of funding and liquidity risk at the Bank. The Treasury Team is responsible for the daily management of liquidity and provides daily reporting to Senior Management. Weekly Reporting on All Liquidity Ratios is done by Asset and Liability Management Unit within Finance to Management.

#### Liquidity Coverage Ratio (LCR)

LCR is computed as the percentage of high-quality liquid assets to total net cash outflows over the next 30 days under a severe stress scenario. As at 31<sup>st</sup> December 2025, the Bank was well above the minimum consolidated liquidity requirements as shown in the table below:

#### **Liquidity Coverage Ratio - Quarter ending December 2025**

<i>(Consolidated in MUR 000)</i>	<b>TOTAL UNWEIGHTED VALUE (quarterly average of monthly observations)</b>	<b>TOTAL WEIGHTED VALUE (quarterly average of monthly observations)</b>
<b>HIGH-QUALITY LIQUID ASSETS</b>		
Total high-quality liquid assets (HQLA)	23,408,914	23,498,914
<b>CASH OUTFLOWS</b>		
Retail deposits and deposits from small business customers, of which:		
<i>Less stable deposits</i>	16,754,487	1,675,449
<b>Unsecured wholesale funding, of which:</b>		
<i>Non-operational deposits (all counterparties)</i>	21,537,322	8,614,929
<i>Unsecured debt</i>	7,450,152	7,450,152
<b>Additional requirements, of which:</b>		
<i>Credit and liquidity facilities</i>	2,199,266	453,333
Other contractual funding obligations		
Other contingent funding obligations	263,982	13,199
<b>TOTAL CASH OUTFLOWS</b>	<b>48,205,211</b>	<b>18,207,063</b>
<b>CASH INFLOWS</b>		
Secured funding	9,421,619	9,421,619
Inflows from fully performing exposures	1,067,067	533,534
Other cash inflows	1,117,046	1,117,046
<b>TOTAL CASH INFLOWS</b>	<b>11,605,733</b>	<b>11,072,199</b>
TOTAL ADJUSTED VALUE		
<b>TOTAL HQLA</b>		<b>23,408,914</b>
<b>TOTAL NET CASH OUTFLOWS</b>		<b>7,134,863</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>328%</b>
<b>QUARTERLY AVERAGE OF DAILY HQLA</b>		<b>23,359,162</b>

**Notes:** The reported values for 'quarterly average of monthly observations' are based on October, November and December 2025 month end figures.

The reported values for 'quarterly average of daily HQLA' are based on business days figures over 01 October 2025 to 31 December 2025's period.

**Comments:**

- ❖ At the end of December 2025, the Bank's quarterly average LCR was 328% compared to 438% as at September 2025, significantly above the regulatory minimum of 100%.
- ❖ This is driven by an excess of MUR 16.2billion of High-Quality Liquid Assets (HQLA) over Net Cash Outflows (NCO).

- ❖ The main contributors to NCO were those associated with the bank's deposit portfolios, offset by inflows from loan repayments or maturities of FX Deals.
- ❖ The Bank's stock of High-Quality Liquid Assets (HQLA) is proactively managed to ensure high levels of liquidity.
- ❖ The Bank's HQLA mainly consisted of cash, unrestricted balances with Central Bank, Central Bank and sovereign securities
- ❖ Liquidity levels are monitored daily.
- ❖ Formal reviews of the Bank's liquidity position and limits take place monthly in the management ALCO.

### Net Stable Funding Ratio - Quarter ending December 2025

Minimum NSFR Disclosure Requirements						
Reporting bank name: Bank One Limited Reporting Period: December 2025		Unweighted value by residual maturity				Weighted value
<i>(Reporting currency: MUR'000s)</i>		No maturity	< 6 months	≥ 6 months to < 1 year	≥ 1yr	
<b>SN</b>	<b>ASF Item</b>					
1	Capital: (SN 2+SN 3)	-	-	-	6,466,239	6,466,239
2	Regulatory capital	-	-	-	4,701,616	4,701,616
3	Other capital instruments	-	-	-	1,764,623	1,764,623
4	Retail deposits and deposits from small business customers: (SN 5+ SN 6)	-	19,060,392	720,089	1,115,351	18,917,783
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	19,060,392	720,089	1,115,351	18,917,783
7	Wholesale funding (SN 8+ SN 9)	-	30,325,623	6,390,726	725,873	19,084,048
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	30,325,623	6,390,726	725,873	19,084,048
10	Other liabilities: (SN 11+ SN 12)	-	-	-	751,039	751,039
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	-	-	-	751,039	751,039
13	<b>Total ASF (SN 1+SN 4+ SN 7+SN 10)</b>					45,219,109
	<b>RSF Item</b>					
14	<b>Total NSFR High Quality Liquid Assets (HQLA)</b>					2,667,242
15	Deposits held at financial institutions for operational purposes	-	12,213,192	-	-	6,106,596
16	Performing loans and securities: (SN 17+ SN 18+ SN 20+ SN 22+ SN 23)	-	22,392,699	9,875,215	11,888,845	14,791,012
17	Performing loans to financial institutions secured by HQLA 1	-	15,409,855	-	3,103,679	925,677

18	Performing loans to financial institutions secured by non HQLA 1 and unsecured performing loans to financial institutions	-	2,839,878	498,971	2,056,875	2,732,342
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	3,680,766	9,371,528	-	6,526,147
20	<i>With a risk weight of less than or equal to 35% under the Guideline on Standardised Approach to Credit Risk</i>	-	-	-	-	-
21	Performing residential mortgages, of which:	-	-	-	6,728,290	4,373,389
22	<i>With a risk weight of 35% under the Guideline on Standardised Approach to Credit Risk</i>	-	-	-	-	-
23	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	-	462,200	4,716	-	233,458
24	<b>Other assets: (SN 25+SN 26+ SN 27+ SN 28+ SN 29)</b>	-	-	-	<b>1,108,945</b>	<b>1,108,945</b>
25	<i>Physical traded commodities, including gold</i>	-				-
26	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of a Central Counterparty (CCP)</i>		-	-	-	-
27	<i>NSFR derivative assets</i>		-	-	-	-
28	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		-	-	-	-
29	<i>All other assets not included in the above categories</i>	-	-	-	1,108,945	1,108,945
30	<b>Off-balance sheet items</b>					
31	<b>Total RSF (SN 14+ SN 15+ SN 16+ SN 24+SN 30)</b>					24,673,796
32	<b>Net Stable Funding Ratio (%) (SN 13/ SN 31)</b>					<b>183%</b>

## Operational Risk (Audited)

### Overview and Definition

Operational Risk is defined as the risk of loss arising from inadequate or failed internal processes, people and systems or from external events.

### Approach to managing Operational Risk

The Operational Risk Management Framework sets out the underlying risk principles by which the Bank identifies, manages and measures Operational Risk. The framework aims at sustainably embedding the following:

- Proactive risk management and disciplined risk-taking while ensuring the Operational Risk profile of the Bank remains within appetite.
- Fostering a positive risk and control culture with clear ownership and accountability across the Bank.

- A sound and sustainable risk and control environment.

The operational risk management toolkit includes operational risk appetite, three lines of defence model, key risk indicators, risk and control self-assessments, control issues monitoring and internal control programmes. Focus is on sustainably reducing the Bank's material risk exposures consistent with its risk appetite as well as scanning and analyzing emerging risks against which the Bank must demonstrate resiliency.

The Bank identifies and evaluates risks by applying the Evaluate-Respond-Monitor (ERM) approach ensuring that material operational risks facing the Bank are identified and understood and that appropriate management responses are put in place to protect and enable the Bank to meet its goals. Ongoing monitoring is proactively undertaken for prompt risks re-evaluation and re-assessment of responses to ensure progress towards objectives.

During the year, the focus areas were aimed at further supporting operational resilience including:

- Strengthening our change management governance to ensure that material changes are implemented consistently and efficiently, in alignment with the organization's strategic objectives.
- Providing continuous training to employees to enhance their skills and knowledge.
- Advancing the implementation of Standard Operating Procedure Manuals across all departments to promote a standardized approach.
- Further consolidating our business continuity protocols to ensure they remain relevant within an evolving environment, particularly in response to incidents causing major global disruption.

Reviewing the Bank's fraud prevention and detection capabilities to ensure robust controls are in place. Overall our operational risk management has benefitted from a reduction in reported operational losses, in-depth root cause analyses and the systematic sharing of lessons learned. Additionally, targeted training and awareness programs were introduced to foster a robust risk culture across the Bank.

#### Risk and Control Self-Assessment

The Risk and Control Self-Assessment programme is an integral part of the Operational Risk Strategy, which aims at enhancing the roles and responsibilities of the first line of defence in identifying and managing key risks in their respective activities. Over the past years, the Bank adopted a risk-based approach that focuses on processes which are critical for strategy execution and for delivering to customers and stakeholders. This approach ensures that material risks and rewards are fully understood and managed, resulting in consistent monitoring of the Bank's operational risk profile in accordance with business objectives and appetite. Fraud preventative and detective controls are also identified as part of this ongoing exercise to support the internal control programme from a fraud monitoring perspective.

During the last quarter, the Bank has undertaken a review of the RCSA programme to ensure ongoing alignment with the new Risk Management Framework introduced in 2025 thereby strengthening risk oversight, control, accountability, and ownership within the organization. With this approach, the bank ensures that the RCSA programme remains relevant to changing operational environments and responsive to new risks that could affect the bank's risk profile. By evaluating the effectiveness of current controls and ensuring regulatory compliance, this strategy also helps prioritize risks according to their likelihood and potential impact. Furthermore, it supports improved performance and service efficiency by using indicators to monitor risks, controls, and overall process performance.

### Incident Management & Reporting

Incidents including events resulting in actual loss and those resulting in non-financial impact and near-misses are duly recorded and reported. The operational risk incident management process has been ringfenced over the last years to bring more in-depth incident analysis with appropriate response and monitoring aiming at sustainably resolving issues and therefore preventing recurrence. All material control failures are subject to robust root cause analysis and lesson learnt process. Resulting impacts, both financial and non-financial, are thoroughly assessed against the yearly operational risk appetite, which caters for quantitative and qualitative measurements. The incident management process further complements the internal control programme with deep dives and post-implementation reviews undertaken on recurrent key themes as a measure to proactively manage the overall operational risk profile.

### Insurance Cover

The Bank has contracted insurance covers to mitigate operational risks; these policies and cover are reviewed on an annual basis. The Board ensures that an adequate insurance programme is in place to protect the Bank against losses resulting from its business activities.

### Business Continuity Management

Business Continuity refers to the Bank's ability to maintain critical operations in the face of disruption from internal and external shocks. The aim of business continuity is to protect and preserve critical processes and resources such as systems, data, people and property, thus maintaining overall resilience. Business Continuity remains a key focus area for the Bank with a robust framework to support the adopted scenario-based approach. The Bank's business recovery plans are designed in such a way to cater for short, medium and long-term solutions, which take into consideration the various scenarios devised to effectively reinforce the Bank's resiliency in contingent situations. Criteria and underlying assumptions for determining the Bank's critical activities and expected resources are well defined as part of the Business Impact Analysis. Testing of contingency plans, , are undertaken at least on a yearly basis to assess the Bank's readiness and ability to resume operations of its critical activities within the set recovery time objectives.

In accordance with the Bank's approved business continuity strategy, efforts were directed toward the execution of targeted fail-over and reverse replication activities for critical applications with significant milestones being accomplished during the year. In the coming year, the bank will continue to advance budgeted infrastructure upgrades and accelerate enhancements to its disaster recovery capabilities, both internally and for material service providers. These initiatives are designed to further safeguard and sustain vital processes and assets—including systems, data, personnel, and property—thereby supporting robust organizational resilience.

### **Governance and Reporting**

Operational Risk is managed through the Executive Risk Committee. The Board Risk Management Committee has oversight over operational risk and receives quarterly reports to that effect.

## **Cyber and Information Security Risk (Audited)**

### **Overview and Definition**

Cyber and Information Security risk is defined as the inability to manage a cyber or data breach while continuing to conduct business activities as usual.

## **Approach to managing Cyber and Information Security Risk**

### *Infrastructure and Data Protection*

The Bank maintains a resilient security posture through the protection of its physical and digital infrastructure. This involves securing our hardware, software, and networks to ensure business continuity. Our data protection framework is designed to safeguard the privacy and accuracy of information, ensuring it remains accessible only to authorized individuals.

To defend our network environment, the Bank employs advanced security technologies that go beyond standard protective layers. We utilize artificial intelligence to monitor our systems in real-time, allowing us to identify and neutralize potential threats immediately. This proactive monitoring significantly enhances our ability to detect and respond to malicious activity.

We prioritize the security of our banking applications by following secure development standards. Regular code reviews are conducted to identify and resolve potential vulnerabilities. These measures ensure that our software environment remains robust and secure against digital threats.

Protecting the devices utilized by our staff, such as laptops and mobile units, is a core focus. We employ a comprehensive suite of tools, including data encryption and multi-factor authentication, to ensure that these devices—and the data they access—remain secure.

The Bank remains fully committed to data privacy and complies with the Mauritius Data Protection Act and the General Data Protection Regulation (GDPR). We protect sensitive information by using encryption for data both in transit and at rest. Our data classification system ensures that all information is handled with appropriate care based on its importance and sensitivity.

To assess and validate the configuration and security frameworks, a predetermined schedule of security testing is implemented. This includes a combination of internal and external penetration testing, application penetration testing, Red Team and Purple Team exercises, API security testing and other relevant assessments.

### *Monitoring and Awareness*

The Bank utilizes continuous monitoring systems to provide real-time analysis of our digital landscape. These systems allow us to detect unusual patterns and respond to potential security incidents swiftly.

We believe that a strong security culture is as important as technical defenses. The Bank conducts regular training and awareness programmes for all employees and directors to address risks such as phishing and social engineering. We perform simulated exercises to test the effectiveness of this training. Furthermore, we provide our customers with guidance on secure banking practices and maintain clear channels for reporting suspicious events.

### *Regulatory Requirements*

The Bank maintains full compliance with all relevant laws and regulations. Throughout 2025, the Bank successfully adhered to the Bank of Mauritius (BoM) Guidelines on Cyber and Technology Risk Management. This follows a comprehensive independent audit of our controls, the results of which were submitted to the regulatory authority.

Regarding cloud services, the Bank operates in strict accordance with the mandatory standards set by both the Financial Services Commission (FSC) and the Bank of Mauritius. This dual-regulatory adherence ensures our cloud infrastructure meets the highest standards for security and resilience.

## **Governance and Reporting**

Our cybersecurity governance framework ensures accountability and aligns security strategies with the Bank's business objectives. While governance sets a strategic direction, our management teams focus on the daily execution of security policies and the efficient use of resources.

The Bank's framework is designed to meet international best practices and is subject to regular independent audits. In 2025, these assessments confirmed a strong security posture and noted continued improvements in our ability to respond to and recover from potential incidents.

We also engage in collaborative information-sharing with industry peers. This collective effort allows the Bank to stay informed about emerging global risks and strengthen our overall defenses.

Cyber and Information Risk is managed through the Executive Risk Committee. The Board Risk Management Committee provides strategic oversight and reviews the Bank's security performance through comprehensive quarterly reports.

## **Environmental, Social and Governance (ESG) Risk**

### **Overview and Definition**

ESG Risk refers to the potential threats that Environmental, Social and Governance ("ESG") factors pose to the Bank's financial performance, resilience, and reputation. These risks extend beyond traditional financial indicators and reflect how the Bank interacts with and impacts the environment, its employees, clients, and broader stakeholders.

Climate risk forms a significant component of ESG risk. It relates to financially material risks stemming from the effects of climate change on the Bank's operations or from the Bank's exposure to clients and activities vulnerable to environmental degradation, biodiversity loss, and declining ecosystem services.

Historically guided by the Task Force on Climate-related Financial Disclosures (TCFD), climate-related and environmental financial risks have been framed across **physical** and **transition** risk channels. While the TCFD shaped global practice for several years, its mandate was formally completed in 2023 and responsibility for climate disclosure standards has transitioned to the IFRS Foundation under the ISSB.

Physical risks refer to the direct impacts of climate change on physical assets and infrastructure, arising from acute events such as storms, floods, cyclones, or long-term chronic shifts such as sea level rise or temperature increases. Such events may significantly disrupt business operations and diminish asset values, affecting both clients and the Bank. These risks may impact the Bank through:

- **Credit Risk:** Borrowers in climate-vulnerable regions may face operational disruptions or rising costs, affecting their repayment capacity.
- **Market Risk:** Climate-related shocks may influence commodity prices or the valuation of financial assets.

- **Operational Risk:** Damage to the Bank's branches, data centers, or facilities from extreme weather may lead to service disruptions and increased recovery costs.
- **Liquidity Risk:** Clients may draw down credit lines or withdraw deposits during climate-related stresses, potentially affecting funding stability.

Transition risks emerge as the global economy shifts toward low-carbon and climate-resilient development. These risks arise from regulatory reforms, technological change, market sentiment, carbon pricing mechanisms, and evolving customer expectations. The Bank may be exposed to transition risks via:

- **Credit Risk:** Borrowers may face high adaptation or compliance costs, reducing profitability and collateral values.
- **Market Risk:** High-emitting sectors may experience repricing of securities, derivatives, and related exposures.
- **Operational & Reputational Risk:** Financing environmentally harmful or controversial activities may expose the Bank to heightened scrutiny and liability risks.
- **Liquidity & Strategic Risks:** Abrupt market adjustments linked to decarbonisation could impact sector viability and business models, influencing the Bank's long-term strategy

## Approach to managing Climate Risk

### Environmental and Social Management System (ESMS)

Since 2020, the Bank has been reinforcing its Environmental and Social Management System (ESMS) in line with the IFC Performance Standards, ensuring stronger environmental and social performance across its lending activities. The ESMS enables the Bank to:

- Aligning its financing with recognised international E&S good practices
- Apply risk-based E&S due diligence during credit assessment
- Ensure ongoing monitoring of E&S performance throughout project implementation

The ESMS aims to identify environmental and social impacts early, establishing avoidance, mitigation or remediation measures throughout the loan period. As financial products grow in sophistication, and climate considerations become increasingly material, the Bank continues to strengthen its ESMS to integrate climate risk factors into credit assessment processes.

### Governance and Reporting

Climate-related, environmental, and broader ESG risks are governed through a structured framework with defined management and Board oversight. Strategic oversight is exercised by the Executive Risk Committee, which ensures climate and ESG considerations are embedded within the Bank's risk management framework. The Committee reviews emerging risk trends, scenario analysis outcomes,

compliance with the Bank of Mauritius Guideline on Climate-related and Environmental Financial Risk Management, and alignment with IFRS S1 and IFRS S2 disclosure requirements.

To strengthen sustainability governance, the Bank has established a Sustainability Committee to provide strategic direction and operational oversight of sustainability and CSR initiatives, including strategy recommendations, KPI monitoring, training, and oversight of sustainability and CSR programmes and funding.

ESG risk assessment is also embedded within the New Business Committee (NBC), ensuring all new business proposals are screened for environmental, social, climate, and reputational risks at origination.

Board-level oversight remains with the Board Risk Management Committee. Further details on the Bank's sustainability journey are outlined in the Sustainability section of this Annual Report.

## Compliance Risk

### Overview and Definition

Compliance Risk refers to the potential for financial loss, legal penalties, regulatory sanctions, or reputational damage resulting from the Bank's failure to adhere to applicable laws, regulations, rules, and internal requirements.

### Approach to managing Compliance Risk

The Bank operates an **independent Compliance Function** responsible for identifying, assessing, monitoring, and reporting compliance risks across the organisation. Compliance risk is mitigated through a robust compliance framework comprising of:

- **Policies, procedures, and internal controls** aligned with legal and regulatory obligations, international standards, and best practices
- **Targeted compliance training** to ensure employees understand regulatory expectations and internal requirements
- **Ongoing monitoring** of compliance controls, risk mitigation effectiveness, and adherence to the regulatory framework
- **Compliance advisory** to risk owners on regulatory obligations and risk mitigation

The Function's mandate includes:

- Identifying and assessing compliance risks
- Advising business units on mitigation strategies
- Monitoring effectiveness of controls
- Reporting compliance status and key risk trends

A key focus remains strengthening the Bank's compliance culture and reinforcing first-line ownership of compliance responsibilities.

### Governance and Reporting

The Executive Risk Committee (ERC) and the Board Risk Management Committee (BRMC) maintain oversight on the effectiveness of the compliance framework. The Head of Compliance co-chairs the ERC and reports directly to the BRMC.

## People Risk

### Overview and Definition

People Risk is defined as the risk of financial losses and negative performance related to inadequacies in human capital and the management of human resources. There are numerous and multi-faceted risks ranging from workplace safety, absenteeism and succession planning, through to loss of key people and internal issues such as fraud and theft of material and intellectual property. Other issues include having the right skillset and right sizing the business to achieve its goals.

### Approach to managing People Risk

The success of the Bank is highly dependent on people. Programmes of work are ongoing to adjust the Bank's value proposition and inform its retention strategies. The Bank has instituted a range of reward and recognition initiatives to support client centricity, retain top talent and ensure its sustainable long-term performance. Executive Management has a strong focus on the identification and development of diverse talent pools. A dedicated team of Human Resource professionals is constantly in liaison with the Executive Committee and all employees to ensure effective and efficient people risk management.

### Governance and Reporting

People risk is managed through the People, Culture and Conduct Committee and the Executive Committee. The Board Governance, Nomination and Remuneration Committee has oversight over people risk and receives quarterly detailed reports to that effect.

## Strategic/Business Risk

### Overview and Definition

Strategic and Business Risk arises from the possibility that the Bank's chosen strategic direction, business model, resource allocation, or execution may not deliver the expected outcomes. This includes risks stemming from adverse shifts in the economic, competitive, regulatory, technological, or customer landscape, as well as risks associated with decisions on new products, markets, partnerships, and major investments. Strategic Risk also encompasses execution challenges such as delays, cost overruns, or capability constraints that may prevent the Bank from achieving its long-term objectives. As a multi-faceted banking institution operating in a fast-evolving environment, the Bank recognises that proactively managing these risks is essential to safeguarding financial resilience, profitability, and stakeholder confidence.

### Approach to managing Strategic/Business Risk

The Bank manages Strategic and Business Risk through a structured, forward-looking framework embedded in its planning and performance management cycle. A comprehensive strategic assessment is undertaken annually as part of the corporate planning process, incorporating macroeconomic trends, regulatory developments, competitive dynamics, emerging technologies, and customer behaviour insights. Strategic choices are evaluated against the Bank's risk appetite, capital and liquidity constraints, and long-term sustainability objectives.

Risk identification considers potential impacts on earnings, growth, capital consumption, and reputation. Material strategic risks such as digital disruption, changes in regulatory expectations, shifts

in customer preferences, and sector or geographic exposures are assessed for likelihood and severity using scenario analysis and stress testing where appropriate and as part of the ICAAP submission. The Bank also evaluates execution risks linked to major projects, transformation programmes, and new business initiatives. Mitigating actions may include enhanced due diligence, phased execution, portfolio rebalancing, resource reallocation, capability development, or targeted risk limits.

Progress against strategic initiatives is monitored throughout the year. Key risk indicators (KRIs), financial metrics, operational performance measures, and early-warning indicators are tracked to identify deviations from plan or emerging threats. Insights from these monitoring activities feed into risk-adjusted decision-making and timely management interventions.

### **Governance and Reporting**

Strategic and Business Risk is governed through a well-defined structure with clear Board and Executive oversight. The Board of Directors is responsible for approving the Bank's overall strategic direction and ensuring alignment with the approved Risk Appetite Framework. The Board Strategic and Investment Committee has oversight on strategic/business risk. Additional Board sub-committees, including the Risk Committee and Audit Committee, provide independent oversight, review material strategic risks, and monitor management's mitigation plans.

At Executive level, the Executive Committee (EXCO) oversees strategy execution, capital and resource allocation, and the management of strategic and business risk exposures. The Risk Management function and CRO as Chair of Executive Risk Committee, provides independent challenge, conducts thematic reviews, and evaluates the potential impact of strategic decisions on the Bank's risk profile. Major transformation initiatives and business model changes are subject to formal governance routines, including stage-gate reviews and benefit realisation assessments.

Regular reporting is provided to the Board and its committees through the Risk Report and the Strategy Execution Dashboard / Reports. These reports highlight key trends, emerging risks, early-warning indicators, scenario outcomes, and status updates on major initiatives. This structured governance and reporting framework ensures transparency, promotes sound decision-making, and supports the long-term resilience and sustainability of the Bank.

### **Reputational Risk**

#### **Overview and Definition**

Reputational risk is the risk of failure to meet stakeholder expectations as a result of any event, behavior, action or inaction, either by the Bank itself, its employees or those with whom the bank is associated, that may cause stakeholders to form a negative view of the Bank.

#### **Approach to managing Reputational Risk**

The Bank has established the Reputational Exit and Introducer Committee (REIC) to ensure that reputational risk matters are managed in a consistent manner and align with the Bank's strategic priorities. The REIC scopes all lines of businesses, customer types and products. The objective of setting up the committee is to ensure that the bank is not exposed to any unwarranted level of reputational risks that could jeopardize its position vis-à-vis stakeholders and thereby adversely impact on the Bank's reputation. The committee is chaired by the CEO.

### **Governance and Reporting**

Reputational Risk is tracked at Reputational and Eligible Introducer Committee (REIC) and Board Risk Management Committee (BRMC). REIC was formed in July 2025. Prior to July, this was tracked and reported at Executive Risk Committee (ERC). All reputational risks which are identified undergo a robust reputational impact analysis and are objectively treated as per the established risk escalation matrix.

## Capital Management (Audited)

### Capital Adequacy Assessment

As per Bank of Mauritius guidelines, the Bank is required to maintain a minimum Capital Adequacy Ratio (CAR) of 12.5% for the year 2025 and onwards. The Bank has computed its CAR as on 31 December 2025 and ensures that capital levels at all-time exceed the regulatory minimum capital requirements. The capital charge for operational risk is calculated under the Basic Indicator Approach and the capital charge for credit and market risk under the Standardized Approach.

As at December 2025, the Bank's CAR stood at 16.87% (against a regulatory requirement of 12.5%), out of which the Common Equity Tier I (CET I) CAR was 13.55% (against minimum regulatory requirement of 6.5%) which is well above the minimum requirement.

	Basel III Dec-25 Rs'000	Basel III Dec-24 Rs'000	Basel III Dec-23 Rs'000
<b><u>Core Capital (Tier 1 Capital)</u></b>			
Paid up Capital	1,456,456	1,456,456	1,456,456
Statutory Reserve	820,178	736,109	650,996
Retained Earnings	2,053,547	1,870,717	2,021,147
<b><u>Deductions</u></b>			
Intangibles	(195,464)	(140,153)	(124,338)
Deferred Tax	(73,837)	(60,701)	(31,540)
Defined Benefits Pension Assets	(132,355)	(149,331)	(118,206)
Loss on fair value securities	(31,539)	(13,646)	(62,711)
Investment in other bank	-	(35,026)	(32,022)
<b>Total Tier 1 Capital</b>	<b>3,896,986</b>	<b>3,664,425</b>	<b>3,759,782</b>
<b><u>Supplementary Capital (Tier 2 Capital)</u></b>			
Reserves arising from revaluation of Assets	62,855	59,770	60,218
Portfolio Provision	143,843	123,581	133,070
General Banking Reserve	180,140	190,637	69,780
Subordinated debt	567,008	782,396	946,953
<b>Total Tier 2 Capital</b>	<b>953,846</b>	<b>1,156,384</b>	<b>1,210,021</b>
<b>Total Capital Base</b>	<b>4,850,832</b>	<b>4,820,809</b>	<b>4,969,803</b>

	<b>Basel III Dec-25 Rs'000</b>	<b>Basel III Dec-24 Rs'000</b>	<b>Basel III Dec-23 Rs'000</b>
<b>Risk Weighted Assets for:</b>			
Credit Risk	25,918,565	25,137,511	27,127,460
Market Risk	71,074	78,508	37,393
Operational Risk	2,761,144	2,598,307	2,336,973
<b>Total Risk Weighted Assets</b>	<b>28,750,783</b>	<b>27,814,326</b>	<b>29,501,826</b>
<b>Tier 1 Ratio</b>	<b>13.55%</b>	<b>13.17%</b>	<b>12.74%</b>
<b>Capital Adequacy Ratio</b>	<b>16.87%</b>	<b>17.33%</b>	<b>16.85%</b>

#### Risk Weighted On Balance Sheet Items

			<u>Dec-25</u>	<u>Dec-24</u>	<u>Dec-23</u>
	<b>Rs'000</b>	<b>%</b>	<b>Rs'000</b>	<b>Risk Weight Rs'000</b>	<b>Rs'000</b>
Cash in Hand & with Central Bank	2,026,862	0%	-	-	-
Balance and Placements with Banks	29,033,732	20-100%	4,659,792	4,070,036	2,007,152
Balance in Process of Collection	11,054	20%	2,211	2,058	4,104
Treasury Bills and GOM Bills	5,652,666	0%	-	-	-
Other Investment	3,669,781	0-50%	142,635	783,963	1,104,523
Fixed and Other Assets	824,462	100%	824,462	758,540	792,563
Loans and Advances	25,841,131	0 - 150%	19,737,642	18,378,908	22,073,396
	<b>67,059,688</b>		<b>25,366,741</b>	<b>23,993,505</b>	<b>25,981,738</b>

#### Risk Weighted Off Balance Sheet Items

			<u>Dec-25</u>	<u>Dec-24</u>	<u>Dec-23</u>
	<b>Credit Conversion Factor (%)</b>	<b>Risk Weight %</b>	<b>Rs'000</b>	<b>Risk Weighted Rs'000</b>	<b>Rs'000</b>
Acceptances and Bill of Exchange	100%	100%	242,633	665,703	1,013,949
Guarantees ,bonds etc	50%	100%	65,365	90,037	79,420
Letter of credit	20%	100%	2,539	2,861	45,396
Foreign Exchange Contracts and others	1% to 7.5%	20-100%	241,287	385,405	6,958
			<b>551,824</b>	<b>1,144,006</b>	<b>1,145,723</b>

### Risk Weighted Exposures

	<u>Dec-25</u>	<u>Dec-24</u>	<u>Dec-23</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
Risk Weighted On-Balance Sheet Assets	25,366,741	23,993,505	25,981,738
Risk Weighted Off-Balance Sheet Exposures	551,824	1,144,006	1,145,723
Risk Weighted on Market Risk	71,074	78,508	37,393
Risk Weighted on Operational Risk	2,761,144	2,598,307	2,336,973
<b>Total Risk Weighted Assets</b>	<b>28,750,783</b>	<b>27,814,326</b>	<b>29,501,827</b>

### Risk-Weighted Assets for Market risk

	<u>Dec-25</u>	<u>Dec-24</u>	<u>Dec-23</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
Foreign Exchange risk	71,074	78,508	37,393
<b>Equivalent Risk-Weighted Assets</b>	<b>71,074</b>	<b>78,508</b>	<b>37,393</b>

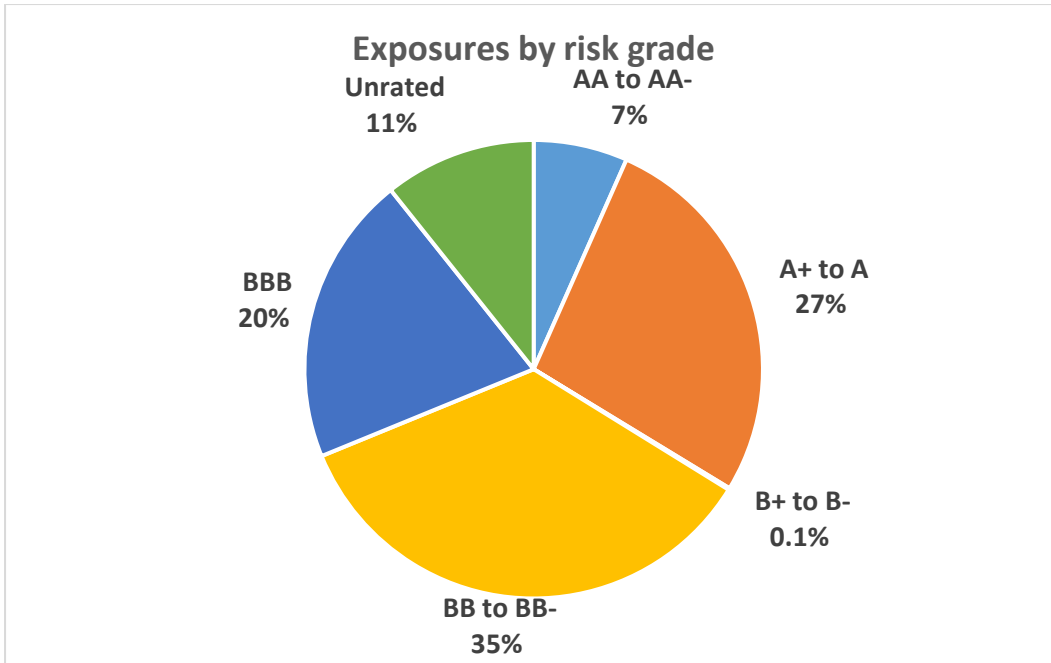
### Risk -Weighted Assets for Operational Risk

	<u>Dec-25</u>	<u>Dec-24</u>	<u>Dec-23</u>
	<u>Rs'000</u>	<u>Rs'000</u>	<u>Rs'000</u>
Average Gross Income for last 3 years	1,840,763	1,732,205	1,557,982
Capital charge	276,114	259,831	233,697
<b>Equivalent Risk-Weighted Assets</b>	<b>2,761,144</b>	<b>2,598,307</b>	<b>2,336,973</b>

In line with the recommendations of the Bank of Mauritius guideline on the recognition and use of the External Credit Assessment Institutions (ECAI)<sup>1</sup>, the ratings from the agencies listed below have been used in computing the relative Risk weights for Balance with Foreign Banks, Lending to foreign entities and Banks and other foreign investments.

<sup>1</sup> ECAI includes Moody's, Standard & Poor's, Fitch, CARE Ratings & GCR.

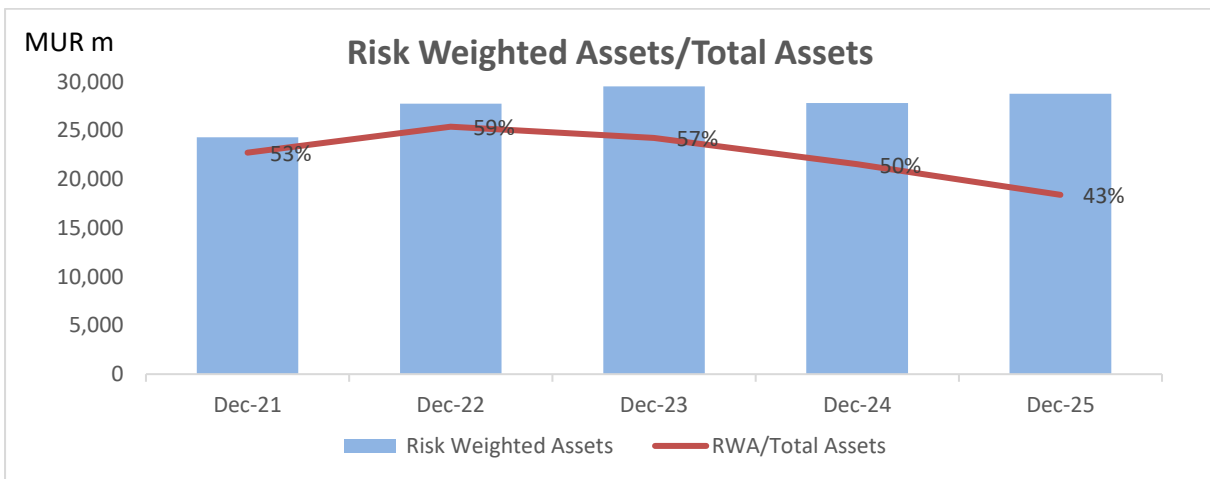
### Exposures by Risk Grade



Note: For each exposure, we have selected S&P assignment for the different ratings

The Bank has reviewed its portfolio to ensure that a proper mix of assets class is maintained from a risk and tenor point of view.

**Risk Weighted Assets/Total Assets**



There has been a decrease in the ratio of risk weighted assets to total assets in 2025. The balance sheet size grew driven by higher deposits funding which were largely invested in short-term bank placements, carrying lower risk weights during the year 2025.

**Internal Capital Adequacy Assessment and Supervisory Review Process**

The purpose of the ICAAP is to inform the Board of the ongoing assessment of risk and how the Bank expects to mitigate those risks and proactively develop strategies to maintain its capital at the desired level.

ICAAP is a simulation exercise carried out to inform the Board on the Bank's risks and their impact on the Bank's business. It identifies all existing and probable future risks and assesses its risk management and capital adequacy in relation to it and ensures that the Bank holds adequate capital in relation to the Bank's risk profile.

The Bank's ICAAP document is reviewed yearly, or earlier if warranted, where the level of capitalization of the Bank is determined using different types of plausible as well as unexpected stress scenarios. This allows the Bank to adopt a more prudential concept by proactively mitigating risk through multiple actions such as reviewing and changing limits on highly risky exposures.

Moreover, the supervisory review and evaluation process is used to evaluate the Bank's risk profile including an assessment of the Bank level of risk, its internal regulations and strategies and also the risk management systems for the main risks such as credit, operational, market, liquidity, strategic and reputation risks. It also determines whether sufficient capital cushion is available against any risks that may occur during distress period.

### **Methodology & Assumptions**

<b>Methodology &amp; Assumptions</b>	
<b>Risk Type</b>	<b>Assessment Methodology</b>
Compliance Risk	Qualitative Assessment
Concentration Risk	Stress Testing
Country Risk	Quantitative and Qualitative Assessment
Credit Risk	Moody's Risk Analyst & Risk Calc Models for Institutional Obligors and banks
Interest Rate Risk in Banking Book	Gap Analysis and Stress Testing
Liquidity Risk	Ratio Analysis and Stress Testing
Operational Risk	Risk and Control Self-Assessment
Reputation Risk	Qualitative Assessment
Strategic Risk	Executive Committee and Board Strategy and Investment Committee in place to assess the risks & opportunities

## Sustainability Report

### 1.0 The business landscape

In 2025, Mauritius operated within an environment characterised by steady economic recovery, prudent regulatory reform, and continued efforts by the authorities to reinforce the country's position as a stable and reputable International Financial Centre. Government initiatives under the 2025–2030 Financial Services Sector Strategy placed emphasis on strengthening the operating environment through regulatory streamlining, digitalisation, and capacity building, aiming to enhance long-term competitiveness and market confidence. Within this landscape, Bank One maintained a disciplined focus on executing its core strategy, placing emphasis on operational stability, prudent risk management, and the continued strengthening of customer relationships. The Bank recognises that its ESG capabilities remain at an early stage of development, and that further work is required to build the structures, processes, and competencies needed to meet emerging expectations. During 2025, the Bank therefore adopted a measured and incremental approach to ESG-related initiatives, closely monitoring regulatory developments and industry trends while prioritising foundational improvements. This approach reflects the Bank's commitment to progressing responsibly ensuring that future sustainability efforts are practical, well-aligned with internal capacities, and supportive of long-term value creation for its stakeholders

### 1.1 The Environmental Social and Governance (ESG) and Financial Landscape

The ESG and financial landscape in Mauritius continued to evolve in 2025, shaped by persistent climate vulnerabilities such as heavy rainfall, coastal erosion, and rising sea levels, which remain critical risks for key economic sectors. Regulatory momentum increased during the year, particularly through sector-wide engagement on enhancing sustainability reporting and preparing for the adoption of IFRS S1 and S2 to strengthen transparency and comparability of disclosures. Public- and private-sector collaboration also expanded around the development of national sustainability frameworks, including the forthcoming Green Taxonomy aimed at guiding more consistent ESG practices across industries. Within this context, Bank One maintained a cautious and incremental approach, prioritising customer protection and responsible business conduct while taking early steps to improve internal ESG alignment. The Bank continued modest operational initiatives to enhance resource efficiency, recognising these as foundational measures that support long-term capability building.

### 1.2 Operationalising ESG at Bank One

As Mauritius continues progressing toward a more sustainable and climate-resilient financial system, Bank One maintained a measured and capacity-building approach to ESG integration across its strategy, governance, and operations. During 2025, the Bank focused on strengthening internal structures and improving awareness of sustainability considerations, recognising that its ESG journey remains at a foundational stage.

A key governance enhancement during the year was the establishment of an EXCO-level Sustainability Committee, providing more structured oversight, improved coordination, and clearer accountability for ESG-related priorities. This committee will support the Bank's long-term objective of building a coherent and pragmatic ESG roadmap aligned with regulatory expectations and operational realities.

### **1.2.1 Bank Operational Footprint**

The Bank continued to monitor and manage its resource consumption with a focus on operational efficiency. Electricity use stood at 948,176 kWh, water consumption totalled 3,332 m<sup>3</sup>, and diesel usage for company-owned vehicles amounted to 86,637 kWh. Waste-management practices also improved gradually, supported by the Bank's partnership with MAFTA Paper Recycling Company, which enabled the recycling of 350 kg of paper and carton.

These incremental efforts reflect the Bank's commitment to strengthening internal foundations, improving operational discipline, and preparing for more comprehensive ESG integration in the years ahead.

### **1.2.2 Digitalisation**

In 2025, Bank One continued to advance its digital transformation agenda with a strong focus on enhancing customer experience and operational efficiency. Building on previous progress, the Bank further reduced reliance on paper by promoting digital statements, digital certificates, and e document workflows. Continuous improvements to the Internet and Mobile Banking platforms supported Straight Through Processing (STP) and encouraged a shift toward fully paper free transactions.

A significant milestone during the year was the opening of the phygital branch at Tribeca, reflecting Bank One's commitment to offering a seamless blend of physical and digital banking services. This hybrid branch model combines human interaction with advanced self-service technologies, giving customers access to personalised advice alongside digital tools designed for speed, convenience, and autonomy.

The Bank also initiated the rollout of its iATM modernisation initiative, aimed at upgrading the existing ATM network to a more secure and modern infrastructure. As part of this transition, the ATM at the Bank One Waterfront branch has already been replaced, and two new iATMs were installed at Tribeca, improving service accessibility and overall customer experience.

### **1.2.3 Engaged Workforce**

At Bank One, fostering a work environment where employees feel empowered, valued, and supported remains central to driving both personal growth and organisational success. In 2025, the Bank launched its partnership with Great Place to Work® (GPTW) as part of its commitment to strengthening employee experience, organisational culture, and engagement. *The Trust Index recorded for the Bank's first participation in GPTW 42%*, which, although below market benchmarks, provides a clear indication of improvement areas and serves as a catalyst for targeted action plans.

In response to employee feedback and in alignment with the Bank's people centred culture, several employee engagement and well being initiatives were rolled out throughout the year. 21 initiatives were initiated following the "Great Place to work" Survey carried out last year ,9 initiatives were completed, 12 are in progress. These included:

- Staff appreciation initiatives, such as the distribution of branded gifts and tokens during key events, including the End of Year celebration.

- Commemorative activities, highlighted by the celebration of Bank One's 18th anniversary through a dedicated Happy Hour event designed to reinforce team spirit and recognise collective achievements.
- The introduction and renewal of the Mental Health Employee Assistance Programme (EAP Ltd), offering confidential psychological and emotional support to employees and promoting a healthier, more resilient workforce.
- Seasonal support initiatives, including the distribution of Christmas gifts to employees' children, further strengthening the Bank's family oriented culture.

To ensure systematic coordination and continuous enhancement of staff welfare programmes, Bank One Staff Welfare Committee was entrusted with designing, evaluating, and implementing initiatives that promote employee well being, engagement, and workplace satisfaction.

Through these efforts, Bank One continues to reinforce its commitment to cultivating a supportive, inclusive, and engaging workplace that aligns with its long term sustainability and organisational development objectives.

By providing meaningful opportunities for skill development, leadership and cross-functional collaboration, Bank One continues to build an engaged and agile workforce. These efforts underpin its broader mission to drive excellence across all levels of the Bank

#### ***1.2.4 Occupational Safety and Health***

Bank One remains steadfast in its commitment to the health, safety and well-being of its employees.

Throughout the year, Bank One ensured full compliance with Occupational Safety and Health (OSH) standards by conducting regular inspections and updating safety procedures to align with regulatory requirements and industry best practices.

Employees participated in mandatory safety training programmes, enhancing their awareness of workplace risks and preventive measures. In addition, the Bank performed risk assessments to identify potential hazards and implemented mitigation strategies to ensure a safe work environment.

Employee wellness remains a priority, with enhanced programmes focusing on mental and physical health. Counselling services, wellness initiatives were introduced to promote a balanced and healthy work culture. Special attention was given to stress management and workplace ergonomics to improve overall employee well-being. These efforts reflect Bank One's unwavering commitment to maintaining a safe, healthy and resilient workplace, ensuring employees feel valued and protected as they contribute to the Bank's success.

Bank One remains committed to providing a safe and healthy workplace for all employees. The Bank will continue to monitor Key Performance Indicators, address challenges and capitalise on opportunities to further enhance its safety and health posture.

#### ***1.2.5 Diversity and Inclusion***

Fostering an inclusive and equitable workplace is a key priority, driven by the Bank's commitment to zero tolerance for harassment, discrimination, corruption, bribery and fraud. Since 2022, several

initiatives have been introduced to promote gender equity. All employees participated in mandatory training on gender equity through the Bank's Learning Management System, ensuring 100% engagement.

Significant progress was made in increasing representation across leadership levels, with women comprising 31% of Senior Leadership Group level roles and 18% of Executive Committee positions as of 2025. Furthermore, 22% of directorship roles at Bank One are held by women, reflecting its ongoing efforts to advance female representation in decision-making positions.

### **1.2.6 Ethics and Compliance**

Bank One remains steadfast in upholding the highest standards of ethics and compliance, ensuring a culture of integrity across the Bank. In 2025, the Bank achieved a 100% completion rate for mandatory training programmes on Anti-Bribery and Corruption (ABC), Outside Business Interests (OBI), and Conflict of Interest (COI). Additionally, AML refresher training incorporated vital components of ethics, whistleblowing and compliance frameworks.

A formal whistleblowing mechanism is in place to reinforce accountability and encourage transparency. The Bank has established a Code of Ethics and Whistleblowing Policy which is reviewed at least annually. The Bank is committed to promptly address and resolve all grievance.

The Bank is committed to zero tolerance for harassment, discrimination, bribery and fraud while fostering a safe and ethical workplace where employees can raise concerns without fear of retaliation.

## **2. Corporate Social Responsibility (CSR) in Action.**

### **2.1 Bank One Community Action Relief and Empowerment (CARE).**

In 2025, Bank One continued to strengthen its community engagement through its flagship CARE – Community Action Relief and Empowerment Programme. CARE remains the foundation of the Bank's social impact strategy, fostering long-term partnerships while empowering vulnerable groups across Mauritius.

The Sustainability Committee closely oversees the implementation of CSR initiatives and promotes employee volunteering across the Bank.

#### Key 2025 CSR figures

- ✓ **9 major CSR activities** conducted.
- ✓ **300 beneficiaries** supported, directly or indirectly.
- ✓ **MUR 1,269,424** CSR expenditure.
- ✓ **100+ employees** engaged in community or sustainability initiatives.

#### **2.1.1 Healthcare Pillar – Partnership with the Association Alzheimer & Dementia Mauritius**

Bank One significantly expanded its healthcare impact in 2025 through a three-year Memorandum of Understanding (MoU) with the Association Alzheimer & Dementia (AAD) Mauritius. The AAD, established in 2005 and operating a day-care centre in Belle Rose, is a leading NGO in dementia care, caregiver training and public awareness initiatives in Mauritius.

The MoU, signed on 1 October 2025, formalises Bank One’s long-term commitment to supporting dementia-affected families and strengthening AAD’s programmes, care services, and outreach efforts

As part of this partnership, Bank One launched the nationwide “Know Alzheimer, Know Dementia” awareness campaign across social and traditional media, including Metro Express screens. Key achievements under this partnership in 2025 included:

- ✓ Revamping AAD’s communication materials.
- ✓ Supporting 25 community centre visits, reaching 1,625 individuals.
- ✓ Contributing to public sensitisation around a condition often surrounded by stigma, as highlighted by AAD leadership.

This partnership reinforces Bank One’s commitment to dignity, inclusion, and meaningful long-term social impact.

### **2.1.2 Education Pillar**

#### **I. The Ecole Père Henri Souchon School.**

This vocational primary school, managed by Oasis de Paix and situated at Pointe Aux Sables, supports more than 125 vulnerable children aged 7–17. Bank One deepened its long-standing support by fully sponsoring the school’s annual sports day held at the Germain Comarmond Stadium in Bambous.

#### **II. The Jean Blaise Learning Centre.**

Since 2020, Bank One has maintained a strong partnership with the **Association des Frères Auxiliaires**, which manages the Jean Blaise Learning Centre. The Centre provides academic reinforcement for approximately **30 children** facing learning difficulties. Bank One ensured continuity of operational support, covering daily running needs and providing tea breaks for the children before classes. The Bank also upheld its tradition of organising an annual Christmas celebration, with the 2025 edition hosted at Vallée Nature Park.

### **2.1.3 Environment Pillar.**

Supporting efforts of the Ferney Valley Conservation Trust

Bank One sustained its partnership with the Ferney Valley Conservation Trust, which began in 2021, by supporting reforestation and endemic ecosystem preservation. In 2025, 60 employees participated in a conservation activity day, contributing to ongoing rehabilitation works on the Bank’s dedicated one-hectare reforestation zone while reinforcing awareness on biodiversity protection among staff.

### **2.2 Volunteering at Bank One.**

Employee volunteering is a pillar of Bank One’s CSR philosophy, encouraging staff to contribute their time and skills to community development.

Since the launch of this initiative since 2024, over 100 employees volunteered across various social and environmental causes, demonstrating strong internal engagement and collective commitment to societal progress.

## CSR INITIATIVES IN PICTURES

### 1. Environmental Action: Conservation Day at the Ferney Valley



*Employee volunteering at the Ferney Valley Nursery Plant.*



*Planting in the Ferney Valley”*

## 2. Community: Supporting the Pere Henri Souchon School





*Annual Sports Day Celebration for the Pere Henri Souchon School.*

### 3. Community: Supporting the Jean Blaise Learning Centre of Pointe Aux Sables



*Annual Christmas Party at The Casela Nature Park.*

#### 4. HealthCare Support: Alzheimer Association





## Corporate Governance

### Corporate profile

Bank One Limited was established in 2008 as a joint venture between I&M Group, a key player in East Africa’s financial sector, and CIEL Finance, the finance arm of CIEL Group, one of Mauritius’s foremost conglomerates. Headquartered in Mauritius, Bank One serves businesses and individuals across Africa and beyond, providing financial solutions aligned to diverse and evolving needs.

The Bank benefits from the regional presence of its shareholders in key markets such as Kenya, Tanzania, Rwanda, Uganda, Madagascar and Mauritius. Bank One provides a comprehensive range of products and services across Corporate and Institutional Banking, Treasury Services, Consumer Banking, Private Banking and Wealth Management. These services support business growth, risk management and the optimisation of financial resources, and enable individuals to achieve personal goals through a considered mix of savings, loans, payments and investment solutions.

The approach is grounded in collaboration, prudent innovation and deep industry expertise. Dedicated teams, led by experienced professionals, design strategies informed by market trends, regulatory environments and client priorities. Product and coverage specialists work across functions to deliver efficient, effective service and long term value.

Directors in office during the financial year ended 31 December 2025

Mr. Tchang Fa (Cyril) Wong Sun Thiong	Appointed as Independent Director on 01.08.2023 and Appointed as Independent Chairperson on 05.03.2025
Mr. Moonesar (Sunil) Ramgobin	Executive Director
Mr. Lakshmana Bheenick	Non-Executive Director
Mr. Christopher Kihara Maina	Non-Executive Director
Mr. Mark John Van Beuningen	Non-Executive Director; Appointed on 06.06.2025
Mr. Shameer Aswin Patel	Non-Executive Director; Appointed on 01.10.2025
Mr. Jérôme de Chasteauneuf	Non-Executive Director; Resigned on 06.06.2025
Ms. Gauri A. Gupta	Non-Executive Director; Resigned on 30.09.2025
Mr. Ignacio Serrahima Arbestain	Independent Director
Mr. Marc Alain Jacques Israel	Independent Director
Ms. Jo-Ann Pohl	Independent Director; Appointed on 17.03.2025
Ms. Alice Kiasyo Kilonzo	Independent Director; Appointed on 13.10.2025
Ms. Roselyne Renel	Independent Chairperson of the Board; Resigned on 04.03.2025

Executive management team as at 31 December 2025

Chief Executive Officer	Mr. Moonesar (Sunil) Ramgobin
Chief Financial Officer & Interim Chief Operating Officer	Mr. Ranjeevesingh Gowreesunkur
Chief Risk Officer	Mr. Vinay Sharma
Head of Corporate & Institutional Banking	Mr. Loïc Chollet-Vergé
Head of Consumer, Private Banking and Wealth Management	Mr. Guillaume Passebecq
Head of Treasury	Mr. Rishyraj (Rishy) Lutchman
Head of Compliance	Mr. Bunsrajsing (Ashish) Gowreesunker
Head of Legal	Ms. Valérie Duval

Head of Strategy & Partnerships Company Secretary	Mr. William Mulusa Ms. Kareen Ng
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## Introduction

Bank One Limited (the “Bank” or “Bank One”) is a bank regulated by the Bank of Mauritius and the Financial Services Commission. It is also a public interest entity (“PIE”) as defined by the Financial Reporting Act 2004. Throughout the year ended 31 December 2025, to the best of the Board’s knowledge, the Bank has applied all of the principles set out in the National Code of Corporate Governance for Mauritius (2016) (the “Code”) and explained how these principles have been applied.

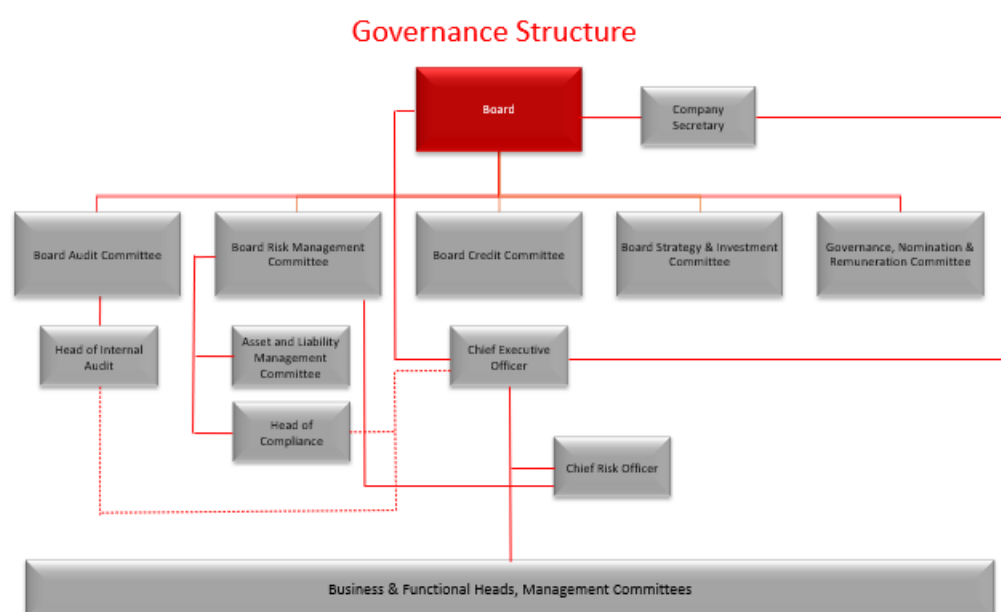
## Principle 1: Governance Structure

The Board of Directors is responsible for defining the Bank’s strategic direction and for leading, overseeing, and supervising the management of the business in an ethical and responsible manner. It is also tasked with ensuring compliance with all legal and regulatory requirements.

The Board is committed to upholding the highest standards of corporate governance and ethical conduct across the Bank’s operations, aiming to enhance shareholder value while considering the broader interests of all stakeholders. To achieve this, the Bank has implemented a robust governance framework.

The discharge of the Board’s responsibilities involves a combination of direct involvement and delegation through board committees, for a more focused approach on specific areas. Such a structure ensures a comprehensive oversight of the Bank’s activities.

In the pursuit of effective governance, the day-to-day management and operations of the Bank’s business have been entrusted to the Chief Executive Officer. The CEO is responsible for establishing a management structure that fosters accountability and transparency, while ensuring the effective implementation of business strategies, risk management systems, and internal controls.



### **Board Charter**

The Board Charter sets out the role, responsibilities, structure and processes of the Board and is complementary to the requirements of the legislations and regulations, the Bank's constitution, and the shareholders agreement. The Charter also sets out the committees which have been set up by the Board to assist it in the discharge of its responsibilities. The key senior governance positions are also defined therein, including their respective position statements.

The Board Charter along with the position statements for the key senior governance positions, and the Constitution of the Bank, is published in on the Bank's website: <https://bankone.mu/en/directors/>.

### **Code of Ethics and Whistleblowing Policy**

The Bank's Code of Ethics and Whistleblowing Policy (the "Code") lays out the values, standards of behavior and ethical practices expected in all the Bank's dealings. It also provides the framework and guidance around whistleblowing, including the availability of an independent whistleblowing hotline, for employees to safely report illegal, unethical and fraudulent behaviors and malpractices without fear of reprisal. The Code is reviewed by the Board every 3 years. An earlier review is made in the event of any circumstances warranting same. The Governance, Nomination & Remuneration Committee has been delegated oversight responsibility on all matters relating to ethical standards within the Bank and reports to the Board thereon. The abridged version of the Code can be accessed on the Governance Section of the Bank's website: <https://bankone.mu/en/corporate-governance/>.

## Principle 2: Structure of the Board and its Committees

Bank One is headed by a unitary board. Its Constitution provides that the Board of Directors shall consist of a minimum of 7 directors and a maximum of 10 directors. The Chairperson of the Board is an Independent Director and the role and functions of the Chairperson are separate from that of the CEO. In line with the shareholders' agreement, the two shareholders are each entitled to appoint two representatives to represent them on the Board of Bank One. All directors submit themselves to re-election at the Annual Meeting of Shareholders (AMS).

The Governance Nomination & Remuneration Committee regularly reviews the size, composition and skills set on the Board and ensures adequate succession of the directors. It also ensures the continued independence of the Bank's independent directors as well as the continued fitness and probity of all the directors. The Board believes that, given the shareholding structure and size of the Bank, there is a right mix both in terms of the categories (Executive, Non-executive and Independent) and skills of its directors.

Ms. Roselyne Renel resigned as Independent Director and Chairperson of the Board on 04 March 2025, and Mr. Cyril Wong succeeded Ms. Renel as Chairperson of the Board as of 05 March 2025.

Messrs. Mark Van Beuningen & Shameer Patel were appointed as Non-Executive Director in replacement of Mr. Jerome de Chasteauneuf and Ms. Gauri Gupta, respectively. Ms. Jo-Ann Pohl and Ms. Alice Kilonzo were appointed as Independent Directors on the Board.

The responsibilities of the Board of Directors are set out in its Board Charter which is reviewed on an annual basis by the Board. The responsibilities of the Board include, inter alia:

- Approving the objectives, strategies and business plans of the Bank;
- Retaining full and effective control over the Bank and being responsible for the appointment and monitoring of Management in its implementation of the Board's approved plans and strategies;
- Ensuring that policies and systems in place are effective to achieve a prudential balance between risks and returns to shareholders;
- Ensuring compliance with laws and regulations, including risk management and corporate governance practices and disclosure requirements;
- Exercising leadership, enterprise, integrity and judgement in directing the Bank.

### Board Committees

Five Board Committees, as set out below, have been set up by the Board to assist it in the discharge of its duties and responsibilities. The terms of reference of the Board Committees are reviewed on an annual basis to ensure that Board Committees are working within the remit of the laws, regulations, and best practices and are adequately focused to support the strategic direction of the Bank.

<b>Board Audit Committee (BAC)</b>	
<b>Frequency of Meetings</b>	At least every quarter
<b>Main Terms of Reference</b>	Assist the Board in fulfilling its responsibilities in relation to the oversight of the quality and integrity of financial reporting, risk management and internal control, statutory compliance and audit functions. The full terms of reference of the BAC can be accessed on the Governance Section of the Bank's website: <a href="https://bankone.mu/en/corporate-governance/">https://bankone.mu/en/corporate-governance/</a>
<b>Membership</b>	Ms. Jo-Ann Pohl (Chairperson) Mr. Ignasi Serrahima Mr. Marc Israel

<b>Board Risk Management Committee (BRMC)</b>	
<b>Frequency of Meetings</b>	At least every quarter
<b>Main Terms of Reference</b>	Advise the Board on the Bank's overall risk appetite, assess the level of the risks incurred against the Bank's risk appetite, oversee the senior management's implementation of the risk appetite framework, as well as necessary controls and mitigations, and assess / report on the state of the risk culture within the Bank. The full terms of reference of the BRMC can be accessed on the Governance Section of the Bank's website: <a href="https://bankone.mu/en/corporate-governance/">https://bankone.mu/en/corporate-governance/</a>
<b>Membership</b>	Mr. Lakshman Bheenick (Chairperson) Mr. Kihara Maina Ms. Jo-Ann Pohl Mr. Sunil Ramgobin

<b>Board Credit Committee (BCC)</b>	
<b>Frequency of Meetings</b>	Monthly
<b>Main Terms of Reference</b>	Consider and decide on loans applications beyond the discretionary limits of the Management in line with the Credit Risk Policy. The BCC is also responsible to direct, monitor, review and consider all issues that may materially impact on the present and future quality of the Bank's credit risk management. The full terms of reference of the BCC can be accessed on the Governance Section of the Bank's website: <a href="https://bankone.mu/en/corporate-governance/">https://bankone.mu/en/corporate-governance/</a>
<b>Membership</b>	Mr. Shameer Patel (Chairperson) Mr. Mark Van Beuningen Ms. Alice Kilonzo

<b>Board Strategy &amp; Investment Committee (BSIC)</b>	
<b>Frequency of Meetings</b>	At least quarterly
<b>Main Terms of Reference</b>	Assist the Board in validating and monitoring the implementation of the Bank's strategic projects and the required investment to achieve its strategic objectives. The full terms of reference of the BSIC can be accessed on the Governance Section of the Bank's website: <a href="https://bankone.mu/en/corporate-governance/">https://bankone.mu/en/corporate-governance/</a>
<b>Membership</b>	Mr. Mark Van Beuningen (Chairperson) Mr. Shameer Patel Ms. Alice Kilonzo Mr. Marc Israel Mr. Sunil Ramgobin

<b>Governance, Nomination &amp; Remuneration Committee (GNRC)</b>	
<b>Frequency of Meetings</b>	At least twice per annum
<b>Main Terms of Reference</b>	Oversee the governance framework of the Bank, approve and recommend to the Board, nominations and remuneration of directors and senior management, and oversee the execution of the HR strategy for the Bank. The full terms of reference of the GNRC can be accessed on the Governance Section of the Bank's website: <a href="https://bankone.mu/en/corporate-governance/">https://bankone.mu/en/corporate-governance/</a>
<b>Membership</b>	Mr. Kihara Maina (Chairperson) Mr. Lakshman Bheenick Ms. Alice Kilonzo Mr. Cyril Wong

## Principle 3: Director Appointment Procedures

### Board Succession Planning

The Board, in consultation with the shareholders, is responsible for the succession planning and the appointment of new directors to the Board. A Board Succession Policy, which defines the guiding principles for a planned and orderly succession of directors and for filling in any unplanned vacancy on the Board, has been put in place to guide the Board around any recruitment of candidates to the

Board. The succession planning of the directors is reviewed on an annual basis by the Governance, Nomination and Remuneration Committee.

The Board uses a Board Skills Matrix to help it in identifying the competencies and skills desired by the Board as a whole to fulfil its role. The matrix is tailored to the unique circumstances and requirements of the Bank in terms of size, business maturity and competencies that the Board would require in light of the Bank’s strategic direction. The Board Skills Matrix is reviewed every two years or whenever there is a change in board membership, whichever the earlier.

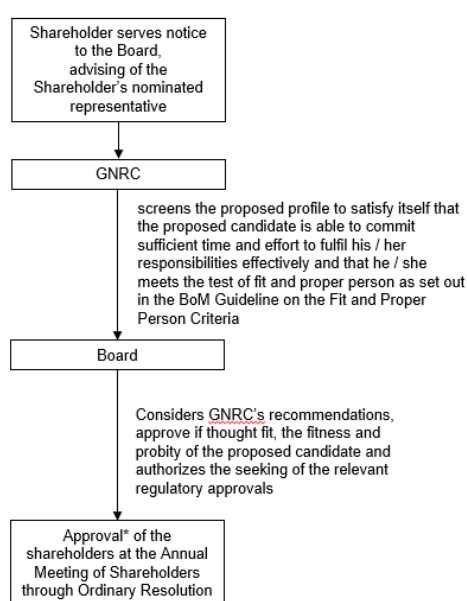
The Board Skills Matrix is used as a tool in the succession planning process, where the Matrix allows for an easy identification of any gaps in skills and competencies that may be created by the forthcoming retirement of a director(s). It is therefore used as a guidance in the search for a Board member who will best complement the current mix of capability on the Board and to identify any skills gap may be bridged through training and upskilling.

## Nomination & Appointment Process

The directors’ nomination and appointment process is guided by the legal and regulatory requirements and the Bank’s constitution and shareholders’ agreement, and is as follows:

### Appointment of Non-Executive Directors (Shareholders’ Representatives) on the Board

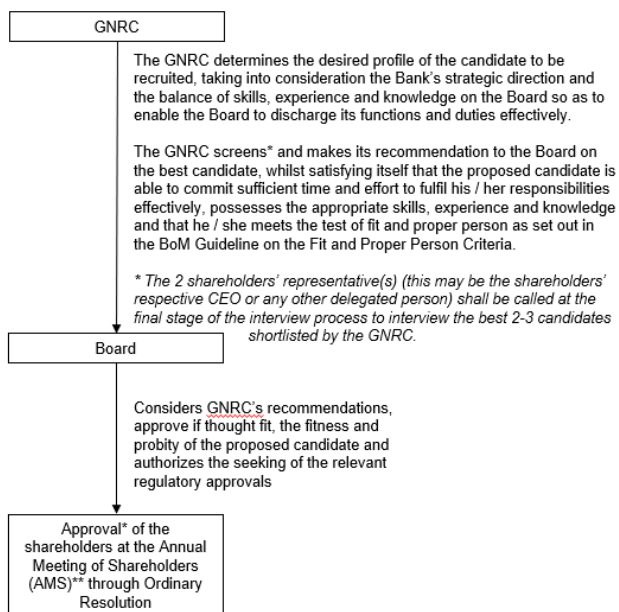
As per the Shareholders’ Agreement, each Shareholder is entitled to appoint 2 directors on the Board.



\* Subject to regulatory approvals

### Appointment of Independent Directors on the Board

As per the Shareholders’ Agreement, the Shareholders may appoint a minimum of 2 and a maximum of 4 independent directors



\* Subject to regulatory approvals

\*\* Should there be a casual vacancy arising during the year, the Board shall appoint a director to hold office until the next AMS, at which meeting the director shall stand for re-election by the Shareholders.

## Board Induction, Training & Development

The Board ensures that new directors receive a proper induction so that they are familiarized, as soon as possible, with the Bank’s operations, senior management, business environment and corporate strategy, as well as their fiduciary duties and responsibilities as directors. Directors’ induction is run by the Company Secretary, whereby new directors receive a comprehensive pack, containing a brief presentation on the affairs of the Bank, the governance structure and conduct of meetings, the

director's duties and responsibilities, the Bank's Constitution and bylaws, the minutes of the last Board meeting, and such other useful documents. The Company Secretary also arranges one-to-one meetings between the incoming director with the Board Chairperson, the Company Secretary, the CEO and with the Executive Management where the new Board member is briefed on the affairs of the Bank. Newly appointed directors are also invited to attend at least 2 meetings of all Board Committees as observers for the purpose of facilitating their induction. Visits of some branches and the critical departments of the Bank are also arranged as part of the induction process.

Continuous training is essential to cope with the constant changes in the business environment. While directors have a duty to keep up to date with industry, legal and regulatory developments, it is also the responsibility of the Board to provide them with adequate training and development. In this respect, a training calendar is set on a yearly basis, taking into consideration the training needs of the directors and evolution in the banking business environment as well as the broader macroeconomic landscape.

## Principle 4: Director duties, remuneration and performance

Directors are made aware of their legal duties upon their appointment and during the induction process and are reminded of same annually. Directors are guided by the relevant legislations, board charter, constitution, Code of Ethics and bank policies, including the Conflicts of Interests Policy and Related Party Transactions Policy.

## Conflicts of Interests & Related party transactions

Transactions with related parties are guided by the Conflicts of Interests and Related Party Transactions Policies, as well as the Code of Ethics & Whistleblowing Policy. Any related party transaction by directors and senior officers of the Bank are approved by the Board, which ensures that all such transactions are in line with market terms and conditions. A register of related party transactions is maintained by the Bank.

## Information governance

The Bank's overall strategic direction, relating to information governance, information technology and security and related expenditures, is overseen by the Board Strategy and Investment Committee (BSIC). Refer to the Transformation & Digitalisation Section for further details.

The Board has approved a comprehensive Information Security Policy, which includes data protection principles, and such Policy is reviewed annually. Operational security-related matters are reported to, and considered at, the Executive Risk Committee. Any risks areas are escalated to the Board Risk Management Committee for further discussion and mitigation.

## Board Effectiveness Review

In line with the National Code of Corporate Governance (2016) and the BoM guideline on corporate governance, the Board has established a mechanism to review the effectiveness of the Board as a whole as well as that of its sub committees through a self-assessment questionnaire. The process also includes the Board's assessment of the performance of the Chairperson of the Board, a peer-to-peer evaluation as well as an assessment of the performance of the Company Secretary. The Board Effectiveness Review is carried out on a yearly basis and the results, along with an action plan on areas to be improved, are compiled and presented to the Board thereafter.

## Remuneration

Directors' and senior executives' remuneration are dealt with by the Governance, Nomination & Remuneration Committee and approved by the Board of Directors. Independent and non-executive directors are remunerated in the form of a yearly retainer fee. An attendance fee is also paid for each meeting sitting. Such remuneration is commensurate with the size and complexity of the business, as well as the workload and responsibilities involved. The remuneration of non-executive directors is not linked to organizational performance.

The CEO is not remunerated for serving on the Board and Board Committees. In addition to his monthly salary, the CEO is entitled to an annual performance bonus based on the financial results of the Bank, as well as on his individual contribution thereto. He is also entitled to a long-term incentive, which is linked to long-term value creation and achievement of the Bank's strategic plan, payable at the end of every third financial year.

Employees' remuneration is composed of a basic pay and a performance bonus, the main objective of which is to improve productivity by rewarding the staff for meeting and exceeding business goals, whilst operating in a cost effective and efficient manner within the risk culture of the Bank. A long-term incentive scheme is also in place for key management personnel – payments under such a scheme are over a period of three years with a view to retain high performers whilst ensuring a claw back mechanism.

## Directors' attendance and remuneration

Directors	Status	Board	BAC	GNRC	BRMC	BSIC	BCC	Total Remuneration FY 2025 (Rs)
Moonesar (Sunil) Ramgobin <sup>1</sup>	ED	5/5			5/5	5/5		21,332,092
Roselyne Renel	ID	1/5		2/6	1/5	1/5	1/13	653,422
Cyril Wong	ID	5/5	1/5	4/6	1/5			2,347,825
Gauri Gupta	NED	4/5		5/6			9/13	1,428,000
Lakshman Bheenick <sup>2</sup>	NED	5/5		6/6	5/5	4/5	13/13	2,964,000
Jerome de Chasteauneuf <sup>2</sup>	NED	2/5						220,906
Kihara Maina	NED	4/5		1/6	5/5	3/5		1,315,800
Mark Van Beuningen <sup>2</sup>	NED	1/5				1/5		371,890
Shameer Aswin Patel	NED	1/5				2/5	4/13	482,800
Ignacio Serrahima Arbestain	ID	5/5	4/5	5/6		3/5		1,473,514
Marc Israel	ID	5/5	5/5			5/5		1,091,400
Jo-Ann Pöhl	ID	3/5	4/5		2/5			1,039,639
Alice Kilonzo	ID	1/5		1/6		2/5	4/13	508,677
								<b>35,229,965</b>

IC - Independent Chairperson ED - Executive Director NED - Non-Executive Director ID - Independent Director

1. The CEO is not paid any additional remuneration for serving as a director.
2. Director fees for Messrs. Lakshman Bheenick, Jerome de Chasteauneuf and Mark Van Beuningen are paid to CIEL Finance Ltd.
3. Remuneration paid to the directors were in line with the following changes that occurred:
  - *Ms. Roselyne Renel resigned as Independent Chairperson/Director on 04 March 2025 and was succeeded by Mr. Cyril Wong on 05 March 2025. Upon his appointment as Chairperson of the Board, Mr. Cyril Wong ceased to be a member of the BAC and BRMC and became an ex-officio member of the GNRC.*
  - *Ms. Jo-Ann Pohl was appointed as Independent Director, BAC Chairperson and BRMC Member on 17 March 2025*
  - *Ms. Gauri Gupta ceased to be a director on 30 September 2025.*
  - *Mr. Kihara Maina was appointed as GNRC Chairperson on 01 October 2025.*
  - *Mr. Shameer Patel was appointed as Non-Executive Director, BCC Chairperson and BSIC member on 01 October 2025.*
  - *Mr. Jerome de Chasteauneuf resigned as Non-Executive Director on 06 June 2025 and was replaced by Mr. Mark Van Beuningen on even date.*
  - *Mr. Lakshman Bheenick ceased to be a member of the BSIC on 01 November 2025 and was replaced by Mr. Mark Van Beuningen on even date.*
  - *Ms. Alice Kilonzo was appointed Independent Director on 13 October 2025 and was appointed as member on the GNRC, BCC, and BSIC on the same date.*

## Principle 5: Risk governance and internal control

The Board is responsible for maintaining a robust risk management and internal control system. It ensures the necessary framework, processes and systems are in place to identify, measure, monitor and mitigate risks within the overall strategic direction of the Bank. The oversight of the Bank's risk management system has been delegated to the Board Risk Management Committee (BRMC). The Chairperson of the BRMC reports to the Board, at each Board Meeting, on matters dealt with at the Committee level to provide the Board with the necessary assurance that risks are effectively managed.

The BRMC reviews and approves, on an annual basis, the Bank's risk appetite, including key metrics and targets, which are then monitored by the risk department and reported back to the BRMC on a quarterly basis. Notwithstanding the quarterly reporting, an escalation matrix ensures timely reporting of risk events at various levels, depending on the severity of such events. The risk culture implementation is driven by the CEO, with regular progress updates being presented to the BRMC.

The Board has also approved the Bank's risk policies and guidelines, and management has been delegated the responsibility of the effective execution of the same through the implementation of appropriate procedures, to ensure that all risks are mitigated to an acceptable level, taking into consideration the Bank's risk appetite, objectives and strategies, as approved by the Board. Compliance to internally established policies and procedures, as well as with laws, regulations and codes in order to protect the Bank's assets and reputation, are also monitored and reported to the BRMC on a quarterly basis.

To further strengthen the risk management framework, the Board has also put in place a risk control self-assessment process, the implementation of which has been delegated to the operational risk unit.

Moreover, the Bank's internal control framework ensures the reliability of financial reporting, operations and systems. The Board is assisted in its responsibilities in this regard by the Board Audit Committee, which ensures that processes are in place to monitor the effectiveness of internal controls. In carrying out its duties, the committee receives regular reports from internal audit. The committee also meets with the Head of Internal Audit and the External Auditor on a quarterly basis and without management being present, to ensure that there are no unresolved material issues of concern.

*The risk management section of this Annual Report, provides additional information on the risk management framework and risks that the Bank is exposed to.*

## Principle 6: Reporting with integrity

The Board of Directors is responsible for the preparation of an Annual Report, including financial statements, in accordance with applicable laws and regulations. Financial statements are also prepared in accordance with the IFRS Accounting Standards.

*Directors' responsibilities in respect of the preparation of financial statements are disclosed in the statement of directors' responsibilities section of this Annual Report. The full Annual Report is available on the Bank's website: <https://bankone.mu/en/financial-information/>*

*Information regarding the Bank's financial, environmental, social and performance outlook are included in the Performance and Strategy sections of this annual report.*

## Principle 7: Audit

### **Internal Audit**

Bank One's Internal Audit function is established as an independent and objective assurance and advisory activity, designed to add value and improve Bank One's operations. It helps the Bank to accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of risk management, control and governance processes.

In line with the Banking Act 2004 requirements, Bank One's Internal Audit functionally reports to the Board Audit Committee (BAC). The Head of Internal Audit is a standing invitee to all BAC meetings, as well as the Board Risk Management Committee meetings. He has unrestricted access to the BAC's Chairperson and members and regularly meets with the BAC, without the presence of Management.

The department's internal audit plan is approved annually by the BAC, and progress is reviewed on a quarterly basis. The Internal Audit team is granted unrestricted access to all the records of the Bank, its management, and employees.

Bank One's Internal Audit Methodology has been designed to align to the Global Internal Audit Standards, as prescribed by the Institute of Internal Auditors (IIA), while catering for a more agile audit approach to allow for ad-hoc requests by the Board and Management.

The department delivers on assurance and advisory activities using a risk-based approach, aligned to laws, regulations, and the Bank's strategic objectives. The Head of Internal Audit and senior members of the audit team are standing invitees on various management committees to aid the Bank in the timely identification of risk.

Internal Audit tracks and reports on the timelines and effectiveness of the implementation of audit recommendations.

During the year, Internal Audit has covered key risk areas within the Bank and which were further derived from its risk based annual planning methodology.

More information on the Bank's Internal Audit function can be found on the Bank's website under: <https://bankone.mu/en/internal-audit/>

### **External Audit**

Upon the recommendation of the Board Audit Committee (BAC), PricewaterhouseCoopers (PwC) was appointed as the Bank's external auditors as from FY 2024, following a tender process. Four audit firms were invited to submit proposals and present to the BAC. The tenderers were evaluated based on factors such as their firm profiles, the quality of the proposed audit team, their banking experience, and their audit and quality assurance approach, among other criteria.

External auditors report on a quarterly basis to the BAC on the quarterly financial statements, and at year-end on the yearly audited financial results of the Bank. The BAC also regularly meets with External Auditors, without management being present.

### **The Board Audit Committee**

During the year under review, the BAC reviewed internal audit reports on assignments carried out as per the approved internal audit plan and discussed the key findings. The audited results and quarterly

financial results were also looked into by the Committee. No significant issues arose in relation to the financial statements.

The BAC ensures that both Internal and External Auditors’ independence and objectivity are maintained. With regards to External Auditors, any non-audit services provided by the latter are subject to the approval of the BAC, which evaluates the terms of the engagement, the progress of execution and the reporting of such services. Non-audit services provided by PwC during the year pertained to assistance regarding AML CFT review, Internal Control Review, Tax advisory services, and trainings.

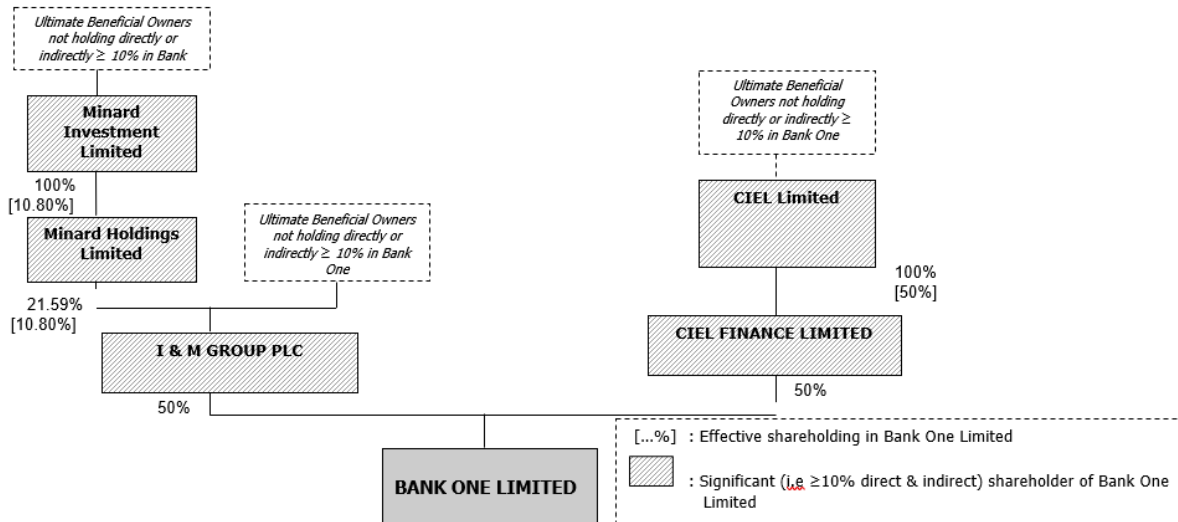
*The fees paid/payable to PwC for audit and other services are detailed in the other statutory disclosures section of this Annual Report.*

## Principle 8: Relationships with shareholders and other key stakeholders

Shareholders	Each shareholder has two representatives sitting on the Board of the Bank. The Bank also engages with the shareholders on a regular basis to keep them apprised on the affairs of the Bank and progress against the set KPIs. Given the shareholding structure and close and frequent communication with the two shareholder groups, written resolutions of the shareholders are passed in lieu of holding an Annual General Meeting
Financial Partners	Communication is usually around the Bank’s financial performance and compliance with the terms and conditions set out by the financial partners which the Bank’s strives to <u>comply to at all times</u> .
Regulators	The Bank, by nature of its activities, is a highly regulated entity. Bank One Limited strives to comply with all regulatory provisions and guidelines in the conduct of its activities.
Government Agencies & Authorities	The Bank builds and maintains close relationships with this stakeholder group through ongoing and consistent communication to ensure credible and effective relations are maintained, ensuring a connected approach which boosts trust and commitment.
Employees	As a responsible employer, the Bank is committed to fostering a supportive work environment for its employees. To this end, several initiatives were implemented, including regular town halls, which serve as a communication channel to address queries and provide updates on the progress of our Strategic Plan.
Customers	In addition to regular customer satisfaction surveys, each line of business regularly holds forums with their clients, whether in the form of investors’ circles, breakfast meetings, etc. The Customer Experience team also conduct interviews and meetings with clients to obtain feedback on specific areas to enhance the products and services of the Bank. Quarterly pulse surveys are also conducted with clients to obtain the feedback and experience of customers on the touchpoints mostly used by them.
Suppliers	The Bank engages with third party suppliers to support its business offerings and operations by leveraging on skills and expertise not available internally. Third party risks are managed by the procurement and supplier risk management policy which sets forth the principles and governance structure on which the Bank operates on.
Community	The Bank remained committed towards supporting the community of Points Aux Sables in collaboration with its 2 long-standing partners which are the Pere Henri Souchon School and the Jean Blaise Learning Centre. These two NGOs cater for the educational support of some 150 children all coming from an unprivileged background. In 2024, the Bank has been a strong partner to these NGOs in organising some notable CSR events for the students such as the Annual Health Awareness Day, Sports Day, provision IT literacy skills, distribution of school materials and the Annual Christmas Party. The Bank shall remain supportive in 2025 as part of its longer-term plan.
Media	The Bank continues to establish and nurture a strong relationship with the local media whilst developing good media relations in Sub-Saharan Africa (SSA) for its future strategic plans. It also leverages on CIEL and I&M Group Communications support and their partner networks as and when required.

## Shareholding structure and shareholders

Bank One Limited's share capital stood at MUR 1,456,456,000, represented by 14,564,560 ordinary shares of no par value, held equally between CIEL Finance Limited and I&M Group PLC. The shareholding structure is illustrated below:



*CIEL FINANCE LIMITED  
5TH FLOOR, EBÈNE SKIES, RUE DE L'INSTITUT, EBÈNE, MAURITIUS*

CIEL Finance is the financial services cluster of CIEL, actively involved in 2 sub-sectors, namely banking and fiduciary services.

With a strategic presence in Sub-Saharan Africa and positioning itself within the financial hub of the Indian Ocean, CIEL Finance supports its regional development while promoting synergies across financial operators.

CIEL is an international Mauritian Group, listed on the Stock Exchange of Mauritius and on the SEM Sustainability Index. The Group invests and operates in 6 strategic sectors, namely Agriculture, Finance, Healthcare, Hospitality, Property and Textile. Founded in 1912, CIEL is today present in more than 10 countries across Africa and Asia and employs more than 38,000 talented individuals. With a market capitalisation of about MUR 14.2Bn and a consolidated turnover of MUR 38Bn for the 12 months' period ended 30 June 2025, CIEL's portfolio was valued at MUR 25.6Bn and the group total assets at MUR 113.8Bn as at 30 June 2025.

*I&M GROUP PLC  
1 PARK AVENUE, 1ST PARKLANDS AVENUE, NAIROBI, KENYA*

I&M Group PLC ("I&M Group") is the parent entity for the group's banking and non-banking subsidiaries in East Africa. I&M Group has interests in Banking and Financial services, Insurance, Property and Real Estate, through its subsidiaries, joint venture and associates. Incorporated in 1950, it is one of the oldest companies to be listed on the Nairobi Securities Exchange and is regulated by the Nairobi Securities Exchange, the Capital Markets Authority in Kenya and by the Central Bank of Kenya as a non-operating holding company.

The Group employs more than 3,500 staffs spread across the five countries: Kenya, Tanzania, Rwanda, Uganda and in Mauritius (as a joint venture). With a network of over 257 branches and ATMs, the Group's subsidiaries offer the full range of personal and business banking solutions including wealth management and corporate finance advisory services. As of 31 December 2025, I&M Group's market capitalization was approximately USD572m while Total Assets were USD 4.9bn based on the last reporting date of 30 September 2025.

Signed by:  
  
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**Kihara Maina**  
Chairman of the  
Governance, Nomination & Remuneration Committee

Signed by:  
  
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**Karen Ng**  
Company Secretary

11 March 2026

# Statement of compliance

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

**Name of PIE: Bank One Limited**

**Reporting Period: Financial year ended December 2025**

We, the Directors of Bank One Limited, confirm that, to the best of our knowledge, the Bank has complied with all of its obligations and requirements under the National Code of Corporate Governance for Mauritius (2016), in all material aspects.

Signed by:  
  
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**Tchang Fa Wong Sun Thiong**  
Chairman of the Board

Signed by:  
  
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**Kihara Maina**  
Chairman of the Governance, Nomination  
& Remuneration Committee

11 March 2026

## Other statutory disclosures

*Under section 221 of the Companies Act 2001*

### Directors in office as at 31 December 2025

Refer to Page 74.

### Directors' fixed-term service contracts

Nil

### Directors' and Officers' Liability Insurance

A Directors' and Officers' Liability Insurance Policy has been subscribed to by the Bank.

### Fees payable to Auditors

Type	Description	Fees FY 2025 (MUR)
Audit fees	Yearly, half-yearly and quarterly statutory audits / reviews	8,596,250
Other fees	Tax advisory	448,500
	Internal Control Review	1,131,830
	AMF/CFT	357,420
	Training and other services	2,558,500

### Interests Register

In accordance with section 271 of the Companies Act 2001, the shareholders have, through a written resolution of shareholders dated 07 December 2017, dispensed the Bank from the requirement to keep an interests register. Any disclosures required under the Companies Act 2001 and section 48(6) of the Banking Act 2004 are disclosed to the Board and recorded in the minutes of proceedings of the relevant Board meeting.

### Charitable donations and political funding

Apart from contribution to CSR projects as detailed in the Corporate Sustainability Report, no political funding or other charitable donations were made during the year under review.

### Major transactions

The Bank did not enter into any major transaction during the year under review.

## Company Secretary's certificate

In my capacity as Company Secretary, I confirm that, to the best of my knowledge and belief, the Bank has filed with the Registrar of Companies, in respect of the financial year ended 31 December 2025, all such returns as are required under the Mauritius Companies Act 2001, in terms of section 166(d).

Signed by:  
  
6A42A01B654B4CD...  
**Kareen Ng, ACG**  
Company Secretary

11 March 2026

## Statement of directors' responsibilities in respect of financial statements

The directors are responsible for the preparation of financial statements, which give a true and fair view of the financial position, financial performance and cash flows of the Bank, and which comply with the Mauritius Companies Act 2001, the Banking Act 2004, the Financial Reporting Act 2004 and the IFRS Accounting Standards.

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 IFRS Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Bank will continue in business.

The directors are also responsible for safeguarding the assets of the Bank and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the above requirements in preparing the Annual Report and financial statements. The Board acknowledges its responsibility for ensuring the preparation of the financial statements, in accordance with the International Financial Reporting Standards and the responsibility of external auditors to report on these financial statements. The Board also acknowledges its responsibility to ensure the maintenance of adequate accounting records and an effective system of internal controls and risk management.

Approved by the Board of Directors on 11 March 2026 and signed on its behalf by:

Signed by:  
  
F958DAC84A914EC...

**Tchang Fa Wong Sun Thiong**  
Chairman of the Board

Signed by:  
  
3F67ED03AE454AE...

**Jo-Ann Pöhl**  
Chairperson of the  
Board Audit Committee

Signed by:  
  
75A6FC2F951B4BC...

**Moonesar Ramgobin**  
Chief Executive Officer

## Statement of management’s responsibilities in respect of financial statements

The Bank’s financial statements, presented in this Annual Report, have been prepared by management, who is responsible for their integrity, consistency, objectivity and reliability. International Accounting Standards/IFRS Accounting Standards as well as the requirements of the Banking Act 2004 and the guidelines issued thereunder, have been applied. Management has exercised its judgement and made the 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 unauthorized use or disposal. These supporting procedures include careful selection and training of qualified staff, the implementation of organizational and governance structures providing a well-defined division of responsibilities, authorization 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, oversees management’s responsibility for financial reporting, internal controls, assessment and control of major risk areas, and assessment of significant and related party transactions.

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

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

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

<p>Signed by:</p>  <p>F958DAC84A914EC...</p>	<p>Signed by:</p>  <p>75A6FC2F951B4BC...</p>	<p>Signed by:</p>  <p>3F67ED03AE454AE...</p>
<hr/> <p><b>Tchang Fa Wong Sun Thiong</b> Chairman of the Board</p>	<hr/> <p><b>Moonesar Ramgobin</b> Chief Executive Officer</p>	<hr/> <p><b>Jo-Ann Pöhl</b> Director</p>

11 March 2026



Independent auditor's report  
To the shareholders of Bank One 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 BANK ONE LIMITED (the "Bank") as at 31 December 2025, 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 BANK ONE LIMITED set out on pages 101-202 comprise:

- the statement of financial position as at 31 December 2025;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes 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") as applicable to audits of financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers, PwC Centre, Avenue de Telfair, Telfair 80829, Moka, Republic of Mauritius

Tel: +230 404 5000, Fax: +230 404 5088, [www.pwc.com/mu](http://www.pwc.com/mu)

Business Registration Number : F07000530



**Independent Auditor’s Report**

**To the Shareholders of  
BANK ONE LIMITED (Continued)**

**Report on the Audit of the Financial Statements (Continued)**

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most 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	How our audit addressed the key audit matter
<p><b>Expected credit losses under IFRS 9 (refer to notes 1.2(g) and 2(b) of the financial statements)</b></p> <p>This is an area of focus because the determination of expected credit losses ("ECL") requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. The key areas of significant management judgement within the ECL calculations include:</p> <ul style="list-style-type: none"> <li>• Evaluation of significant increases in credit risk ("SICR");</li> <li>• Input assumptions applied to estimate the probability of default ("PD"), exposure at default ("EAD") and loss given default("LGD");</li> <li>• Assessment of ECL recognised for stage 3 exposures;</li> <li>• Incorporation of forward-looking information into the SICR assessment and ECL measurement: and</li> <li>• Likelihood of economic scenarios.</li> </ul>	<p>We performed the following procedures on the ECL, with the assistance of our actuarial experts.</p> <p>We obtained an understanding and tested the operating effectiveness of the relevant controls relating to the approval of credit facilities, subsequent monitoring of credit facilities, review of data inputs on the ECL model, reconciliations performed and collateral management</p> <p>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).</p> <p>In addition, our procedures include assessing the appropriateness of the ECL model through reperformance.</p> <p>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 review of the Bank's Watchlist.</p> <p>For Stage 3 exposures, we considered the classification under IFRS 9 and assessed the appropriateness of the inputs used for a sample of clients. We independently recalculated the ECL based on our assessment of the expected cash flows and recoverability of collateral at an individual exposure level for a sample of clients. Where exposures are collateralised, we tested the Bank's legal rights of the collateral by inspecting legal agreements and we obtained the valuation reports from certified valuers and support the value assigned to these collaterals.</p> <p>We also assessed the adequacy of the disclosures in the annual report in accordance with IFRS 9.</p>



## **Independent Auditor's Report**

**To the Shareholders of  
BANK ONE LIMITED (Continued)**

### **Report on the Audit of the Financial Statements (Continued)**

#### **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 IFRS Accounting 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, 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.



## **Independent Auditor's Report**

**To the Shareholders of  
BANK ONE LIMITED (Continued)**

### **Report on the Audit of the Financial Statements (Continued)**

#### **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 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.



## **Independent Auditor's Report**

**To the Shareholders of  
BANK ONE LIMITED (Continued)**

### **Report on the Audit of the Financial Statements (Continued)**

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 to you 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 and tax advisor and business advisor;
- (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 to you 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.



## Independent Auditor's Report

To the Shareholders of  
**BANK ONE LIMITED (Continued)**

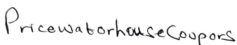
**Report on Other Legal and Regulatory Requirements (Continued)**

### **Mauritian Financial Reporting Act 2004**

Our responsibility under the Mauritian Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance ("Code") disclosed in the annual report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the annual report, the Company 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 shareholders, as a body, 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.

Signed by:  
  
A123B1561E60462...

**PricewaterhouseCoopers**

**11 March 2026**

Signed by:  
  
A123B1561E60462...

**Shakil Maghun, licensed by FRC**

**BANK ONE LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2025**

**BANK ONE LIMITED**


**Statement of Financial Position as at 31 December 2025**

	Notes	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
<b>ASSETS</b>				
Cash and cash equivalents	12	20,858,043	17,090,743	10,169,278
Derivative assets held for risk management	13	6,412	33,666	4,580
Loans and advances to banks	14	4,675,269	5,795,705	8,873,984
Loans and advances to customers	15	20,966,715	17,847,394	19,129,086
Investment in financial instruments measured at fair value through other comprehensive income (FVTOCI)	16(a)	5,085,508	4,180,399	2,427,459
Investment in financial instruments measured at amortised cost	16(b)	14,341,674	9,513,287	10,617,591
Right-of-use assets	17	97,660	70,554	69,774
Property and equipment	18	428,266	402,355	420,993
Intangible assets	19	195,462	140,153	124,338
Other assets	20	291,705	256,743	301,796
Deferred tax assets	21	73,837	60,701	31,539
<b>Total assets</b>		<b>67,020,551</b>	<b>55,391,700</b>	<b>52,170,418</b>
<b>LIABILITIES</b>				
Deposits from customers	22	59,189,870	47,861,820	44,847,282
Derivative liabilities held for risk management	13	109,036	18,981	39,434
Other borrowed funds	23	1,521,377	1,406,635	1,299,929
Subordinated liabilities	24	866,451	982,138	1,112,897
Employee benefit obligations	25	171,613	172,384	121,264
Current tax liabilities	26	39,728	38,112	36,942
Other liabilities	27	398,254	449,244	482,325
Lease liabilities	17	106,965	80,749	79,065
<b>Total liabilities</b>		<b>62,403,294</b>	<b>51,010,063</b>	<b>48,019,138</b>
<b>EQUITY</b>				
Stated capital	28	1,456,456	1,456,456	1,456,456
Retained earnings		2,053,548	1,870,717	2,021,147
Other reserves		1,107,253	1,054,464	673,677
<b>Total equity</b>		<b>4,617,257</b>	<b>4,381,637</b>	<b>4,151,280</b>
<b>Total equity and liabilities</b>		<b>67,020,551</b>	<b>55,391,700</b>	<b>52,170,418</b>

These financial statements were approved and authorised for issue by the Board of Directors on 11 March 2026

Signed by:  
  
F958DAC84A914EC...  
**Tchang Fa Wong Sun Thiong**  
 Independent Chairperson

Signed by:  
  
75A6FC2F951B4BC...  
**Moonesar Ramgobin**  
 Chief Executive Officer

Signed by:  
  
3F67ED03AE454AE...  
**Jo-Ann Pöhl**  
 Chairperson of the Board Audit Committee

**BANK ONE LIMITED**
**Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2025**

	<u>Notes</u>	<u>Dec-25</u> Rs 000	<u>Dec-24</u> Rs 000	<u>Dec-23</u> Rs 000
Interest income		2,599,169	2,647,641	2,352,766
Interest expense		<u>(1,362,551)</u>	<u>(1,307,618)</u>	<u>(1,083,860)</u>
<b>Net interest income</b>	<b>3</b>	<b>1,236,618</b>	<b>1,340,023</b>	<b>1,268,906</b>
Fee and commission income		412,139	393,543	400,946
Fee and commission expense		<u>(204,621)</u>	<u>(184,557)</u>	<u>(138,951)</u>
<b>Net fee and commission income</b>	<b>4</b>	<b>207,518</b>	<b>208,986</b>	<b>261,995</b>
Net gain on dealing in foreign currencies and derivatives	5	390,373	349,292	255,594
Net gain from derecognition of financial assets measured at FVTOCI	6	258	359	733
Other operating income/(loss)	6	<u>1,117</u>	<u>571</u>	<u>(55)</u>
		<b>391,748</b>	<b>350,222</b>	<b>256,272</b>
<b>Operating income</b>		<b>1,835,884</b>	<b>1,899,231</b>	<b>1,787,173</b>
Personnel expenses	8	<u>(670,854)</u>	<u>(633,411)</u>	<u>(674,637)</u>
Depreciation and amortisation	17,18 and 19	<u>(103,187)</u>	<u>(94,878)</u>	<u>(110,637)</u>
Other expenses	9	<u>(438,570)</u>	<u>(415,833)</u>	<u>(323,319)</u>
		<b>(1,212,611)</b>	<b>(1,144,122)</b>	<b>(1,108,593)</b>
<b>Profit before impairment</b>		<b>623,273</b>	<b>755,109</b>	<b>678,580</b>
Net impairment reversal/(loss) on financial assets	7	<u>2,516</u>	<u>(156,244)</u>	<u>132,150</u>
<b>Total impairment reversal/(loss)</b>		<b>2,516</b>	<b>(156,244)</b>	<b>132,150</b>
<b>Profit before income tax</b>		<b>625,789</b>	<b>598,865</b>	<b>810,730</b>
Income tax expense	10	<u>(65,328)</u>	<u>(31,451)</u>	<u>(54,920)</u>
<b>Profit for the year</b>		<b>560,461</b>	<b>567,414</b>	<b>755,810</b>
<b>Earnings per share - Basic and diluted (Rs)</b>	<b>11</b>	<b>38.48</b>	<b>38.96</b>	<b>51.89</b>
<b>Profit for the year</b>		<b>560,461</b>	<b>567,414</b>	<b>755,810</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Remeasurement of post-employment benefit obligations, net of tax		16,976	(31,125)	(33,759)
Revaluation on building, net of tax		6,855	(996)	-
Gain on disposal of equity instruments		19,220	-	-
Movement in fair value reserve for equity instruments at FVTOCI		<u>(16,654)</u>	<u>9,033</u>	<u>(4,076)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Movement in fair value reserve for debt instruments at FVTOCI investment securities, net of tax:				
Reclassification of gains on disposal of FVTOCI debt instruments during the year				
		<u>(258)</u>	<u>(359)</u>	<u>(733)</u>
(Credit)/loss allowance relating to debt instruments held at FVTOCI		<u>(193)</u>	<u>3,016</u>	<u>(1,152)</u>
(Losses)/gains on FVTOCI instruments during the year		<u>(787)</u>	<u>37,374</u>	<u>66,999</u>
<b>Other comprehensive income for the year</b>		<b>25,159</b>	<b>16,943</b>	<b>27,279</b>
<b>Total comprehensive income for the year</b>		<b>585,620</b>	<b>584,357</b>	<b>783,089</b>

The notes on pages 105 to 202 form an integral part of these financial statements.

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**BANK ONE LIMITED**
**Statement of Changes in Equity for the year ended 31 December 2025**

	Stated capital	Revaluation surplus	Statutory reserve	General banking reserve	Fair value reserve	Retirement Benefit Plan reserve	Retained earnings	Total equity
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
<b>Balance as at 1 January 2023</b>	1,456,456	133,818	537,625	68,906	(123,749)	(84,447)	1,646,082	3,634,691
Profit for the year	-	-	-	-	-	-	755,810	755,810
Other comprehensive income for the year	-	-	-	-	61,038	(33,759)	-	27,279
Transfer to general banking reserve	-	-	-	874	-	-	(874)	-
Transfer to statutory reserve	-	-	113,371	-	-	-	(113,371)	-
Total comprehensive income	-	-	113,371	874	61,038	(33,759)	641,565	783,089
<b>Transactions with owners</b>								
Dividend	-	-	-	-	-	-	(266,500)	(266,500)
Total transactions with owners	-	-	-	-	-	-	(266,500)	(266,500)
<b>Balance as at 31 December 2023</b>	1,456,456	133,818	650,996	69,780	(62,711)	(118,206)	2,021,147	4,151,280
<b>Balance as at 1 January 2024</b>	1,456,456	133,818	650,996	69,780	(62,711)	(118,206)	2,021,147	4,151,280
Profit for the year	-	-	-	-	-	-	567,414	567,414
Other comprehensive income for the year	-	(996)	-	-	49,064	(31,125)	-	16,943
Transfer to general banking reserve	-	-	-	278,732	-	-	(278,732)	-
Transfer to statutory reserve	-	-	85,112	-	-	-	(85,112)	-
Total comprehensive income	-	(996)	85,112	278,732	49,064	(31,125)	203,570	584,357
<b>Transactions with owners</b>								
Dividend	-	-	-	-	-	-	(354,000)	(354,000)
Total transactions with owners	-	-	-	-	-	-	(354,000)	(354,000)
<b>Balance as at 31 December 2024</b>	1,456,456	132,822	736,108	348,512	(13,647)	(149,331)	1,870,717	4,381,637
<b>Balance as at 1 January 2025</b>	1,456,456	132,822	736,108	348,512	(13,647)	(149,331)	1,870,717	4,381,637
Profit for the year	-	-	-	-	-	-	560,461	560,461
Other comprehensive income for the year	-	6,855	-	-	(17,892)	16,976	19,220	25,159
Transfer to general banking reserve	-	-	-	(37,219)	-	-	37,219	-
Transfer to statutory reserve	-	-	84,069	-	-	-	(84,069)	-
Total comprehensive income	-	6,855	84,069	(37,219)	(17,892)	16,976	532,831	585,620
<b>Transactions with owners</b>								
Dividend	-	-	-	-	-	-	(350,000)	(350,000)
Total transactions with owners	-	-	-	-	-	-	(350,000)	(350,000)
<b>Balance as at 31 December 2025</b>	1,456,456	139,677	820,177	311,293	(31,539)	(132,355)	2,053,548	4,617,257

**Revaluation surplus**

Revaluation surplus comprises of changes in the carrying amount arising on revaluation of property and equipment.

**Statutory reserve**

Statutory reserve comprises of accumulated annual transfer of 15% of the net profit for the year in line with Section 21(1) of the Mauritian Banking Act 2004.

**Fair value reserve**

Fair value reserve comprises of the cumulative net change in the fair value of financial assets measured at FVTOCI that has been recognised in other comprehensive income until the investments are derecognised or impaired.

**General Banking Reserve**

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

	Dec-25	Dec-24	Dec-23
	Rs 000	Rs 000	Rs 000
General provision	238,691	282,259	-
Additional Macro prudential	72,602	66,253	69,780
	<b>311,293</b>	<b>348,512</b>	<b>69,780</b>

**Dividend**

Pursuant to the Board meeting held on 4 September 2025, an interim dividend of Rs 100 million, Rs6.866 per share for financial year 2025 was declared for distribution to shareholders and payment made in October 2025. And, a final dividend of Rs 250 million, Rs17.165 per share for financial year 2024 was approved by the board on 4 March 2025 for distribution to shareholders and payment made in June 2025. The dividend were paid out of retained earnings, after all regulatory approvals were obtained.(2024: Rs354 million).

**BANK ONE LIMITED****Statement of Cash Flows for the year ended 31 December 2025**

	Dec-25	Dec-24	Dec-23
	Rs 000	Rs 000	Rs 000
<b>Cash flows from operating activities</b>			
Profit before income tax	625,789	598,865	810,730
Net change on provision for credit impairment (note 7)	(2,516)	156,244	(132,150)
Depreciation (notes 17 and 18)	59,122	62,521	60,024
Amortisation (note 19)	44,065	32,357	50,613
(Gain)/loss on disposal of property and equipment (note 6)	(847)	(571)	55
Dividend received	(270)	-	-
Change in pensions obligations	17,767	13,644	765
Net gain from derecognition of financial assets measured at FVTOCI	(258)	(359)	(733)
Net interest income	(1,236,618)	(1,340,023)	(1,268,906)
	<b>(493,766)</b>	<b>(477,322)</b>	<b>(479,602)</b>
<b>Changes in operating assets and liabilities</b>			
Movement in derivatives	117,308	(49,539)	11,531
Decrease/(increase) in loans and advances			
- to banks	1,130,674	3,011,627	(3,685,429)
- to customers	(3,133,829)	1,146,473	1,128,569
(Increase)/decrease in other assets	(9,801)	49,847	86,377
Increase in deposits from customers	11,349,791	2,913,774	6,480,500
Decrease in other liabilities	(79,070)	(28,297)	(14,604)
Interest received	2,567,118	2,636,305	2,358,306
Interest paid	(1,367,298)	(1,217,709)	(952,875)
Income tax paid	(78,430)	(55,922)	(29,946)
<b>Net cash generated from operating activities</b>	<b>10,002,697</b>	<b>7,929,237</b>	<b>4,902,827</b>
<b>Cash flows from investing activities</b>			
Purchase of investment securities	(19,999,436)	(14,421,811)	(18,403,797)
Proceeds from sale of investment securities	13,555,174	14,511,487	17,751,731
Proceeds from other income	270	-	-
Purchase of property and equipment (note 18)	(60,866)	(26,471)	(18,057)
Proceeds from sale of property and equipment	975	645	21
Purchase of intangible assets (note 19)	(99,375)	(48,172)	(41,483)
<b>Net cash (used in)/generated from investing activities</b>	<b>(6,603,258)</b>	<b>15,678</b>	<b>(711,585)</b>
<b>Cash flows from financing activities</b>			
Repayment of subordinated liabilities	(114,407)	(129,053)	(177,088)
Repayment of other borrowed funds	(796,820)	(695,092)	(2,008,514)
Proceeds from other borrowed funds	1,502,150	443,867	663,396
Dividend paid	(350,000)	(354,000)	(266,500)
Principal repayment of the lease liabilities	(25,154)	(16,582)	(19,849)
<b>Net cash generated from/(used in) financing activities</b>	<b>215,769</b>	<b>(750,860)</b>	<b>(1,808,555)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>17,242,835</b>	<b>10,048,780</b>	<b>7,666,093</b>
Net cash generated from operating activities	10,002,697	7,929,237	4,902,827
Net cash (used in)/generated from investing activities	(6,603,258)	15,678	(711,585)
Net cash generated from/(used in) financing activities	215,769	(750,860)	(1,808,555)
<b>Net increase in cash and cash equivalents</b>	<b>3,615,208</b>	<b>7,194,055</b>	<b>2,382,687</b>
<b>Cash and cash equivalents at end of year (note 12)</b>	<b>20,858,043</b>	<b>17,242,835</b>	<b>10,048,780</b>

The notes on pages 105 to 202 form an integral part of these financial statements.

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## **BANK ONE LIMITED**

### **Notes to the Financial Statements for the year ended 31 December 2025**

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#### **1 General Information**

Bank One Limited (the "Bank") is a privately owned entity incorporated on 26 March 2002 in the Republic of Mauritius and licensed with the Bank of Mauritius to carry out Banking business. The Bank is owned jointly by Ciel Finance Ltd and I&M Group Plc, with 50% shareholding each. The Bank is domiciled in the Republic of Mauritius with registered address as follows:

BANK ONE LIMITED  
16, Sir William Newton Street  
Port Louis  
Mauritius

## **BANK ONE LIMITED**

### **Notes to the Financial Statements for the year ended 31 December 2025**

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#### **1.1 Application of New and Revised IFRS Accounting Standards**

##### **New and amended standards effective during the year ended 31 December 2025**

Amendments to IAS 21 Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.

The amendments did not have any material impact on its operations or financial statements

##### **New IFRS Accounting Standards and IFRIC Interpretations not yet adopted.**

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Bank. The Bank's assessment of the impact of these new standards and amendments is set out below:

#### **1. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)**

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 which are as follows:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Bank does not expect these amendments to have a material impact on its operations or financial statements.

#### **2. IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)**

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the Bank's financial statements.

The Bank will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial years ending 31 December 2025 and 31 December 2026 will be restated in accordance with IFRS 18.

#### **3. IFRS 19 Subsidiaries without Public Accountability (effective for annual periods beginning on or after 1 January 2027)**

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.

The Bank does not expect this standard to have an impact on its operations or financial statements.

## **BANK ONE LIMITED**

### **Notes to the Financial Statements for the year ended 31 December 2025**

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#### **1.2 Material Accounting Policy Information**

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

##### **(a) Basis of preparation**

The financial statements of BANK ONE LIMITED comply with the Mauritius Companies Act 2001, the regulations and guidelines issued by the Bank of Mauritius, the Mauritian Financial Reporting Act 2004 and the Mauritian Banking Act 2004 and have been prepared in accordance with IFRS Accounting Standards, Guidelines and Guidance Notes issued by the Bank of Mauritius, in so far as the operations of the Bank are concerned. Where necessary, comparative figures in the notes to the financial statements have been amended to confirm with changes in current year's presentation.

The financial statements have been prepared under the historical cost convention, except for the following assets and liabilities that are measured at fair value:

- 1) Financial assets measured at fair value through other comprehensive income;
- 2) Certain classes of property and equipment - measured at revalued amount;
- 3) Defined pensions benefits plan assets measured at fair value; and
- 4) Derivative assets and liabilities held for risk management purposes (FVTPL).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

**1.2 Material Accounting Policy Information (Cont'd)****(a) Basis of preparation (Cont'd)**

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Bank's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1.3.

**(b) Foreign currency translation***(i) Functional and presentation currency*

These financial statements are prepared in Mauritian Rupees (Rs), which is the Bank's functional and presentation currency. Except as indicated, the financial statements and related notes presented in Mauritian rupees have been rounded to the nearest thousand.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Transactions denominated in foreign currencies are accounted for at the closing rate of exchange ruling at the date of the transaction.

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

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

Translation differences on non monetary items, such as investments in equities classified as fair value through other comprehensive income, are included in the fair value reserve in other comprehensive income.

**(c) Interest income and expense**

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. When a receivable is impaired, the Bank reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. For credit-impaired financial assets, the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses ("ECL"). The interest is suspended and recognised only upon receipt. If, in subsequent reporting periods the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

**1.2 Material Accounting Policy Information (Cont'd)**

**(d) Fees, commissions and dividend income**

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are rendered. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan. Loan syndication fees are recognised as revenue when the syndication has been completed and the Bank has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants. Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party - such as the arrangement of the acquisition of shares or other securities are recognised on completion of the underlying transaction.

Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportioned basis. Performance-linked fees or fee components are recognised when the performance criteria are fulfilled.

Dividend income is recognised when the Bank's right to receive the dividend is established.

**(e) Net gain/(loss) on dealing in foreign currencies and derivatives**

Net gain/(loss) on dealing in foreign currencies and derivatives comprise of net gains on foreign exchange transactions, fair value gain/(loss) on derivatives and translation differences.

**(f) Financial Instruments**

**Financial Assets**

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss. For all financial assets the amount presented on the statement of financial position represent all amounts receivable including interest accruals.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the Bank's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income (FVTOCI);
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Bank may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Bank may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in OCI; and
- the Bank may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

**Debt instruments at amortised cost or at FVTOCI**

The Bank assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Bank's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are SPPI.

**1.2 Material Accounting Policy Information (Cont'd)**

**(f) Financial Instruments (Cont'd)**

**Financial Assets (Cont'd)**

**Debt instruments at amortised cost or at FVTOCI (Cont'd)**

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Bank determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Bank's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Bank has more than one business model for managing its financial instruments which reflect how the Bank manages its financial assets in order to generate cash flows. The Bank's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Bank considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Bank does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Bank takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Bank determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Bank reassesses its business models each reporting period to determine whether the business models have changed since the preceding period. There have been no such changes in the current and prior years.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

**Financial assets at FVTPL**

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

**1.2 Material Accounting Policy Information (Cont'd)****(f) Financial Instruments (Cont'd)****Equity instruments designated at FVTOCI**

On initial recognition, the Bank may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Bank manages together and has evidence of a recent actual pattern of short term profit taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

**Financial instruments - initial recognition and subsequent measurement***Reclassifications*

If the business model under which the Bank holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Bank's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Bank holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on "Modification and derecognition of financial assets".

*Foreign exchange gains and losses*

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortised cost, debt instruments measured at FVTOCI and derivatives, exchange differences are recognised in profit or loss in the 'Net gain on dealing in foreign currencies and derivatives' line item.

*Cash and cash equivalents*

Cash and cash equivalents' include notes and coins on hand, balances held with central banks and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments. For the purposes of presentation in the statements of cash flows, cash and cash equivalents comprise cash-in-hand, cash at bank, highly liquid investments and bank overdrafts. Bank overdrafts are shown under current liabilities on the statement of financial position.

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

*Investment securities*

The investment securities include:

- debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- debt securities measured at FVTOCI; and
- equity investment securities designated as at FVTOCI.

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

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

**1.2 Material Accounting Policy Information (Cont'd)**

**(f) Financial Instruments (Cont'd)**

**Financial instruments - initial recognition and subsequent measurement (Cont'd)**

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

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

Fair value gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

**Financial liabilities**

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

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

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. For all financial liabilities the amount presented on the statement of financial position represent all amounts payable including interest accruals.

Other financial liabilities, including deposits and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

**Acceptances, letters of credit and Financial guarantee contracts**

*Acceptances and letters of credit*

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

*Financial guarantee contracts*

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

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee would be the premium agreed on initial recognition, which is at arm's length. No receivable for the future premiums is recognised. Subsequent to initial recognition, the Bank's liabilities under such guarantees are measured at the higher of the initial amount, less amortisation calculated to recognise in profit or loss the fee income earned on a straight-line basis over the life of the guarantee and the best estimate of the expenditure required to settle the guarantee. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgement of management. Any increase in the liability relating to guarantees is taken to profit or loss.

**Impairment of financial assets**

The Bank applies a three-stage approach to measuring expected credit losses (ECL) on debt instruments accounted for at amortised cost and FVOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition:

**1.2 Material Accounting Policy Information (Cont'd)**

**(f) Financial Instruments (Cont'd)**

**Impairment of financial assets (Cont'd)**

**i) Stage 1: 12-months ECL**

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

**ii) Stage 2: Lifetime ECL - not credit impaired**

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

**iii) Stage 3: Lifetime ECL - credit impaired**

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.

In determining whether credit risk has increased significantly since initial recognition, the Bank uses its internal credit risk grading system, external risk ratings and forecast information to assess deterioration in credit quality of a financial asset.

The Bank assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

The amount of ECL is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Bank and all the cash flows that the Bank expects to receive. The ECL is recognised in the provision account.

The Bank considers its historical loss experience and adjusts this for current observable data. In addition, the Bank uses reasonable and supportable forecasts of future economic conditions including experienced judgement to estimate the amount of an expected impairment loss. IFRS 9 introduces the use of macroeconomic factors which include, but is not limited to, unemployment, interest rates, gross domestic product, inflation and commercial property prices, and requires an evaluation of both the current and forecast direction of the economic cycle. Incorporating forward-looking information increases the level of judgement as to how changes in these macroeconomic factors will affect ECL. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL.

In the case of the new asset category for debt instruments measured at FVTOCI, the measurement of ECL is based on the three-stage approach as applied to financial assets at amortised cost. The Bank recognises the provision charge in profit and loss, with the corresponding amount recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the statement of financial position.

**(g) Classes of financial instruments**

- (i) The Bank classifies the financial instruments into classes that reflect the nature of information and take into account the characteristics of those financial instruments.

## 1.2 Material Accounting Policy Information (Cont'd)

## (g) Classes of financial instruments (Cont'd)

The classification is disclosed in the table below:

## Impairment of financial assets

Category		Class		Subclasses
Financial Assets	Loans and advances at amortised cost	Loans and advances to Banks		Term Loans
		Loans and advances to customers	Loans to individuals	Credit cards Mortgages Other Retail Loans
			Loans to corporate entities	Corporate Customers
			Loans to entities outside Mauritius	Offshore Retail and Corporate Loans
			Loans to corporate entities	Corporate Customers
	Securities purchased under agreement to resell			
	Investments at amortised cost	Investment securities Debt instruments		Unlisted
	Investments at FVTOCI	Investment securities Debt instruments		Unlisted
		Investment securities Equity instruments		Unlisted
Derivative financial assets (FVTPL)	Derivatives held for risk management		Unlisted	
Other financial assets at amortised cost	Cash and cash equivalents		Unlisted	

Category		Class	Subclasses
Financial Liabilities	Financial liabilities at amortised cost	Deposits from customers	Retail Corporate International
	Derivatives financial liabilities (FVTPL)	Derivatives held for risk management	Unlisted
	Financial liabilities at amortised cost	Other borrowed funds Subordinated liabilities	Local and foreign Banks
Off balance sheet financial Instruments	Loans commitments	Loans commitments	Retail Corporate International Private
	Guarantees, acceptances and other financial facilities	Acceptances Guarantees Letter of credit	Retail Corporate International Private

## (ii) Credit risk measurement

## Loans and advances

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposures vary with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under IFRS 9. Refer to "Measuring ECL- Explanation of inputs, assumptions and estimation techniques"

## Expected credit loss measurement (ECL)

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

- A financial instrument that is not credit-impaired on initial recognition is classified in 'stage 1' and has its credit risk continuously monitored by the Bank.

**1.2 Material Accounting Policy Information (Cont'd)**

**(g) Classes of financial instruments (Cont'd)**

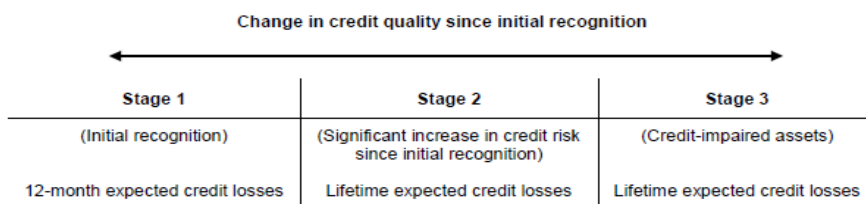
(ii) Credit risk measurement (Cont'd)

*Expected credit loss measurement (ECL) (Cont'd)*

- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'stage 2' but is not yet deemed credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'stage 3'.
- Financial instruments in stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events within the next 12 months. Instruments in stages 2/3 have their ECL measured on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (stage 3). Currently the Bank does not have any purchased or originated credit-impaired financial assets on its books.

Further explanation in note 1.2 (g) is provided on how the Bank determines appropriate groupings when ECL is measured on a collective basis.

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



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

*Significant increase in credit risk (SICR)*

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

(iii) Qualitative criteria

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

- In short-term forbearance
- Direct debit cancellation
- Extension to the terms granted
- Previous arrears within the last (12) months

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

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

**1.2 Material Accounting Policy Information (Cont'd)**

**(g) Classes of financial instruments (Cont'd)**

*Expected credit loss measurement (ECL) (Cont'd)*

(iii) Qualitative criteria (Cont'd)

The assessment of SICR incorporates forward-looking information (refer to note SICR for further information) and is performed on a quarterly basis at a portfolio level for all retail financial instruments held by the Bank. In addition to corporate and investment financial instruments, where a Watchlist is used to monitor credit risk, this assessment is performed at the counterparty level on a quarterly basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the independent Credit Risk team.

(iv) Backstop

A backstop is applied and the financial instrument considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

**Definition of default and credit-impaired assets**

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

*Quantitative criteria*

The borrower is more than 90 days past due on its contractual payments.

The borrower meets unlikelihood to pay criteria which indicates the borrower is in significant financial difficulty. These are instances where:

- The borrower is in long-term forbearance
- The borrower is deceased
- The borrower is insolvent
- The borrower is in breach of financial covenant(s)
- An active market for that financial asset has disappeared because of financial difficulties
- Concessions have been made by the lender relating to the borrower's financial difficulty
- It is becoming probable that the borrower will enter bankruptcy
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses

The criteria above have been applied to all financial instruments held by the Bank and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) throughout the Bank expected loss calculations.

The 90 days past due default definition has been aligned with the definition used for regulatory capital purposes.

A non-performing exposure should be upgraded to a standard exposure when:

- All arrears of interest and principal are paid by the counterparty in full and the customer meets the terms and conditions of the existing loan for a continuous 'observation' period
- The counterparty has resolved its financial difficulty such that full repayment is expected according to original or modified terms
- The reduction in credit risk is considered sustainable

(v) Measuring ECL- Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are discounted product of the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per 'Definition of default and credit-impaired' above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime ED) of the obligation.

**1.2 Material Accounting Policy Information (Cont'd)**

**(g) Classes of financial instruments (Cont'd)**

**Definition of default and credit-impaired assets (Cont'd)**

(v) Measuring ECL- Explanation of inputs, assumptions and estimation techniques (cont'd)

- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months (12M PD), or over the remaining lifetime (Lifetime EAD). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- Loss Given Default (LGD) represents the Bank expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future year and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio, which is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owned by the borrower over a 12M or lifetime basis. This will be adjusted for any expected overpayments made by a borrower. Early repayment/ refinance assumptions are also incorporated into the calculation.
- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a 'credit conversion factor' (CCF) which allows for the expected drawdown of the remaining limit by adding the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Bank's recent default data.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGD's are typically set at product level due to limited differentiation in recoveries achieved across different borrowers.

Forward-looking economic information is also included in determining the 12-month and lifetime PD, EAD and LGD.

The assumptions under the ECL calculation- such as how the maturity profile of the PDs and how collateral value change, etc.- are monitored and reviewed on a quarterly basis.

(vi) Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Bank has performed a historical analysis and identified the key economic variables impacting credit risk and the expected credit losses for each portfolio. These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument.

**1.2 Material Accounting Policy Information (Cont'd)**

**(g) Classes of financial instruments (Cont'd)**

(vi) Forward-looking information incorporated in the ECL models (Cont'd)

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

*Sensitivity Analysis*

The most significant assumptions affecting the ECL allowances are as follows:

- (i) Unemployment rate, given its impact on secured and unsecured borrower's ability to meet their contractual repayments;
- (ii) GDP, given the significant impact on individual and companies' performance and collateral valuations; and
- (iii) Inflation rate, given its impact on likelihood of default.

**Grouping of instruments for losses measured on a collective basis**

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within the Bank are homogeneous.

In performing this grouping, there must be sufficient information for the Bank to be statistically credible. Where sufficient information is not available internally, the Bank has considered benchmarking against internal/external supplementary data to use for modelling purposes. The characteristics and any supplementary data used to determine groupings are outlined below:

Retail- Groupings for collective measurement:

- Product type (e.g. residential loan, overdraft, etc.)
- Repayment type (e.g. interest only)

Corporate- Groupings for collective measurement

- Industry
- Collateral type

The stage 3 exposures are assessed individually. The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk team.

**(h) Write-off policy**

The Bank writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable recovery include (i) ceasing enforcement activity; and (ii) where the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Bank may write off financial assets that are still subject to enforcement activity. The Bank still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

**(i) Modification and derecognition of financial assets**

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

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original assets. The Bank monitors the subsequent performance of modified assets. The Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2. This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

**1.2 Material Accounting Policy Information (Cont'd)**

**(i) Modification and derecognition of financial assets (Cont'd)**

The Bank derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises the retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss. On derecognition of a financial asset other than in its entirety (e.g. when the Bank retains an option to repurchase part of a transferred asset), the Bank allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer.

**(j) Modification and derecognition of financial liabilities**

The Bank derecognises financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Bank exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Bank accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. To determine if the modified terms of a liability are substantially different to the original terms a similar process with modification of financial assets is followed. The modification is assessed at first on a qualitative basis, factors such as a change in currency or the introduction of a non-closely related embedded derivative that significantly modifies the cash flows are regarded as substantially different. If it is not clear from the qualitative assessment that a modification has resulted in a substantial change in a financial liability, a quantitative assessment is applied. It is assumed that the terms of the financial liability are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the modification is not substantial, the Bank recalculates the amortised cost of the modified financial liability by discounting the modified contractual cash flows using the original effective interest rate. The Bank recognises any adjustment to the amortised cost of the financial liability in profit or loss as income or expense at the date of the modification. The financial liability modification gain/loss is not significant for the Bank. Modification gains are presented in 'other income' and modification losses are presented in 'other expenses' in profit or loss

**(k) Fair value measurements**

The Bank measures financial instruments, such as, derivatives at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in **Note 2 (h)**.

The principal or the most advantageous market must be accessible to the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**1.2 Material Accounting Policy Information (Cont'd)****(l) Derivative financial instruments**

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

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

The Bank's derivative transactions, while providing effective economic hedges under the Bank's risk management policies, do not qualify for hedge accounting under the specific rules of IFRS 9 and are therefore treated as derivatives held for trading with fair value gains and losses reported through profit and loss.

**(m) Property and equipment**

Property and equipment (except land and buildings) are carried at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Land and buildings are stated at revalued amounts. Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred.

Land and work-in-progress are not depreciated. Depreciation is calculated to write down the cost or amount of the valuation of such assets to their residual values on a straight-line basis over their estimated useful lives as follows:

Buildings	50 years
Laptops	3 years
Mobile phones	3 years
Computer and other equipment	5 years
Furniture and fittings	10 years
Motor vehicles	5 years

The assets' residual values and useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, at the end of each reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposal of property and equipment are determined by reference to their carrying amount and are recognised as income or expense in profit or loss. On disposal of revalued assets, the corresponding amounts included in the revaluation surplus are transferred to retained earnings.

Work-in-Progress ("WIP") is not subject to depreciation. Once the WIP is ready to be used, it will be capitalised and will be depreciated over its useful life.

**Revaluation of property**

Properties are subject to revaluation every 3 years to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Increases in the carrying amount arising on revaluation are credited to other comprehensive income and increase the revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised in other comprehensive Income and decrease the previously recognised revaluation surplus in equity; all other decreases are charged to profit or loss for the year. The revaluation reserve for premises included in equity is transferred directly to retained earnings when the revaluation surplus is realised on the retirement or disposal of the asset.

**(n) Intangible assets***Computer software*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of five years.

**1.2 Material Accounting Policy Information (Cont'd)**

**(n) Intangible assets (Cont'd)**

*Computer software (Cont'd)*

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

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

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

**(o) Impairment of non-financial assets**

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

The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**(p) Stated Capital**

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

**(q) Dividend policy**

Dividends are recorded in equity in the period in which they are declared. Any dividends declared after the end of the reporting period and before the financial statements are authorised for issue, are disclosed in the subsequent events note. The statutory accounting results of the Bank are the basis for profit distribution and other appropriations.

**(r) Deposits from customers, other borrowed funds and subordinated liabilities**

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

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

**(s) Provisions for liabilities**

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

**1.2 Material Accounting Policy Information (Cont'd)**

**(t) Employee Benefit Obligations**

(i) *Short-term employee benefits*

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

(ii) *Defined contribution pension plan*

The Bank operates a defined contribution pension plan. The contribution payable to the defined contribution plan is in proportion to the services rendered to the Bank by the employees and is recorded as an expense under 'Personnel expenses'. Unpaid contributions are recorded as a liability.

(iii) *Retirement and other benefit obligations*

The present value of retirement gratuity as provided under the Mauritian Workers Rights Act 2019 is recognised in the statement of financial position as a liability.

Re-measurement, comprising actuarial gains and losses, is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurement

The Bank presents the first two components of defined benefit costs in profit or loss in the line item "Personnel expenses" as part of staff costs. Curtailment gains and losses are accounted for as past service costs.

State plan

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

Defined benefit plans

The Bank also operates a defined benefit pension plan.

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

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flow using interest rates of high quality corporate or government 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 employee benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they occur.

The Bank determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate to the net defined benefit liability/(asset) and the fair value of the plan asset.

Net interest expense/(income) is recognised in of profit or loss.

**1.2 Material Accounting Policy Information (Cont'd)**

**(t) Employee Benefit Obligations (Cont'd)**

(iii) *Retirement and other benefit obligations (Cont'd)*

Service costs comprising current service cost and past service cost are recognised immediately in the statement of profit or loss. Current service cost reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit charges curtailments and settlements.

(iv) *Preferential rate loans to employees*

The Bank grants loans to its employees at preferential rates. The prepaid employee benefits on these loans is accounted for under 'other assets' and is recognised in profit or loss over the shorter of the life of the loan and the expected service life of the employee. The interest rate on the loan reverts to market rate from the day the employee is no longer employed by the Bank. There may be cases where, following special arrangements, the Bank agrees to keep the loan of the leavers at preferential rates. The prepaid employee benefits are the difference between the present value of future cash flows discounted at commercial rate (which are rates that would be given to similar customers in arm's length transactions), and the carrying amount of the loan. Interest on such loans is then recognised at market rate over the life of the loan.

(v) *Termination Benefits*

Termination benefits are payable when employment is terminated by the Bank before the normal retirement date, or when the employee accepts voluntary redundancy in exchange of these benefits. The Bank recognises termination benefits at the earlier of the following dates:

- (a) When the Bank can no longer withdraw the offer of those benefits;
- (b) When the Bank recognises costs for a restructuring that is within the scope of IAS 37 and involves payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

As at 31 December 2025, no provision has been made for termination benefits (2024 and 2023: Nil).

**(u) Income Tax**

Tax expense for the period includes current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such cases, the tax is recognised in other comprehensive income or directly in equity, respectively.

(i) *Current tax*

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are recoverable or unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

(ii) *Special Levy*

Special levy on Banks having leviable income not exceeding Rs 1.2 billion are calculated at the rate of 5.5% of net interest income and other income before deduction of expenses. Special levy is not applicable on income derived from transactions with Global Business Licence holders and Mauritian companies to the extent of their Banking transactions carried out through a foreign permanent establishment.

The levy for a Bank in operation as at 30 September 2018 is capped at 1.5 times of the levy payable for the year of assessment 2017-2018. This maximum cap was removed in 2025 and is appropriate for accounting period beginning 1 July 2025. No levy shall be paid for an accounting period where a bank incurred a loss in the accounting period.

## BANK ONE LIMITED

### Notes to the Financial Statements for the year ended 31 December 2025

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#### 1.2 Material Accounting Policy Information (Cont'd)

##### (u) Income Tax (Cont'd)

###### (iii) Corporate Social Responsibility

The Bank also makes a statutory provision for CSR activities at the rate of 2% of chargeable income (Resident only) as per Mauritian Income Tax Act 1995 Section 50L.

The required CSR fund for the year is recognised in tax expense in profit or loss. The net amount of CSR fund payable to the taxation authority is included in current tax liabilities in the statement of financial position.

###### (iv) Fair Share Contribution

From July 1, 2025, to June 30, 2028, the Fair Share Contribution (FSC) and additional FSC will apply as a tax to the Bank as its chargeable income exceeds the Rs 24 million threshold. The Banks will thus be subject to both FSC tax at a rate of 5% on its total chargeable income and also an Additional FSC tax of 2.5% on chargeable income from transactions with residents (domestic operations), excluding global business entities. The tax is payable quarterly.

###### (v) Deferred income tax

Deferred tax is provided for, using the liability method, on all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authorities.

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

##### (v) Leases

###### *The Bank as a lessee*

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Bank and the lease does not benefit from a guarantee from the Bank.

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

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

The lease liability is presented as a separate line in the statement of financial position.

## **1.2 Material Accounting Policy Information (Cont'd)**

### **(v) Leases (Cont'd)**

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

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

The Bank did not make any such adjustments in the current and prior years.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

The Bank applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Impairment of non-financial assets" policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'Other expenses' in profit or loss.

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

#### *The Bank as a lessor*

The Bank is engaged in the provision of finance leases to both individuals and corporates. The Bank's portfolio is made up of principally motor vehicles and equipment. The credit quality of the lease book is monitored by a dedicated Credit Risk Team, with the Bank having established strong credit quality assessment criteria, with monitoring of credit limits and collateralisation.

Leases for which the Bank is a lessor are classified as finance leases.

**1.2 Material Accounting Policy Information (Cont'd)**

**(v) Leases (Cont'd)**

*(i) Recognition and initial measurement for finance lease receivables*

Under a finance lease, substantially all the risks and rewards incidental to legal ownership are transferred by the Bank, and thus the lease payment receivable is treated by the Bank as repayment of principal and interest income to reimburse and reward the lessor for its investment and services. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

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

*(ii) Subsequent measurement*

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

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Bank's net investment in finance lease receivables. Subsequent to initial recognition, the Bank regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

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

**(w) Related parties**

For the purposes of these financial statements, parties are considered to be related to the Bank if they have the ability, directly or indirectly, to control the Bank or exercises significant influence over the Bank in making financial and operating decisions, or vice versa, or if they and the Bank are subject to common control. Related parties may be individuals or other entities.

**(x) Segment reporting**

The Bank has prepared its separate financial statements in line with the requirements of the Bank of Mauritius Guideline on 'Segmental Reporting under a Single Banking Licence Regime' and Bank of Mauritius Guideline on 'Public Disclosure of Information' which require that segment information should be provided by Resident and Non-Resident banking businesses.

Non-Resident is essentially directed to the provision of international financial services that gives rise to foreign source income. Such services may be fund based or non-fund based.

Resident relates to Banking business other than Non-Resident business.

Expenditure incurred by the Bank but which is not directly attributable to its income derived from Mauritius or its foreign source income is apportioned in a fair and reasonable manner.

Neither these guidelines nor IFRS Accounting Standards mandate the application of IFRS 8 Operating Segments to the financial statements of the Bank. The financial statements do not purport to comply with the requirements of IFRS 8.

**1.3 Critical accounting estimates and judgements**

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standards. Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events.

Accounting policies and directors' judgements for certain items are especially critical for the Bank's results and financial situation due to their materiality.

**(a) Business model assessment**

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of Note 1.2 (g)). The Bank determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Bank monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Bank's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

**(b) Calculation of ECL allowance**

Significant increase of credit risk: As explained in note 1.2(g), ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Bank takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Establishing groups of assets with similar credit risk characteristics: When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. Refer to Note 1.2(g) for details of the characteristics considered in this judgement. The Bank monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differs.

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

- When measuring ECL the Bank uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.
- Probability of default: PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical information, assumptions and expectations of future conditions.
- Loss Given Default: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Refer to Note 1.2(g) for more details.

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

The Bank reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in profit or loss. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Bank makes judgements about the borrower's financial situation and the net realisable value of collaterals. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

**1.3 Critical accounting estimates and judgements (Cont'd)**

**(c) Fair value of financial instruments**

Where the fair values of financial assets and financial liabilities recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable market data where possible, but where observable data is not available, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives. Further details on the fair valuation of financial instruments are included in Note 2(i) to the financial statements.

**(d) Employee benefits**

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of employee benefit 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 which is 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 employee benefit 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 employee benefit obligations are based in part on current market conditions.

Further information on the carrying amounts of the Bank's employee benefit obligations and the sensitivity of those amounts to changes in discount rate are provided in note 25.

**(e) Leases**

The application of IFRS 16 requires significant judgements and certain key estimations. Critical judgements include determination of whether it is reasonably certain that an extension or termination option will be exercised. Key sources of estimation uncertainty in the application of IFRS 16 include estimation of the lease terms, determination of the appropriate rate to discount the lease payments and assessment of whether a right-of-use asset is impaired.

**(f) Provisions and other contingent liabilities**

Provision is recognised in the financial statements when the Bank has met the recognition criterion. The directors measure the provision at the best estimate of the amount required to settle the obligation at the reporting date. Actual results may be different from their estimates.

In specific circumstances, significant judgment is required from directors to identify the financial effects to be disclosed attributable to the uncertainties inherent in contingent liabilities.

**2 FINANCIAL RISK MANAGEMENT**

**(a) Strategy in using financial instruments**

The Bank's business involves taking risks in a targeted manner and managing them professionally. The core functions of the Bank's risk management are to identify all key risks for the Bank, measure these risks, manage the risk positions and determine capital allocations. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice.

The Bank's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Bank's financial performance. The Bank defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

Risk Management is carried out by the Risk Department under policies approved by the Board of Directors. The Risk Department identifies, evaluates and monitors financial risk in close collaboration with the operating units including Treasury.

**(b) Credit risk**

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

**BANK ONE LIMITED****Notes to the Financial Statements for the year ended 31 December 2025****2 FINANCIAL RISK MANAGEMENT (CONT'D)****(b) Credit risk (Cont'd)**

The Bank is also exposed to other credit risks arising from investments in debt securities and other exposures arising from its trading activities, including non-equity trading portfolio assets, derivatives and settlement balances with market counterparties.

Credit risk is the single largest risk for the Bank's business. The directors carefully manage the exposure of the Bank to credit risk. The credit risk management and control are centralized in a credit risk management team, which reports to the Chief Risk Officer who in turn reports to the Chief Executive Officer.

(i) The maximum exposure to credit risk before collateral and other credit risk enhancements are as follows:

	<b>Dec-25 Rs 000</b>	Dec-24 Rs 000	Dec-23 Rs 000
Balances with Banks in Mauritius, Banks abroad and inter Bank placements	<b>20,858,043</b>	17,090,743	10,169,278
Derivative assets held for risk management	<b>6,412</b>	33,666	4,580
Government of Mauritius/Bank of Mauritius securities	<b>5,652,065</b>	5,463,509	4,496,054
Other Investments	<b>13,775,117</b>	8,230,177	8,548,996
Loans and advances to customers and banks	<b>25,641,984</b>	23,643,099	28,003,070
Other assets	<b>30,547</b>	16,955	17,546
<b>Credit risk exposures relating to off balance sheet assets are as follows:</b>			
Financial guarantees	<b>2,119,043</b>	2,895,950	2,967,346
Loans commitments and other credit related liabilities	<b>4,593,362</b>	1,910,453	2,795,582
<b>Total</b>	<b>72,676,573</b>	<b>59,284,552</b>	<b>57,002,452</b>

**(ii) Collateral and other credit enhancements**

The Bank employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Bank has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Bank undertakes independent valuation of the collateral obtained as part of the loan origination process. Longer-term finance and lending to corporate entities are generally secured while revolving individual credit facilities are generally unsecured.

The principal collateral types for loans and advances are:

- Fixed and Floating charges on properties and other assets
- Privilège d'Inscription
- Lien on vehicle/equipment/machinery
- Pledge of shares/rent/proceeds of crops
- Lien on deposits
- Assignment of Life Policy/general insurance policy
- Assignment of rights of leases for leasehold properties
- Bank Guarantee/personal guarantee/Government Guarantee
- Nantissement de Parts Sociales dans le capital d'une Société
- Ownership of Machinery/Equipment/ Vehicles financed by the Bank under Finance Leasing
- Pledge of deposits from other Financial Institution/Licensed Deposit Taker
- Mortgages over residential properties
- Charges over business assets such as premises, inventory and accounts receivable; and
- Charges over financial instruments such as debt instruments and equity securities.

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt instruments or other investments are generally unsecured. The Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior period.

**BANK ONE LIMITED**
**Notes to the Financial Statements for the year ended 31 December 2025**
**2 FINANCIAL RISK MANAGEMENT (CONT'D)**
**(b) Credit risk (Cont'd)**
**(iii) Credit impaired assets**

The Bank closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held to mitigate potential losses are shown below:

Credit-impaired assets	Dec-25		Dec-24		Dec-23	
	Gross Exposure	Fair Value of collateral held	Gross Exposure	Fair Value of collateral held	Gross Exposure	Fair Value of collateral held
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>Loans to individuals:</b>						
Personal Loan	68,323	46,039	61,826	25,824	48,968	1,700
Housing Loan*	84,940	275,180	99,606	224,323	44,702	148,363
Car Loan	3,810	1,734	6,111	5,045	985	22,011
Property Loan	-	-	-	-	10,460	104,345
Other	-	-	71	-	15,483	59,655
<b>Loans to corporate entities:</b>						
State and Local government	385,951	356,055	462,576	-	563,215	528,905
Large corporate customers	603,084	570,643	826,011	254,140	497,722	534,233
Small and Medium sized enterprises (SMEs)*	9,305	25,418	21,329	46,815	23,764	115,581
<b>Total credit-impaired assets</b>	<b>1,155,413</b>	<b>1,275,069</b>	<b>1,477,530</b>	<b>556,147</b>	<b>1,205,299</b>	<b>1,514,793</b>

\* The fair value of collaterals held for housing loan and SMEs are higher than the gross exposure amount.

**Concentration of risk of financial assets with credit risk exposure by Geography:**

	Dec-25	Mauritius	Africa	Europe	Others
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
<b>ASSETS</b>					
Cash and cash equivalents	20,858,043	17,586,571	476,141	299,443	2,495,888
Derivative assets held for risk Management	6,412	392	44	5,976	-
Loans and advances to banks	4,675,269	-	4,675,269	-	-
Loans and advances to customers	20,966,715	16,738,693	3,293,237	421,304	513,481
Government of Mauritius/Bank of Mauritius securities	5,652,065	5,652,065	-	-	-
Other Investments	13,775,117	3,276	2,797,521	2,293,229	8,681,091
Other assets	30,547	11,003	-	6,051	13,493
<b>Total assets</b>	<b>65,964,168</b>	<b>39,992,000</b>	<b>11,242,212</b>	<b>3,026,003</b>	<b>11,703,953</b>
<b>On balance sheet country region percentage</b>	<b>100%</b>	<b>61%</b>	<b>17%</b>	<b>5%</b>	<b>18%</b>
Other regions where the bank has exposures consist of Asian countries					
<b>Credit risk exposure relating to off balance sheet items as follows:</b>					
Financial guarantees and other credit related liabilities	2,119,043	1,627,864	473,306	-	17,873
<b>Off balance sheet country region percentage</b>	<b>100%</b>	<b>77%</b>	<b>22%</b>	<b>0%</b>	<b>1%</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2 FINANCIAL RISK MANAGEMENT (CONT'D)**

**(b) Credit risk (Cont'd)**

	<b>Dec-24</b>	<b>Mauritius</b>	<b>Africa</b>	<b>Europe</b>	<b>Others</b>
	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>
<b>ASSETS</b>					
Cash and cash equivalents	17,090,743	9,305,678	276,271	2,697,388	4,811,406
Derivative assets held for risk management	33,666	38	28,326	5,302	-
Loans and advances to Banks	5,795,705	-	5,795,705	-	-
Loans and advances to customers	17,847,394	17,782,631	2,613	37,247	24,903
Government of Mauritius/Bank of Mauritius	5,463,509	5,463,509	-	-	-
Other Investments	8,230,177	3,276	35,026	1,679,234	6,512,641
Other assets	16,955	16,955	-	-	-
<b>Total assets</b>	<b>54,478,149</b>	<b>32,572,087</b>	<b>6,137,941</b>	<b>4,419,171</b>	<b>11,348,950</b>
<b>On balance sheet country region percentage</b>	100%	60%	11%	8%	21%

Other regions where the bank has exposures consist of Asian countries

**Credit risk exposure relating to off balance sheet items as follows:**

Financial guarantees and other credit related liabilities	2,895,951	2,558,985	330,060	-	6,906
<b>Off balance sheet country region percentage</b>	100%	88%	11%	0%	0%

	<b>Dec-23</b>	<b>Mauritius</b>	<b>Africa</b>	<b>Europe</b>	<b>Others</b>
	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>
<b>ASSETS</b>					
Cash and cash equivalents	10,169,278	4,265,004	964,188	1,683,268	3,256,818
Derivative assets held for risk management	4,580	1,970	2,319	291	-
Loans and advances to Banks	8,873,984	-	8,873,984	-	-
Loans and advances to customers	19,129,086	16,760,920	2,060,193	136,971	171,002
Government of Mauritius/Bank of Mauritius	4,496,054	4,496,054	-	-	-
Other Investments	8,548,996	1,000,352	29,363	2,484,660	5,034,621
Other assets	17,546	17,546	-	-	-
<b>Total assets</b>	<b>51,239,524</b>	<b>26,541,846</b>	<b>11,930,047</b>	<b>4,305,190</b>	<b>8,462,441</b>
<b>On balance sheet country region percentage</b>	100%	52%	23%	8%	17%

Other regions where the bank has exposures consist of Asian countries

**Credit risk exposure relating to off balance sheet items as follows:**

Financial guarantees and other credit related	2,967,347	1,954,801	958,292	-	54,254
<b>Off balance sheet country region percentage</b>	100%	66%	32%	0%	2%

**(iv) Loans and advances to banks**

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
Banks outside Mauritius	4,716,464	5,839,020	8,917,253
Banks in Mauritius	-	-	-
Less ECL	(41,195)	(43,315)	(43,269)
<b>Loans and advances to banks</b>	<b>4,675,269</b>	<b>5,795,705</b>	<b>8,873,984</b>

## 2 FINANCIAL RISK MANAGEMENT (CONT'D)

## (b) Credit risk (Cont'd)

Remaining term to maturity	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Up to 3 months	499,999	1,543,922	2,799,502
Over 3 months and up to 6 months	2,330,342	1,019,717	3,297,472
Over 6 months up to 1 year	350,116	1,835,741	2,375,231
Within 1 year to 5 years	1,536,007	1,439,640	445,048
<b>Loans and advances to banks</b>	<b>4,716,464</b>	<b>5,839,020</b>	<b>8,917,253</b>

For the years ended 31 December 2025, 2024, and 2023, all exposures and ECL are classified as Stage 1.

## Analysis of changes in ECL on Loans and advances to banks

	Stage 1 Rs 000	Stage 2 Rs 000	Stage 3 Rs 000	Total Rs 000
Opening Balance 2025	43,315	-	-	43,315
Movement due to change in parameters	(1,960)	-	-	(1,960)
New loans originated or purchased	23,363	-	-	23,363
Loans repaid	(23,523)	-	-	(23,523)
<b>Closing Balance 2025</b>	<b>41,195</b>	<b>-</b>	<b>-</b>	<b>41,195</b>

	Stage 1 Rs 000	Stage 2 Rs 000	Stage 3 Rs 000	Total Rs 000
Opening Balance 2024	43,269	-	-	43,269
Movement due to change in parameters	11,096	-	-	11,096
New loans originated or purchased	21,488	-	-	21,488
Loans repaid	(32,538)	-	-	(32,538)
<b>Closing Balance 2024</b>	<b>43,315</b>	<b>-</b>	<b>-</b>	<b>43,315</b>

	Stage 1 Rs 000	Stage 2 Rs 000	Stage 3 Rs 000	Total Rs 000
Opening Balance 2023	3,100	-	-	3,100
Movement due to change in parameters	4,343	-	-	4,343
New loans originated or purchased	37,886	-	-	37,886
Loans repaid	(2,060)	-	-	(2,060)
<b>Closing Balance 2023</b>	<b>43,269</b>	<b>-</b>	<b>-</b>	<b>43,269</b>

## Reconciliation of gross carrying amount

	Stage 1 Rs 000	Stage 2 Rs 000	Stage 3 Rs 000	Total Rs 000
Opening Balance 2025	5,839,020	-	-	5,839,020
Change in existing exposure	(128,299)	-	-	(128,299)
New loans originated or purchased	2,660,730	-	-	2,660,730
Loans repaid	(3,654,987)	-	-	(3,654,987)
<b>Closing Balance 2025</b>	<b>4,716,464</b>	<b>-</b>	<b>-</b>	<b>4,716,464</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2 FINANCIAL RISK MANAGEMENT (CONT'D)**

**(b) Credit risk (Cont'd)**

**(iv) Loans and advances to banks**

**Reconciliation of gross carrying amount (Cont'd)**

	Stage 1 Rs 000	Stage 2 Rs 000	Stage 3 Rs 000	Total Rs 000
Opening Balance 2024	8,917,253	-	-	<b>8,917,253</b>
Change in existing exposure	152,441	-	-	<b>152,441</b>
New loans originated or purchased	4,598,175	-	-	<b>4,598,175</b>
Loans repaid	(7,828,849)	-	-	<b>(7,828,849)</b>
<b>Closing Balance 2024</b>	<b>5,839,020</b>	-	-	<b>5,839,020</b>

	Stage 1 Rs 000	Stage 2 Rs 000	Stage 3 Rs 000	Total Rs 000
Opening Balance 2023	5,150,285	-	-	<b>5,150,285</b>
Change in existing exposure	(1,073,584)	-	-	<b>(1,073,584)</b>
New loans originated or purchased	8,117,835	-	-	<b>8,117,835</b>
Loans repaid	(3,277,283)	-	-	<b>(3,277,283)</b>
<b>Closing Balance 2023</b>	<b>8,917,253</b>	-	-	<b>8,917,253</b>

**(v) Loans and advances to customers**

	Dec-25 Rs'000	Dec-24 Rs'000	Dec-23 Rs'000
<b>Loans to individuals:</b>			
Housing Loan	6,542,360	7,640,282	7,801,195
Car Loan	326,120	371,799	366,266
Other	1,819,345	1,944,360	1,869,565
<b>Loans to corporate entities:</b>			
State and Local government	2,259,553	1,329,689	1,319,422
Corporate customers	10,027,405	6,743,294	7,732,838
Small and Medium sized enterprises (SMEs)	710,806	619,783	661,209
<b>Gross Exposure</b>	<b>21,685,589</b>	<b>18,649,207</b>	<b>19,750,495</b>
Less ECL	(718,874)	(801,813)	(621,409)
<b>Net Exposure</b>	<b>20,966,715</b>	<b>17,847,394</b>	<b>19,129,086</b>

	Dec-25 Rs'000	Dec-24 Rs'000	Dec-23 Rs'000
<b>Loans to individuals:</b>			
Housing Loan	42,869	39,932	25,638
Car Loan	6,345	7,137	3,652
Other	67,259	74,391	72,130
<b>Loans to corporate entities:</b>			
State and Local government	124,765	89,895	70,909
Corporate customers	476,180	586,545	443,396
Small and Medium sized enterprises (SMEs)	1,456	3,913	5,684
<b>ECL</b>	<b>718,874</b>	<b>801,813</b>	<b>621,409</b>

## 2 FINANCIAL RISK MANAGEMENT (CONT'D)

## (b) Credit risk (Cont'd)

Remaining term to maturity	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Up to 3 months	3,221,351	2,167,062	2,559,556
Over 3 months and up to 6 months	637,345	390,470	229,073
Over 6 months up to 1 year	2,429,719	1,022,075	1,051,987
Within 1 year to 5 years	4,790,986	4,660,962	4,306,216
Above 5 years	10,606,188	10,408,638	11,603,663
<b>Loans and advances to customers</b>	<b>21,685,589</b>	<b>18,649,207</b>	<b>19,750,495</b>

## Analysis of changes in ECL on Loans and advances to customers

	Stage 1 Rs 000	Stage 2 Rs 000	Stage 3 Rs 000	Total Rs 000
<b>Balance as at 1 January 2025</b>	39,444	6,283	756,086	<b>801,813</b>
Transfer to stage 1	4,345	(965)	(3,380)	-
Transfer to stage 2	(201)	209	(8)	-
Transfer to stage 3	(49)	(1,036)	1,085	-
Movement due to change in model parameters	(3,146)	1,328	60,232	<b>58,414</b>
New loans originated or purchased	46,363	55	922	<b>47,340</b>
Loans repaid	(9,628)	(560)	(39,828)	<b>(50,016)</b>
Write offs	-	-	(138,677)	<b>(138,677)</b>
<b>Balance as at 31 December 2025</b>	<b>77,128</b>	<b>5,314</b>	<b>636,432</b>	<b>718,874</b>

	Stage 1 Rs 000	Stage 2 Rs 000	Stage 3 Rs 000	Total Rs 000
<b>Balance as at 1 January 2024</b>	49,673	6,393	565,343	<b>621,409</b>
Transfer to stage 1	4,319	(1,058)	(3,261)	-
Transfer to stage 2	(1,088)	1,097	(9)	-
Transfer to stage 3	(53)	(475)	528	-
Movement due to change in model parameters	(12,717)	1,710	66,275	<b>55,268</b>
New loans originated or purchased	9,292	688	179,677	<b>189,657</b>
Loans repaid	(9,981)	(2,073)	(47,241)	<b>(59,295)</b>
Write offs	-	-	(5,226)	<b>(5,226)</b>
<b>Balance as at 31 December 2024</b>	<b>39,445</b>	<b>6,282</b>	<b>756,086</b>	<b>801,813</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2 FINANCIAL RISK MANAGEMENT (CONT'D)**

(b) Credit risk (Cont'd)

(v) Loans and advances to customers (Cont'd)

**Analysis of changes in ECL on Loans and advances to customers (cont'd)**

	<b>Stage 1 Rs 000</b>	<b>Stage 2 Rs 000</b>	<b>Stage 3 Rs 000</b>	<b>Total Rs 000</b>
<b>Balance as at 1 January 2023</b>	160,788	61,389	518,943	<b>741,120</b>
Transfer to stage 1	7,940	(1,214)	(6,726)	-
Transfer to stage 2	(497)	498	(1)	-
Transfer to stage 3	(50)	(53,238)	53,288	-
Movement due to change in model parameters	(99,686)	(1,012)	51,123	<b>(49,575)</b>
New loans originated or purchased	10,475	93	7,832	<b>18,400</b>
Loans repaid	(29,296)	(124)	(32,272)	<b>(61,692)</b>
Write offs	-	-	(26,844)	<b>(26,844)</b>
<b>Balance as at 31 December 2023</b>	<b>49,674</b>	<b>6,392</b>	<b>565,343</b>	<b>621,409</b>

**Reconciliation of gross carrying amount**

	<b>Stage 1 Rs 000</b>	<b>Stage 2 Rs 000</b>	<b>Stage 3 Rs 000</b>	<b>Total Rs 000</b>
<b>Balance as at 1 January 2025</b>	16,745,222	426,456	1,477,529	<b>18,649,207</b>
Transfer to stage 1	76,157	(51,514)	(24,643)	-
Transfer to stage 2	(157,649)	159,335	(1,686)	-
Transfer to stage 3	(21,669)	(35,976)	57,645	-
Change in existing exposure	(477,980)	(17,337)	(68,273)	<b>(563,590)</b>
New loans originated or purchased	7,752,053	29,560	922	<b>7,782,535</b>
Derecognition and repayments (excluding write-offs)	(3,731,284)	(165,198)	(147,404)	<b>(4,043,886)</b>
Write-offs			(138,677)	<b>(138,677)</b>
<b>Balance as at 31 December 2025</b>	<b>20,184,850</b>	<b>345,326</b>	<b>1,155,413</b>	<b>21,685,589</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2 FINANCIAL RISK MANAGEMENT (CONT'D)**

(b) Credit risk (Cont'd)

(v) Loans and advances to customers (Cont'd)

Reconciliation of gross carrying amount (Cont'd)

	Stage 1 Rs 000	Stage 2 Rs 000	Stage 3 Rs 000	Total Rs 000
<b>Balance as at 1 January 2024</b>	18,369,218	175,978	1,205,299	<b>19,750,495</b>
Transfer to stage 1	97,068	(88,021)	(9,047)	-
Transfer to stage 2	(299,536)	301,290	(1,754)	-
Transfer to stage 3	(28,956)	(46,888)	75,844	-
Change in existing exposure	(860,377)	(94,435)	(89,590)	<b>(1,044,402)</b>
New loans originated or purchased	3,516,924	21,318	187,821	<b>3,726,063</b>
Derecognition and repayments (excluding write-offs)	(3,874,739)	157,214	(60,197)	<b>(3,777,722)</b>
Write-offs	-	-	(5,227)	<b>(5,227)</b>
<b>Balance as at 31 December 2024</b>	<b>16,919,602</b>	<b>426,456</b>	<b>1,303,149</b>	<b>18,649,207</b>

	Stage 1 Rs 000	Stage 2 Rs 000	Stage 3 Rs 000	Total Rs 000
<b>Balance as at 1 January 2023</b>	19,350,317	990,854	580,214	<b>20,921,385</b>
Transfer to stage 1	79,546	(59,968)	(19,578)	-
Transfer to stage 2	(133,476)	134,376	(900)	-
Transfer to stage 3	(15,097)	(666,221)	681,318	-
Change in existing exposure	1,110	(222,228)	17,542	<b>(203,576)</b>
New loans originated or purchased	4,211,057	8,743	8,747	<b>4,228,547</b>
Derecognition and repayments (excluding write-offs)	(5,124,238)	(9,576)	(35,200)	<b>(5,169,014)</b>
Write-offs	-	-	(26,847)	<b>(26,847)</b>
<b>Balance as at 31 December 2023</b>	<b>18,369,219</b>	<b>175,980</b>	<b>1,205,296</b>	<b>19,750,495</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2 FINANCIAL RISK MANAGEMENT (CONT'D)**

(b) Credit risk (Cont'd)

(v) Loans and advances to customers (Cont'd)

**Allowance for impairment by industry sectors**

Dec-25	Gross Exposure			ECL			
	Performing	Non-Performing	Total	Stage 1	Stage 2	Stage 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Agriculture & Fishing	584,352	-	<b>584,352</b>	404	-	-	<b>404</b>
Construction	1,230,625	-	<b>1,230,625</b>	3,216	177	-	<b>3,393</b>
Education	14,778	-	<b>14,778</b>	12	-	-	<b>12</b>
Financial and Business Services	964,588	369,210	<b>1,333,798</b>	1,148	-	194,993	<b>196,141</b>
Global Business license holders	871,534	-	<b>871,534</b>	16,693	-	-	<b>16,693</b>
Information Communication and Technology	4,827	-	<b>4,827</b>	7	-	-	<b>7</b>
Manufacturing	600,459	-	<b>600,459</b>	2,535	-	-	<b>2,535</b>
Media, Entertainment and Recreational Activities	9,561	-	<b>9,561</b>	15	-	-	<b>15</b>
Other	558,720	-	<b>558,720</b>	3,738	58	-	<b>3,796</b>
Personal (Including Housing)	8,041,716	153,262	<b>8,194,978</b>	17,830	4,630	87,191	<b>109,651</b>
Professional	10,401	-	<b>10,401</b>	14	21	-	<b>35</b>
Public Non financial Corporations	277,545	-	<b>277,545</b>	426	-	-	<b>426</b>
State & Local Government	1,873,602	385,950	<b>2,259,552</b>	12,847	-	111,918	<b>124,765</b>
Tourism	1,387,082	4,291	<b>1,391,373</b>	1,948	277	1,466	<b>3,691</b>
Traders	3,263,370	9,392	<b>3,272,762</b>	10,101	58	8,348	<b>18,507</b>
Transport	837,016	233,308	<b>1,070,324</b>	6,195	92	232,516	<b>238,803</b>
<b>Total</b>	<b>20,530,176</b>	<b>1,155,413</b>	<b>21,685,589</b>	<b>77,129</b>	<b>5,313</b>	<b>636,432</b>	<b>718,874</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2 FINANCIAL RISK MANAGEMENT (CONT'D)**

(b) Credit risk (Cont'd)

(v) Loans and advances to customers (Cont'd)

**Allowance for impairment by industry sectors**

Dec-25 Resident	Gross Exposure			ECL			
	Performing Rs'000	Non-Performing Rs'000	Total Rs'000	Stage 1 Rs'000	Stage 2 Rs'000	Stage 3 Rs'000	Total Rs'000
Agriculture & Fishing	584,352	-	584,352	402	-	-	402
Construction	1,219,481	-	1,219,481	3,191	177	-	3,368
Education	14,778	-	14,778	12	-	-	12
Financial and Business Services	964,588	1,217	965,805	1,148	-	1,217	2,365
Global Business license holders	871,534	-	871,534	16,693	-	-	16,693
Information Communication and Technology	4,827	-	4,827	7	-	-	7
Manufacturing	371,483	-	371,483	666	-	-	666
Media, Entertainment and Recreational Activities	9,561	-	9,561	15	-	-	15
Other	441,640	-	441,640	2,543	58	-	2,601
Personal (Including Housing)	7,815,218	145,102	7,960,320	17,281	4,551	81,115	102,947
Professional	10,401	-	10,401	14	21	-	35
Public Non financial Corporations	277,545	-	277,545	425	-	-	425
Tourism	1,387,082	4,291	1,391,373	1,948	277	1,466	3,691
Traders	2,380,458	9,392	2,389,850	5,625	58	8,348	14,031
Transport	372,983	8,671	381,654	610	92	7,879	8,581
<b>Resident</b>	<b>16,725,931</b>	<b>168,673</b>	<b>16,894,604</b>	<b>50,580</b>	<b>5,234</b>	<b>100,025</b>	<b>155,839</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2 FINANCIAL RISK MANAGEMENT (CONT'D)**

(b) Credit risk (Cont'd)

(v) Loans and advances to customers (Cont'd)

Dec-25	Gross Exposure			ECL			
	Performing Rs'000	Non-Performing Rs'000	Total Rs'000	Stage 1 Rs'000	Stage 2 Rs'000	Stage 3 Rs'000	Total Rs'000
Agriculture & Fishing	-	-	-	-	-	-	-
Construction	11,144	-	11,144	25	-	-	25
Financial and Business Services	-	367,993	367,993	-	-	193,776	193,776
Manufacturing	228,976	-	228,976	1,869	-	-	1,869
Other	117,080	-	117,080	1,195	-	-	1,195
Personal (Including Housing)	226,498	8,160	234,658	549	79	6,076	6,704
State & Local Government	1,873,602	385,950	2,259,552	12,848	-	111,918	124,766
Traders	882,912	-	882,912	4,477	-	-	4,477
Transport	464,033	224,637	688,670	5,586	-	224,637	230,223
<b>Non-Resident</b>	<b>3,804,245</b>	<b>986,740</b>	<b>4,790,985</b>	<b>26,549</b>	<b>79</b>	<b>536,407</b>	<b>563,035</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2024**

**2 FINANCIAL RISK MANAGEMENT (CONT'D)**

(b) Credit risk (Cont'd)

(v) Loans and advances to customers (Cont'd)

Dec-24	Gross Exposure			ECL			
	Performing Rs'000	Non-Performing Rs'000	Total Rs'000	Stage 1 Rs'000	Stage 2 Rs'000	Stage 3 Rs'000	Total Rs'000
Agriculture & Fishing	375,114	-	<b>375,114</b>	220	-	-	<b>220</b>
Construction	1,345,839	128,710	<b>1,474,549</b>	4,619	1,040	38,547	<b>44,206</b>
Education	19,032	-	<b>19,032</b>	31	-	-	<b>31</b>
Financial and Business Services	1,143,906	363,219	<b>1,507,125</b>	6,917	229	180,696	<b>187,842</b>
Global Business license holders	226,358	-	<b>226,358</b>	964	-	-	<b>964</b>
Information Communication and Technology	5,838	-	<b>5,838</b>	10	-	-	<b>10</b>
Manufacturing	39,869	-	<b>39,869</b>	62	-	-	<b>62</b>
Media, Entertainment and Recreational Activities	27,205	-	<b>27,205</b>	32	-	-	<b>32</b>
Other	187,078	72	<b>187,150</b>	287	84	-	<b>371</b>
Personal (Including Housing)	9,093,445	162,926	<b>9,256,371</b>	13,083	3,433	97,586	<b>114,102</b>
Professional	11,276	-	<b>11,276</b>	21	21	-	<b>42</b>
Public Non financial Corporations	381,580	-	<b>381,580</b>	932	-	-	<b>932</b>
State & Local Government	867,113	462,576	<b>1,329,689</b>	578	-	89,317	<b>89,895</b>
Tourism	691,357	9,350	<b>700,707</b>	2,682	1,349	1,223	<b>5,254</b>
Traders	2,337,001	112,702	<b>2,449,703</b>	8,418	86	111,487	<b>119,991</b>
Transport	419,666	237,975	<b>657,641</b>	589	40	237,230	<b>237,859</b>
<b>Total</b>	<b>17,171,677</b>	<b>1,477,530</b>	<b>18,649,207</b>	<b>39,445</b>	<b>6,282</b>	<b>756,086</b>	<b>801,813</b>



**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2 FINANCIAL RISK MANAGEMENT (CONT'D)**

**(b) Credit risk (Cont'd)**

**(v) Loans and advances to customers (Cont'd)**

Dec-24 Resident	Gross Exposure			ECL			
	Performing Rs'000	Non- Performing Rs'000	Total Rs'000	Stage 1 Rs'000	Stage 2 Rs'000	Stage 3 Rs'000	Total Rs'000
Agriculture & Fishing	374,852	-	<b>374,852</b>	220	-	-	<b>220</b>
Construction	1,332,136	128,710	<b>1,460,846</b>	4,594	1,040	38,547	<b>44,181</b>
Education	19,032	-	<b>19,032</b>	31	-	-	<b>31</b>
Financial and Business Services	944,366	1,017	<b>945,383</b>	6,794	-	1,019	<b>7,813</b>
Information Communication and Technology	5,838	-	<b>5,838</b>	10	-	-	<b>10</b>
Manufacturing	39,869	-	<b>39,869</b>	62	-	-	<b>62</b>
Media, Entertainment and Recreational Activities	27,205	-	<b>27,205</b>	32	-	-	<b>32</b>
Other	103,639	71	<b>103,710</b>	162	36	-	<b>198</b>
Personal (Including Housing)	8,890,077	161,236	<b>9,051,313</b>	12,894	3,247	95,897	<b>112,038</b>
Professional	11,276	-	<b>11,276</b>	21	21	-	<b>42</b>
Public Non financial Corporations	381,580	-	<b>381,580</b>	932	-	-	<b>932</b>
Tourism	691,357	9,350	<b>700,707</b>	2,682	1,349	1,223	<b>5,254</b>
Traders	2,294,060	112,702	<b>2,406,762</b>	8,317	86	111,487	<b>119,890</b>
Transport	418,502	237,975	<b>656,477</b>	588	35	237,229	<b>237,852</b>
<b>Resident</b>	<b>15,533,789</b>	<b>651,061</b>	<b>16,184,850</b>	<b>37,339</b>	<b>5,814</b>	<b>485,402</b>	<b>528,555</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2024**

**2 FINANCIAL RISK MANAGEMENT (CONT'D)**

(b) Credit risk (Cont'd)

(v) Loans and advances to customers (Cont'd)

Dec-24	Gross Exposure			ECL			
Non-resident	Performing Rs'000	Non- Performing Rs'000	Total Rs'000	Stage 1 Rs'000	Stage 2 Rs'000	Stage 3 Rs'000	Total Rs'000
Agriculture & Fishing	263	-	263	-	-	-	-
Construction	13,704	-	13,704	25	-	-	25
Financial and Business Services	199,540	362,200	561,740	123	229	179,677	180,029
Global Business license holders	226,359	-	226,359	964	-	-	964
Other	83,439	-	83,439	124	47	-	171
Personal (Including Housing)	203,368	1,689	205,057	189	186	1,689	2,064
State & Local Government	867,113	462,576	1,329,689	578	-	89,317	89,895
Traders	42,942	-	42,942	102	-	-	102
Transport	1,164	-	1,164	1	7	-	8
<b>Non-Resident</b>	<b>1,637,892</b>	<b>826,465</b>	<b>2,464,357</b>	<b>2,106</b>	<b>469</b>	<b>270,683</b>	<b>273,258</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2 FINANCIAL RISK MANAGEMENT (CONT'D)**

**(b) Credit risk (Cont'd)**

**(v) Loans and advances to customers (Cont'd)**

Dec-23	Gross Exposure			ECL			
	Performing Rs'000	Non- Performing Rs'000	Total Rs'000	Stage 1 Rs'000	Stage 2 Rs'000	Stage 3 Rs'000	Total Rs'000
Agriculture & Fishing	29,942	-	<b>29,942</b>	84	-	-	<b>84</b>
Construction	1,658,209	139,969	<b>1,798,178</b>	3,921	1,147	38,517	<b>43,585</b>
Education	26,923	-	<b>26,923</b>	34	-	-	<b>34</b>
Financial and Business Services	1,713,538	854	<b>1,714,392</b>	4,961	-	854	<b>5,815</b>
Freeport Certificate Holders	-	-	-	-	-	-	-
Global Business license holders	456,855	-	<b>456,855</b>	1,352	-	-	<b>1,352</b>
Information Communication and Technology	3,560	-	<b>3,560</b>	5	-	-	<b>5</b>
Manufacturing	47,856	-	<b>47,856</b>	98	37	-	<b>135</b>
Media, Entertainment and Recreational Activities	35,481	-	<b>35,481</b>	69	-	-	<b>69</b>
Other	146,183	95	<b>146,278</b>	1,383	-	-	<b>1,383</b>
Personal (Including Housing)	9,477,341	122,459	<b>9,599,800</b>	23,013	4,026	78,688	<b>105,727</b>
Professional	12,478	-	<b>12,478</b>	26	9	-	<b>35</b>
Public Non financial Corporations	359,164	-	<b>359,164</b>	132	-	-	<b>132</b>
State & Local Government	763,301	563,215	<b>1,326,516</b>	3,925	-	70,200	<b>74,125</b>
Tourism	1,091,742	855	<b>1,092,597</b>	2,143	932	855	<b>3,930</b>
Traders	2,293,747	111,938	<b>2,405,685</b>	6,612	174	111,223	<b>118,009</b>
Transport	428,874	265,916	<b>694,790</b>	1,916	67	265,006	<b>266,989</b>
<b>Resident</b>	<b>18,545,194</b>	<b>1,205,301</b>	<b>19,750,495</b>	<b>49,674</b>	<b>6,392</b>	<b>565,343</b>	<b>621,409</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2024**

**2 FINANCIAL RISK MANAGEMENT (CONT'D)**

(b) Credit risk (Cont'd)

(v) Loans and advances to customers (Cont'd)

Dec-23	Gross Exposure			ECL			
Resident	Performing Rs'000	Non- Performing Rs'000	Total Rs'000	Stage 1 Rs'000	Stage 2 Rs'000	Stage 3 Rs'000	Total Rs'000
Agriculture & Fishing	29,942	-	<b>29,942</b>	84	-	-	<b>84</b>
Construction	1,609,616	139,969	<b>1,749,585</b>	3,777	1,147	38,517	<b>43,441</b>
Education	26,923	-	<b>26,923</b>	34	-	-	<b>34</b>
Financial and Business Services	771,933	854	<b>772,787</b>	2,175	-	854	<b>3,029</b>
Freeport Certificate Holders	-	-	-	-	-	-	-
Global Business license holders	-	-	-	-	-	-	-
Information Communication and Technology	3,560	-	<b>3,560</b>	5	-	-	<b>5</b>
Manufacturing	47,856	-	<b>47,856</b>	98	37	-	<b>135</b>
Media, Entertainment and Recreational Activities	35,481	-	<b>35,481</b>	59	-	-	<b>59</b>
Other	107,341	95	<b>107,436</b>	1,269	-	-	<b>1,269</b>
Personal (Including Housing)	9,336,730	120,614	<b>9,457,344</b>	22,592	4,026	78,608	<b>105,226</b>
Professional	12,478	-	<b>12,478</b>	26	9	-	<b>35</b>
Public Non financial Corporations	359,164	-	<b>359,164</b>	132	-	-	<b>132</b>
State & Local Government	-	-	-	-	-	-	-
Tourism	1,091,742	855	<b>1,092,597</b>	2,143	932	855	<b>3,930</b>
Traders	2,188,313	111,938	<b>2,300,251</b>	6,300	174	111,223	<b>117,697</b>
Transport	426,641	7,802	<b>434,443</b>	1,154	69	6,893	<b>8,116</b>
<b>Resident</b>	<b>16,047,720</b>	<b>382,127</b>	<b>16,429,847</b>	<b>39,848</b>	<b>6,394</b>	<b>236,950</b>	<b>283,192</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2 FINANCIAL RISK MANAGEMENT (CONT'D)**

(b) Credit risk (Cont'd)

(v) Loans and advances to customers (Cont'd)

Dec-23	Gross Exposure			ECL			
	Performing Rs'000	Non- Performing Rs'000	Total Rs'000	Stage 1 Rs'000	Stage 2 Rs'000	Stage 3 Rs'000	Total Rs'000
Non-resident							
Agriculture & Fishing	48,593	-	48,593	144	-	-	144
Construction	-	-	-	-	-	-	-
Financial and Business Services	941,605	-	941,605	2,786	-	-	2,786
Global Business license holders	456,855	-	456,855	1,352	-	-	1,352
Manufacturing			-				-
Other	38,842	-	38,842	114	-	-	114
Personal (Including Housing)	140,611	1,845	142,456	421	-	80	501
State & Local Government	763,301	563,215	1,326,516	3,925	-	70,200	74,125
Traders	105,434	-	105,434	312	-	-	312
Transport	2,233	258,113	260,346	770	-	258,113	258,883
<b>Non-Resident</b>	<b>2,497,474</b>	<b>823,173</b>	<b>3,320,647</b>	<b>9,824</b>	<b>-</b>	<b>328,393</b>	<b>338,217</b>

**BANK ONE LIMITED**
**Notes to the Financial Statements for the year ended 31 December 2025**
**2 FINANCIAL RISK MANAGEMENT (CONT'D)**
**(b) Credit risk (Cont'd)**
**(vi) Investment securities**

	<b>Dec-25</b>	<b>Dec-24</b>	<b>Dec-23</b>
	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>
Financial assets held at fair value through other comprehensive income (FVTOCI)	5,085,508	4,180,399	2,427,459
Financial assets held at amortised cost	14,347,009	9,523,131	10,625,229
<b>Gross Exposure</b>	<b>19,432,517</b>	<b>13,703,530</b>	<b>13,052,688</b>
Less ECL	(5,334)	(16,221)	(10,998)
<b>Net Exposure</b>	<b>19,427,183</b>	<b>13,687,309</b>	<b>13,041,690</b>

	<b>Dec-25</b>	<b>Dec-24</b>	<b>Dec-23</b>
	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>
Treasury bills	819,934	843,934	499,769
Bank of Mauritius bills	1,605,872	980,074	475,664
Treasury bonds	1,237,557	1,251,100	1,024,757
Bank of Mauritius bonds	-	99,781	97,048
Treasury notes	1,212,887	964,455	298,199
Bank of Mauritius notes	202,425	-	-
Others	6,833	41,055	32,022
<b>Financial assets held at fair value through other comprehensive income (FVTOCI)</b>	<b>5,085,508</b>	<b>4,180,399</b>	<b>2,427,459</b>
Less ECL	-	-	-
<b>Financial assets held at fair value through other comprehensive income (net of ECL)</b>	<b>5,085,508</b>	<b>4,180,399</b>	<b>2,427,459</b>

<b>Resident</b>	<b>Dec-25</b>	<b>Dec-24</b>	<b>Dec-23</b>
	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>
Treasury bills	819,935	843,933	499,768
Bank of Mauritius bills	1,605,872	980,074	475,664
Treasury bonds	1,237,557	1,251,100	1,024,757
Bank of Mauritius bonds	-	99,781	97,048
Treasury notes	1,212,887	964,455	298,199
Bank of Mauritius notes	202,425	-	-
Others	3,276	3,276	3,276
<b>Financial assets held at fair value through other comprehensive income (FVTOCI)</b>	<b>5,081,952</b>	<b>4,142,619</b>	<b>2,398,712</b>
Less ECL	-	-	-
<b>Financial assets held at fair value through other comprehensive income (net of ECL)</b>	<b>5,081,952</b>	<b>4,142,619</b>	<b>2,398,712</b>

**BANK ONE LIMITED**
**Notes to the Financial Statements for the year ended 31 December 2025**
**2 FINANCIAL RISK MANAGEMENT (CONT'D)**
**(b) Credit risk (Cont'd)**
**(vi) Investment securities (Cont'd)**

	<b>Dec-25</b>	<b>Dec-24</b>	<b>Dec-23</b>
<b>Non-Resident</b>	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>
Others	3,556	37,780	28,747
Less ECL	-	-	-
<b>Financial assets held at fair value through other comprehensive income (net of ECL)</b>	<b>3,556</b>	<b>37,780</b>	<b>28,747</b>

	<b>Dec-25</b>	<b>Dec-24</b>	<b>Dec-23</b>
	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>
Treasury bills	-	-	-
Bank of Mauritius bills	-	-	-
Treasury bonds	3,676,397	3,267,568	6,352,522
Corporate/Bank placements	10,668,694	5,851,475	3,483,749
Bank of Mauritius bonds	-	404,088	405,349
Treasury notes	1,918	-	181,038
Bank of Mauritius notes	-	-	202,571
<b>Financial assets held at amortised cost</b>	<b>14,347,009</b>	<b>9,523,131</b>	<b>10,625,229</b>
Less ECL	(5,334)	(9,844)	(7,638)
<b>Financial assets held at amortised cost (net of ECL)</b>	<b>14,341,675</b>	<b>9,513,287</b>	<b>10,617,591</b>

	<b>Dec-25</b>	<b>Dec-24</b>	<b>Dec-23</b>
<b>Resident</b>	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>
Treasury bills	-	-	-
Bank of Mauritius bills	-	-	-
Treasury bonds	572,074	921,701	1,315,358
Corporate/Bank placements	-	-	1,000,494
Bank of Mauritius bonds	-	404,088	405,349
Treasury notes	1,918	-	181,038
Bank of Mauritius notes	-	-	202,571
<b>Financial assets held at amortised cost</b>	<b>573,992</b>	<b>1,325,789</b>	<b>3,104,810</b>
Less ECL	(602)	(1,625)	(3,840)
<b>Financial assets held at amortised cost (net of ECL)</b>	<b>573,390</b>	<b>1,324,164</b>	<b>3,100,970</b>

**BANK ONE LIMITED**
**Notes to the Financial Statements for the year ended 31 December 2025**
**2 FINANCIAL RISK MANAGEMENT (CONT'D)**
**(b) Credit risk (Cont'd)**
**(vi) Investment securities (Cont'd)**

	Dec-25 Rs'000	Dec-24 Rs'000	Dec-23 Rs'000
<b>Non-Resident</b>			
Treasury bills	-	-	-
Bank of Mauritius bills	-	-	-
Treasury bonds	3,104,323	2,345,866	5,037,165
Corporate/Bank placements	10,668,694	5,851,475	2,483,255
Bank of Mauritius bonds	-	-	-
Treasury notes	-	-	-
Bank of Mauritius notes	-	-	-
<b>Financial assets held at amortised cost</b>	<b>13,773,017</b>	<b>8,197,341</b>	<b>7,520,420</b>
Less ECL	(4,732)	(8,219)	(3,798)
<b>Financial assets held at amortised cost (net of ECL)</b>	<b>13,768,285</b>	<b>8,189,122</b>	<b>7,516,622</b>

**(vii) Off-balance sheet items**

	Dec-25 Rs'000	Dec-24 Rs'000	Dec-23 Rs'000
Financial guarantees	1,365,904	1,588,179	1,952,352
Loans commitments and other credit related liabilities	753,139	1,307,771	1,014,995
<b>Gross Exposure</b>	<b>2,119,043</b>	<b>2,895,950</b>	<b>2,967,347</b>
Less ECL	(1,049)	(5,454)	(5,079)
<b>Net Exposure</b>	<b>2,117,994</b>	<b>2,890,496</b>	<b>2,962,268</b>

The table below represents an analysis of trading assets and investments securities at 31 December 2025 and comparatives for December 2024 and 2023. Since the Bank does not have any internal rating tool, the ratings (where applicable) are based on assessment effected by Standard & Poor's agency at end of each financial year.

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
<b>Cash and cash equivalents</b>			
AAA to AA	380,047	-	12,347
AA- to A	2,196,761	6,324,410	4,723,054
BBB+ to BB	16,061,410	8,870,664	4,014,033
UNRATED	2,219,825	1,895,669	1,419,844
<b>Total</b>	<b>20,858,043</b>	<b>17,090,743</b>	<b>10,169,278</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2 FINANCIAL RISK MANAGEMENT (CONT'D)**

(b) Credit risk (Cont'd)	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
<b>Derivatives Assets</b>			
AA- to A	5,976	56	291
BBB+	43	262	383
UNRATED	393	33,348	3,906
<b>Total</b>	<b>6,412</b>	<b>33,666</b>	<b>4,580</b>
<b>Government of Mauritius/Bank of Mauritius securities</b>			
BBB-	5,652,065	5,463,509	4,496,054
<b>Investments securities</b>			
AAA to A+	3,103,678	8,189,122	7,516,622
AA- to A	2,759,110	-	-
B+ to BBB-	7,905,496	-	1,000,353
UNRATED	6,833	41,055	32,021
<b>Total</b>	<b>13,775,117</b>	<b>8,230,177</b>	<b>8,548,996</b>
<b>Loans and advances to Banks</b>			
AAA to A-	-	-	221,445
AA- to AA	150,835	-	-
BBB+ to B	4,524,434	3,084,215	4,189,325
CCC	-	470,215	2,096,685
UNRATED	-	2,241,275	2,366,529
<b>Total</b>	<b>4,675,269</b>	<b>5,795,705</b>	<b>8,873,984</b>
<b>Loans and advances to customers</b>			
AAA to A-	-	-	1,252,645
BBB+ to BB	98,600	-	-
UNRATED	20,868,115	17,847,394	17,876,441
<b>Total</b>	<b>20,966,715</b>	<b>17,847,394</b>	<b>19,129,086</b>
<b>Other Assets</b>			
UNRATED	30,547	16,955	17,546
<b>Total</b>	<b>30,547</b>	<b>16,955</b>	<b>17,546</b>
<b>Off balance sheet ratings</b>			
UNRATED	2,119,043	2,895,951	2,967,346
<b>Total</b>	<b>2,119,043</b>	<b>2,895,951</b>	<b>2,967,346</b>

**BANK ONE LIMITED****Notes to the Financial Statements for the year ended 31 December 2025****2 FINANCIAL RISK MANAGEMENT (CONT'D)****(c) Capital Structure**

The Bank's objectives when managing capital are:

- i) to comply with the capital requirements set by the Bank of Mauritius,
- ii) to safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- iii) to maintain a strong capital base to support the development of its business.

Details of Tier 1 capital, Tier 2 capital, total Risk Weighted Assets and capital adequacy ratio are given below:

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
Tier 1 Capital	<b>3,896,986</b>	3,664,425	3,759,784
Tier 2 Capital	<b>953,846</b>	1,156,384	1,210,021
<b>Total Capital Base</b>	<b><u>4,850,832</u></b>	<u>4,820,809</u>	<u>4,969,805</u>
<b>Total Risk Weighted Assets</b>	<b><u>28,757,941</u></b>	<u>27,814,326</u>	<u>29,501,825</u>
<b>Capital Adequacy Ratio</b>	<b>16.87%</b>	17.33%	16.85%

The minimum statutory capital adequacy ratio is fixed at 12.50%.

Details presented in capital management section on page 56.

**(d) Market risk**

The Bank is exposed to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rates, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices. The Bank separates exposures to market risk into either trading or non-trading portfolios.

The market risk arising from trading and non trading activities are concentrated in Bank Treasury and Market risk teams. Regular reports are submitted to the Management and the Board of Directors.

The Board of Directors approves the risk strategy, risk policies and prudential limits within which the operations are to be carried out.

Implementation of the policies and business strategies are delegated to Management and the Risk Management Unit.

**(e) Currency risk**

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra day positions, which are monitored daily. The table below summarises the Bank's exposure to foreign exchange risk as at 31 December 2025. Included in the table are the Bank's financial instruments at carrying amounts, categorised by currency.

<b><u>At 31 December 2025</u></b>	<b>USD</b>	<b>EURO</b>	<b>GBP</b>	<b>OTHERS</b>	<b>TOTAL</b>
	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>
<b>ASSETS</b>					
Cash and cash equivalents	<b>13,274,582</b>	<b>4,800,036</b>	<b>58,909</b>	<b>1,200,538</b>	<b>19,334,065</b>
Derivative assets held for risk management	<b>4</b>	<b>6,408</b>	-	-	<b>6,412</b>
Loans and advances to Banks	<b>3,957,825</b>	<b>711,953</b>	-	-	<b>4,669,778</b>
Loans and advances to customers	<b>4,958,990</b>	<b>3,284,328</b>	-	-	<b>8,243,318</b>
Investment Securities	<b>11,481,733</b>	<b>2,294,132</b>	-	-	<b>13,775,865</b>
Other assets	<b>12,833</b>	<b>7,191</b>	<b>16</b>	-	<b>20,040</b>
<b>Total assets</b>	<b><u>33,685,967</u></b>	<b><u>11,104,048</u></b>	<b><u>58,925</u></b>	<b><u>1,200,538</u></b>	<b><u>46,049,478</u></b>

**BANK ONE LIMITED**
**Notes to the Financial Statements for the year ended 31 December 2025**
**2. FINANCIAL RISK MANAGEMENT (CONT'D)**
**(e) Currency risk (Cont'd)**

<u>At 31 December 2025 (Cont'd)</u>	<b>USD</b>	<b>EURO</b>	<b>GBP</b>	<b>OTHERS</b>	<b>TOTAL</b>
	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>
<b>LIABILITIES</b>					
Deposits	34,240,068	7,959,244	878,331	734,369	43,812,012
Derivative liabilities held for risk management	108,983	53	-	-	109,036
Other borrowed funds	1,516,374	-	-	-	1,516,374
Subordinated liabilities	151,661	-	-	-	151,661
Other liabilities	127,948	9,602	3,433	1	140,984
<b>Total liabilities</b>	<b>36,145,034</b>	<b>7,968,899</b>	<b>881,764</b>	<b>734,370</b>	<b>45,730,067</b>
<b>Net on balance sheet position</b>	<b>(2,459,067)</b>	<b>3,135,149</b>	<b>(822,839)</b>	<b>466,168</b>	<b>319,411</b>
<b>Credit commitments undrawn</b>	<b>747,654</b>	<b>119,990</b>	<b>-</b>	<b>-</b>	<b>867,644</b>

Other currencies consist of AED, AUD, CHF, CNY, SGD and ZAR.

The effect of a reasonably possible movement of the currency rates, to which the Bank had significant exposures as at 31 December 2025, against the MUR, with all other variables held constant, on the profit or loss is as follows:

	<u>Increase/(decrease) in profit or loss</u>		
	<b>USD</b>	<b>EURO</b>	<b>GBP</b>
	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>
<b>+5% in currency rate</b>	(54,278)	48,448	(1,629)
<b>-5% in currency rate</b>	54,278	(48,448)	1,629

<u>At 31 December 2024</u>	<b>USD</b>	<b>EURO</b>	<b>GBP</b>	<b>OTHERS</b>	<b>TOTAL</b>
	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>
<b>ASSETS</b>					
Cash and cash equivalents	10,748,330	2,025,405	1,153,461	760,996	14,688,192
Derivative assets held for risk management	21,770	-	363	11,533	33,666
Loans and advances to Banks	4,596,850	1,198,855	-	-	5,795,705
Loans and advances to customers	1,750,968	3,359,756	-	-	5,110,724
Investment Securities	8,189,122	2,753	-	35,026	8,226,901
Other assets	2,007	1,308	26	(3)	3,338
<b>Total assets</b>	<b>25,309,047</b>	<b>6,588,077</b>	<b>1,153,850</b>	<b>807,552</b>	<b>33,858,526</b>
<b>LIABILITIES</b>					
Deposits	24,991,058	5,187,361	1,181,783	460,871	31,821,073
Derivative liabilities held for risk management	12,305	-	414	6,262	18,981
Other borrowed funds	1,225,829	171,206	-	-	1,397,035
Subordinated liabilities	-	227,676	-	-	227,676
Other liabilities	165,424	32,879	4,238	-	202,541
<b>Total liabilities</b>	<b>26,394,616</b>	<b>5,619,122</b>	<b>1,186,435</b>	<b>467,133</b>	<b>33,667,306</b>
<b>Net on balance sheet position</b>	<b>(1,085,569)</b>	<b>968,955</b>	<b>(32,585)</b>	<b>340,419</b>	<b>191,220</b>
<b>Credit commitments undrawn</b>	<b>239,162</b>	<b>706,468</b>	<b>-</b>	<b>-</b>	<b>945,630</b>

Other currencies consist of AED, AUD, CHF, CNY, SGD and ZAR.

The effect of a reasonably possible movement of the currency rates, to which the Bank had significant exposures as at 31 December 2024, against the MUR, with all other variables held constant, on the profit or loss is as follows:

	<u>Increase/(decrease) in profit or loss</u>		
	<b>USD</b>	<b>EURO</b>	<b>GBP</b>
	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>
<b>+5% in currency rate</b>	(54,278)	48,448	(1,629)
<b>-5% in currency rate</b>	54,278	(48,448)	1,629
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**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(e) Currency risk (Cont'd)**

<u>At 31 December 2023</u>	<b>USD</b>	<b>EURO</b>	<b>GBP</b>	<b>OTHERS</b>	<b>TOTAL</b>
	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>
<b>ASSETS</b>					
Cash and cash equivalents	6,107,550	404,119	277,005	921,776	7,710,450
Derivative assets held for risk management	4	2,300	444	1,814	4,562
Loans and advances to Banks	7,063,850	1,808,186	-	-	8,872,036
Loans and advances to customers	2,051,191	3,633,147	-	-	5,684,338
Investment Securities	5,034,621	2,660	-	-	5,037,281
Other assets	180,704	77,062	12,495	-	270,261
	<u>20,437,920</u>	<u>5,927,474</u>	<u>289,944</u>	<u>923,590</u>	<u>27,578,928</u>
<b>LIABILITIES</b>					
Deposits	22,486,262	4,885,683	682,903	113,900	28,168,748
Derivative liabilities held for risk management	-	3,608	135	1,827	5,570
Other borrowed funds	-	318,510	-	-	318,510
Subordinated liabilities	1,288,622	-	-	-	1,288,622
Other liabilities	7,071	1,309	4,530	2,542	15,452
<b>Total liabilities</b>	<u>23,781,955</u>	<u>5,209,110</u>	<u>687,568</u>	<u>118,269</u>	<u>29,796,902</u>
<b>Net on balance sheet position</b>	<u>(3,344,035)</u>	<u>718,364</u>	<u>(397,624)</u>	<u>805,321</u>	<u>(2,217,974)</u>
<b>Credit commitments undrawn</b>	<u>674,657</u>	<u>499,434</u>	<u>-</u>	<u>-</u>	<u>1,174,091</u>

Other currencies consist of AED, AUD, CHF, CNY, SGD and ZAR.

The effect of a reasonably possible movement of the currency rates, to which the Bank had significant exposures as at 31 December 2023, against the MUR, with all other variables held constant, on the profit or loss is as follows:

	<u>Increase/(decrease) in profit or loss</u>		
	USD	EURO	GBP
	Rs 000	Rs 000	Rs 000
+5% in currency rate	(167,069)	35,445	(19,881)
-5% in currency rate	167,069	(35,445)	19,881

**(f) Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise.

The table below summarises the Bank's non-trading book fair value exposure to interest rate risks. It includes the Bank's financial instruments at carrying value categorised by the earlier of contractual maturity and date of repricing.

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(f) Interest rate risk (Cont'd)**

**Interest Sensitivity of Assets and Liabilities- Repricing Gap Analysis**

**At 31 December 2025**

	Up to 1 month Rs 000	1 to 6 months Rs 000	6 to 12 months Rs 000	1 to 2 Years Rs 000	2 to 5 Years Rs 000	> 5 Years Rs 000	Non Interest Bearing Rs 000	TOTAL Rs 000
<b>ASSETS</b>								
Cash and cash equivalents	16,196,501	-	-	-	-	-	4,661,542	<b>20,858,043</b>
Derivative assets held for risk management	-	-	-	-	-	-	6,412	<b>6,412</b>
Loans and advances to Banks	-	2,830,341	350,116	1,536,008	-	-	-	<b>4,716,465</b>
Loans and advances to customers	293,454	19,541,683	407,888	426	277,146	9,576	395,346	<b>20,925,519</b>
Investment securities	10,821,859	4,555,416	1,228,897	288,875	2,532,135	-	-	<b>19,427,182</b>
Other assets	-	-	-	-	-	-	30,547	<b>30,547</b>
<b>Total Assets</b>	<b>27,311,814</b>	<b>26,927,440</b>	<b>1,986,901</b>	<b>1,825,309</b>	<b>2,809,281</b>	<b>9,576</b>	<b>5,093,847</b>	<b>65,964,168</b>
<b>LIABILITIES</b>								
Deposits	9,205,447	41,069,070	2,379,863	929,465	910,253	603	4,695,169	<b>59,189,870</b>
Derivative liabilities held for risk management	-	-	-	-	-	-	109,036	<b>109,036</b>
Other borrowed funds	-	-	-	-	5,002	1,516,375	-	<b>1,521,377</b>
Subordinated liabilities	-	69,313	69,313	93,036	634,789	-	-	<b>866,451</b>
Lease liabilities	-	-	-	-	-	-	106,965	<b>106,965</b>
Other liabilities	-	-	-	-	-	-	398,254	<b>398,254</b>
<b>Total liabilities</b>	<b>9,205,447</b>	<b>41,138,383</b>	<b>2,449,176</b>	<b>1,022,501</b>	<b>1,550,044</b>	<b>1,516,978</b>	<b>5,309,424</b>	<b>62,191,953</b>
<b>Interest rate sensitivity gap</b>	<b>18,106,367</b>	<b>(14,210,943)</b>	<b>(462,275)</b>	<b>802,808</b>	<b>1,259,237</b>	<b>(1,507,402)</b>	<b>(215,577)</b>	<b>3,772,215</b>

The impact on earnings of a 100bps movement in Rs and USD interest rates will amount to Rs 16.48m and USD 2.45m respectively.

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(f) Interest rate risk (Cont'd)**

**Interest Sensitivity of Assets and Liabilities- Repricing Gap Analysis**

**At 31 December 2024**

	Up to 1 mth Rs 000	1-3 mths Rs 000	3-6 mths Rs 000	6-12 mths Rs 000	1-3 Yrs Rs 000	> 3 Yrs Rs 000	Non Interest Bearing Rs 000	TOTAL Rs 000
<b>ASSETS</b>								
Cash and cash equivalents	10,413,918	-	-	-	-	-	6,676,825	17,090,743
Derivative assets held for risk management	-	-	-	-	-	-	33,666	33,666
Loans and advances to Banks	117,690	1,554,187	2,007,336	710,594	355,297	1,050,601	-	5,795,705
Loans and advances to customers	15,662,596	196,379	260,134	134,545	102,238	803,086	688,416	17,847,394
Investment securities	451,292	1,237,375	4,488,368	2,441,857	2,816,277	2,258,517	-	13,693,686
Other assets	-	-	-	-	-	-	16,955	16,955
<b>Total Assets</b>	<b>26,645,496</b>	<b>2,987,941</b>	<b>6,755,838</b>	<b>3,286,996</b>	<b>3,273,812</b>	<b>4,112,204</b>	<b>7,415,862</b>	<b>54,478,149</b>
<b>LIABILITIES</b>								
Deposits	31,501,147	8,446,187	3,430,915	2,726,117	1,195,654	561,800	-	47,861,820
Derivative liabilities held for risk management	-	-	-	-	-	-	18,981	18,981
Other borrowed funds	595,125	400,321	48,146	-	-	363,043	-	1,406,635
Subordinated liabilities	-	-	-	-	386,893	595,245	-	982,138
Lease liabilities	1,371	2,769	4,219	9,004	36,208	27,178	-	80,749
Other liabilities	-	-	-	-	-	-	374,356	374,356
<b>Total liabilities</b>	<b>32,097,643</b>	<b>8,849,277</b>	<b>3,483,280</b>	<b>2,735,121</b>	<b>1,618,755</b>	<b>1,547,266</b>	<b>393,337</b>	<b>50,724,679</b>
<b>Interest rate sensitivity gap</b>	<b>(5,452,147)</b>	<b>(5,861,336)</b>	<b>3,272,558</b>	<b>551,875</b>	<b>1,655,057</b>	<b>2,564,938</b>	<b>7,022,525</b>	<b>3,753,470</b>

The impact on earnings of a 100bps movement in Rs and USD interest rates will amount to Rs 28.06m and USD 1.30m respectively.

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(f) Interest rate risk (Cont'd)**

**Interest Sensitivity of Assets and Liabilities- Repricing Gap Analysis (cont'd)**

**At 31 December 2023**

	Up to 1 mth Rs 000	1-3 mths Rs 000	3-6 mths Rs 000	6-12 mths Rs 000	1-3 Yrs Rs 000	> 3 Yrs Rs 000	Non Interest Bearing Rs 000	TOTAL Rs 000
<b>ASSETS</b>								
Cash and cash equivalents	8,139,734	-	-	-	-	-	2,029,544	10,169,278
Derivative assets held for risk management	-	-	-	-	-	-	4,580	4,580
Loans and advances to Banks	8,873,984	-	-	-	-	-	-	8,873,984
Loans and advances to customers	12,577,512	3,162,613	73,631	403,917	1,145,364	470,829	1,295,220	19,129,086
Investment securities	2,427,459	4,303,684	991,069	782,417	4,540,421	-	-	13,045,050
Other assets	-	-	-	-	-	-	17,544	17,544
<b>Total Assets</b>	<b>32,018,689</b>	<b>7,466,297</b>	<b>1,064,700</b>	<b>1,186,334</b>	<b>5,685,785</b>	<b>470,829</b>	<b>3,346,888</b>	<b>51,239,522</b>
<b>LIABILITIES</b>								
Deposits	3,140,222	32,426,090	3,101,220	4,143,953	1,495,566	364,168	176,063	44,847,282
Derivative liabilities held for risk management	-	-	-	-	-	-	39,434	39,434
Other borrowed funds	371,339	-	-	364,633	563,957	-	-	1,299,929
Subordinated liabilities	199,143	-	-	-	-	913,754	-	1,112,897
Other liabilities	-	-	-	-	-	-	236,793	236,793
<b>Total liabilities</b>	<b>3,710,704</b>	<b>32,426,090</b>	<b>3,101,220</b>	<b>4,508,586</b>	<b>2,059,523</b>	<b>1,277,922</b>	<b>452,290</b>	<b>47,536,335</b>
<b>Interest rate sensitivity gap</b>	<b>28,307,985</b>	<b>(24,959,793)</b>	<b>(2,036,520)</b>	<b>(3,322,252)</b>	<b>3,626,262</b>	<b>(807,093)</b>	<b>2,894,598</b>	<b>3,703,187</b>

The impact on earnings of a 100bps movement in Rs and USD interest rates will amount to Rs 3.05m and USD 1.32m respectively.

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(g) Liquidity risk**

Liquidity risk is the risk that the Bank is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities or margin calls for derivatives. Such outflows would deplete available cash resources for client lending, trading activities and investments. The Bank's liquidity management process is carried out by the Bank Treasury team. The Bank uses the maturity gap report for measurement and management of liquidity risk. The maturity gap report slots the inflows and outflows in different maturity buckets as defined by the Bank of Mauritius, according to the expected timing of cash flows.

**Maturities of Assets and Liabilities**

**At 31 December 2025**

	Up to 1 month Rs 000	1 to 6 months Rs 000	6 to 12 months Rs 000	1 to 2 Years Rs 000	2 to 5 Years Rs 000	> 5 Years Rs 000	Non Maturity Items Rs 000	TOTAL Rs 000
<b>ASSETS</b>								
Cash and cash equivalents	20,272,490	595,319	-	-	-	-	(7,638)	20,860,171
Derivative assets held for risk management	61	4,943	1,408	-	-	-	-	6,412
Loans and advances to Banks	-	2,664,061	434,932	1,629,618	-	-	-	4,728,611
Loans and advances to customers	1,081,080	2,844,255	2,206,365	799,827	3,355,320	15,180,338	985,508	26,452,693
Investment securities	10,821,859	4,604,140	1,286,572	378,364	3,962,169	-	-	21,053,104
Other assets	-	-	-	-	-	-	30,547	30,547
<b>Total Assets</b>	<b>32,175,490</b>	<b>10,712,718</b>	<b>3,929,277</b>	<b>2,807,809</b>	<b>7,317,489</b>	<b>15,180,338</b>	<b>1,008,417</b>	<b>73,131,538</b>
<b>LIABILITIES</b>								
Deposits	42,885,368	12,230,751	3,234,212	1,035,563	1,199,031	4,606	460,072	61,049,603
Derivative liabilities held for risk management	53	25,832	18,252	33,580	34,903	-	-	112,620
Other borrowed funds	-	-	23,944	324,374	978,123	324,885	-	1,651,326
Subordinated liabilities	-	71,144	71,144	93,372	636,491	-	-	872,151
Other liabilities	-	-	-	-	-	-	175,910	175,910
Lease liabilities	99,410	472,012	509,857	827,380	1,539,835	786,298	-	4,234,792
<b>Total Liabilities</b>	<b>42,984,831</b>	<b>12,799,739</b>	<b>3,857,409</b>	<b>2,314,269</b>	<b>4,388,383</b>	<b>1,115,789</b>	<b>635,982</b>	<b>68,096,402</b>
<b>Net liquidity gap</b>	<b>(10,809,341)</b>	<b>(2,087,021)</b>	<b>71,868</b>	<b>493,540</b>	<b>2,929,106</b>	<b>14,064,549</b>	<b>372,435</b>	<b>5,035,136</b>
<b>Financial guarantees</b>	<b>2,119,043</b>							
<b>Credit commitment undrawn</b>	<b>4,593,362</b>							

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(g) Liquidity risk (cont'd)**

**Maturities of Assets and Liabilities (cont'd)**

**At 31 December 2024**

	Up to 1 month Rs 000	1 to 3 months Rs 000	3 to 6 months Rs 000	6 to 12 months Rs 000	1 to 3 Years Rs 000	> 3 Years Rs 000	Non Maturity Items Rs 000	TOTAL Rs 000
<b>ASSETS</b>								
Cash and cash equivalents	17,103,607	-	-	-	-	-	(12,864)	17,090,743
Derivative assets held for risk management	639	23,561	-	-	9,466	-	-	33,666
Loans and advances to Banks	125,371	1,672,658	2,138,363	762,604	1,528,791	-	-	6,227,787
Loans and advances to customers	1,107,422	198,971	413,832	117,783	1,693,489	18,263,826	863,155	22,658,478
Investment securities	451,292	1,237,375	4,488,368	2,441,857	2,816,277	2,217,462	41,055	13,693,686
Other assets	-	-	-	-	-	-	16,955	16,955
<b>Total Assets</b>	<b>18,788,331</b>	<b>3,132,565</b>	<b>7,040,563</b>	<b>3,322,244</b>	<b>6,048,023</b>	<b>20,481,288</b>	<b>908,301</b>	<b>59,721,315</b>
<b>LIABILITIES</b>								
Deposits	28,697,019	1,429,499	5,020,387	12,148,626	3,205,663	1,081,446	135,890	51,718,530
Derivative liabilities held for risk management	558	18,423	-	-	-	-	-	18,981
Other borrowed funds	595,125	400,321	48,146	-	-	363,043	-	1,406,635
Subordinated liabilities	-	-	-	-	386,893	595,245	-	982,138
Other liabilities	-	-	-	-	-	-	374,356	374,356
Lease liabilities	1,371	2,768	4,219	9,004	36,208	27,179	-	80,749
<b>Total Liabilities</b>	<b>29,294,073</b>	<b>1,851,011</b>	<b>5,072,752</b>	<b>12,157,630</b>	<b>3,628,764</b>	<b>2,066,913</b>	<b>510,246</b>	<b>54,581,389</b>
<b>Net liquidity gap</b>	<b>(10,505,742)</b>	<b>1,281,554</b>	<b>1,967,811</b>	<b>(8,835,386)</b>	<b>2,419,259</b>	<b>18,414,375</b>	<b>398,055</b>	<b>5,139,926</b>
Financial guarantees	2,895,950	-	-	-	-	-	-	2,895,950
Credit commitment undrawn	1,910,453	-	-	-	-	-	-	1,910,453

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(g) Liquidity risk (cont'd)**

**Maturities of Assets and Liabilities (cont'd)**

**At 31 December 2023**

	Up to 1 month Rs 000	1 to 3 months Rs 000	3 to 6 months Rs 000	6 to 12 months Rs 000	1 to 3 Years Rs 000	> 3 Years Rs 000	Non Maturity Items Rs 000	TOTAL Rs 000
<b>ASSETS</b>								
Cash and cash equivalents	10,186,933	-	-	-	-	-	(17,655)	10,169,278
Derivative assets held for risk management	4,580	-	-	-	-	-	-	4,580
Loans and advances to Banks	1,275,604	861,952	3,446,754	2,892,281	445,379	-	-	8,921,970
Loans and advances to customers	200,121	458,604	687,657	1,733,910	3,930,613	15,190,715	-	22,201,620
Investment securities	2,427,459	4,306,780	991,782	782,978	4,543,689	-	(7,638)	13,045,050
Other assets	-	-	-	-	-	-	17,546	17,546
<b>Total Assets</b>	<b>14,094,697</b>	<b>5,627,336</b>	<b>5,126,193</b>	<b>5,409,169</b>	<b>8,919,681</b>	<b>15,190,715</b>	<b>(7,747)</b>	<b>54,360,044</b>
<b>LIABILITIES</b>								
Deposits	29,849,982	5,284,838	3,536,665	6,605,813	2,315,812	1,460,272	176,063	49,229,445
Derivative liabilities held for risk management	5,571	-	33,863	-	-	-	-	39,434
Other borrowed funds	371,339	121,220	190,783	309,751	301,836	5,000	-	1,299,929
Subordinated liabilities	1,971	5,913	11,825	23,650	371,060	698,478	-	1,112,897
Other liabilities	-	-	-	-	-	-	365,291	365,291
Lease liabilities	1,661	4,982	4,982	8,304	20,730	38,406	-	79,065
<b>Total Liabilities</b>	<b>30,230,524</b>	<b>5,416,953</b>	<b>3,778,118</b>	<b>6,947,518</b>	<b>3,009,438</b>	<b>2,202,156</b>	<b>541,354</b>	<b>52,126,061</b>
<b>Net liquidity gap</b>	<b>(16,135,827)</b>	<b>210,383</b>	<b>1,348,075</b>	<b>(1,538,349)</b>	<b>5,910,243</b>	<b>12,988,559</b>	<b>(549,101)</b>	<b>2,233,983</b>
Financial guarantees	2,967,346	-	-	-	-	-	-	2,967,346
Credit commitment undrawn	2,795,582	-	-	-	-	-	-	2,795,582

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(g) Liquidity risk (cont'd)**

**Derivative Cash Flows**

	Up to 1 month Rs 000	1 to 6 months Rs 000	6 to 12 months Rs 000	1 to 2 Years Rs 000	2 to 5 Years Rs 000	> 5 Years Rs 000	Non Maturity Items Rs 000	TOTAL Rs 000
<u>As at 31 December 2025</u>								
Inflows	61	4,943	1,408	-	-	-	-	6,412
Outflows	87	8,501	-	-	100,448	-	-	109,036

	Up to 1 month Rs 000	1 to 3 months Rs 000	3 to 6 months Rs 000	6 to 12 months Rs 000	1 to 3 Years Rs 000	> 3 Years Rs 000	----- Maturity Items Rs 000	TOTAL Rs 000
<u>As at 31 December 2024</u>								
Inflows	639	23,561	-	-	-	9,466	-	33,666
Outflows	558	1,717	16,706	-	-	-	-	18,981

<u>As at 31 December 2023</u>								
Inflows	4,580	-	-	-	-	-	-	4,580
Outflows	5,571	-	33,863	-	-	-	-	39,434

**BANK ONE LIMITED****Notes to the Financial Statements for the year ended 31 December 2025****2. FINANCIAL RISK MANAGEMENT (CONT'D)****(h) Financial Instruments not measured at fair value**

The table below summarises the carrying amounts and fair values of those financial assets and liabilities not presented at fair value compared to carrying amounts shown in the financial statement.

	Carrying value			Fair value		
	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
<b>Financial assets</b>						
Cash and cash equivalents	<b>20,858,043</b>	17,090,743	10,169,278	<b>20,858,043</b>	17,090,743	10,169,278
Loans and advances	<b>25,641,984</b>	23,643,099	28,003,070	<b>26,275,087</b>	23,601,349	27,890,506
Investment securities	<b>14,341,674</b>	9,513,287	10,617,591	<b>14,341,755</b>	9,431,643	10,437,986
Other assets	<b>30,547</b>	16,955	17,546	<b>30,547</b>	16,955	17,546
<b>Financial liabilities</b>						
Deposits	<b>59,189,870</b>	47,861,820	44,847,282	<b>48,152,769</b>	47,856,293	44,840,577
Other borrowed funds	<b>1,521,377</b>	1,406,635	1,299,929	<b>1,521,377</b>	1,406,635	1,299,929
Subordinated liabilities	<b>866,451</b>	982,138	1,112,897	<b>866,451</b>	982,138	1,112,897
Other liabilities	<b>168,710</b>	238,525	236,793	<b>168,710</b>	238,525	236,793
Lease liabilities	<b>106,965</b>	80,749	79,065	<b>106,965</b>	80,749	79,065
<b>Off-balance sheet</b>						
Loan commitments	<b>4,593,362</b>	1,910,453	2,795,582	<b>4,593,362</b>	1,910,453	2,795,582
Other contingent liabilities	<b>2,119,043</b>	2,895,950	2,967,346	<b>2,119,043</b>	2,895,950	2,967,346

**(i) Cash resources**

The fair value of cash resources is equal to their carrying amount as these are for short terms only.

**(ii) Loans and advances to Banks and to customers**

Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. The fair value is calculated by applying the market rates to the fixed rate term loans.

**(iii) Investment securities**

Interest-bearing amortised cost investments include Treasury Notes whose fair values are based on market prices or broker/dealer price quotations. Financial assets classified as FVTOCI represent investment in Treasury Bills whose fair value are based on bid price and yield published by the Bank of Mauritius.

**(iv) Deposits and subordinated liabilities**

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

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

**(v) Other financial assets and liabilities on the statement of financial position**

The fair values of other assets, other borrowed funds, provisions and other liabilities at the reporting date approximate their fair values.

**(vi) Off-balance sheet financial instruments**

Guarantees, acceptances, loans commitments and other financial liabilities are shown at their fair values.

## BANK ONE LIMITED

### Notes to the Financial Statements for the year ended 31 December 2025

#### 2. FINANCIAL RISK MANAGEMENT (CONT'D)

##### (i) Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level - 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

Level - 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of the Over-The-Counter derivative contracts, traded loans, issued structured debt and other investment securities.

Level - 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible.

The Bank's Level 2 instruments consists of Derivatives held for risk management and investment securities. The input used in the fair value of these instruments relates to SOFR interest rate, as published by Reuters, and yield curve by the Government of Mauritius.

As at 31 December 2024, the Bank holds equity investments with significant unobservable components falling under the Level 3 fair value hierarchy. The equity investment has been fair valued based on the market approach. The equity investment was disposed in 2025. Derivatives held for risk management falling under category Level 2, uses Quoted prices using Reuters platform. Level 2 fair values of land and building have been derived using the services of a chartered valuer.

The hierarchy requires the use of observable market data when applicable.

##### At 31 December 2025

	Level 1 Rs 000	Level 2 Rs 000	Level 3 Rs 000	Total Rs 000
<b>Non-equity Investments</b>				
Derivative assets held for risk management	-	6,412	-	6,412
Investment securities	-	5,078,675	-	5,078,675
Property and equipment	-	-	255,501	255,501
<b>Equity Investments</b>				
Investment securities	-	-	6,833	6,833
<b>Total assets</b>	<u>-</u>	<u>5,085,087</u>	<u>262,334</u>	<u>5,347,421</u>
Derivative liabilities held for risk management	-	109,036	-	109,036
<b>Total liabilities</b>	<u>-</u>	<u>109,036</u>	<u>-</u>	<u>109,036</u>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(i) Fair value hierarchy (Cont'd)**

**At 31 December 2024**

	<b>Level 1 Rs 000</b>	<b>Level 2 Rs 000</b>	<b>Level 3 Rs 000</b>	<b>Total Rs 000</b>
<b>Non-equity Investments</b>				
Derivative assets held for risk management	-	33,666	-	33,666
Investment securities	-	4,139,344	-	4,139,344
Property and equipment	-	-	251,689	251,689
<b>Equity Investments</b>				
Investment securities	-	-	41,055	41,055
<b>Total assets</b>	<b>-</b>	<b>4,173,010</b>	<b>292,744</b>	<b>4,465,754</b>
Derivative liabilities held for risk management	-	18,981	-	18,981
<b>Total liabilities</b>	<b>-</b>	<b>18,981</b>	<b>-</b>	<b>18,981</b>

**At 31 December 2023**

	<b>Level 1 Rs 000</b>	<b>Level 2 Rs 000</b>	<b>Level 3 Rs 000</b>	<b>Total Rs 000</b>
<b>Non-equity Investments</b>				
Derivative assets held for risk management	-	4,580	-	4,580
Investment securities	-	2,395,438	-	2,395,438
Property and equipment	-	-	257,183	257,183
<b>Equity Investments</b>				
Investment securities	-	-	32,021	32,021
<b>Total assets</b>	<b>-</b>	<b>2,400,018</b>	<b>289,204</b>	<b>2,689,222</b>
Derivative liabilities held for risk management	-	39,434	-	39,434
<b>Total liabilities</b>	<b>-</b>	<b>39,434</b>	<b>-</b>	<b>39,434</b>

The valuation techniques used in determining the fair value of financial assets and liabilities classified within level 3.

<b><u>Financial instrument</u></b>	<b>Fair value Rs 000</b>	<b>Unobservable input</b>	<b>Rate</b>	<b>Relationship of unobservable inputs to fair value</b>
FVTOCI investment: Industrial Finance Corporation of Mauritius (Equity) Ltd	3,276	Net asset	N/A	N/A
FVTOCI investment: S.W.I.F.T SCRL	3,557	Net asset	N/A	N/A

**Reconciliation of level 3 fair value measurement**

	Rs 000
Balance as at 01 January 2023	253,128
Fair value	36,076
Balance as at 31 December 2023	289,204
Fair value	3,540
Balance as at 31 December 2024	292,744
<b>Fair value</b>	<b>(30,410)</b>
<b>Balance as at 31 December 2025</b>	<b>262,334</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(i) Fair value hierarchy (Cont'd)**

**Transfer between levels**

No transfer arose between levels during the year.

**Valuation process**

The valuations of non-property items required for financial reporting purposes, including level 3 fair values are performed at Finance department led by the Chief Financial Officer (CFO).

The valuations of properties are based on market value and on vacant possession basis. The values have been primarily derived using the direct comparison method as well as the income approach. Due to consideration is given to the existing state of property market in general and to this submarket.

**(j) Financial instruments by category**

**At 31 December 2025**

	<b>Amortised cost Rs 000</b>	<b>Financial assets at fair value through profit or loss Rs 000</b>	<b>Financial assets at FVTOCI Rs 000</b>	<b>Total Rs 000</b>
<b>Financial assets</b>				
Cash and cash equivalents	20,858,043	-	-	20,858,043
Derivative assets held for risk management	-	6,412	-	6,412
Loan and advances to Banks	4,675,269	-	-	4,675,269
Loan and advances to customers	20,966,715	-	-	20,966,715
Investment securities	14,341,674	-	5,085,508	19,427,182
Other assets	30,547	-	-	30,547
	<u>60,872,248</u>	<u>6,412</u>	<u>5,085,508</u>	<u>65,964,168</u>
		<b>Financial liabilities at fair value through profit or loss Rs 000</b>	<b>Financial liabilities at amortised cost Rs 000</b>	<b>Total Rs 000</b>
<b>Financial liabilities</b>				
Deposits from customers		-	59,189,870	59,189,870
Derivative liabilities held for risk management		109,036	-	109,036
Other borrowed funds		-	1,521,377	1,521,377
Subordinated liabilities		-	866,451	866,451
Other liabilities		-	398,254	398,254
Lease Liabilities		-	106,965	-
		<u>109,036</u>	<u>62,082,917</u>	<u>62,084,988</u>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2. FINANCIAL RISK MANAGEMENT (CONT'D)**

**(j) Financial instruments by category**

**At 31 December 2024**

	<b>Amortised cost Rs 000</b>	<b>Financial assets at fair value through profit or loss Rs 000</b>	<b>Financial assets at FVTOCI Rs 000</b>	<b>Total Rs 000</b>
<b>Financial assets</b>				
Cash and cash equivalents	17,090,743	-	-	17,090,743
Derivative assets held for risk management	-	33,666	-	33,666
Loan and advances to Banks	5,795,705	-	-	5,795,705
Loan and advances to customers	17,847,394	-	-	17,847,394
Investment securities	9,513,287	-	4,180,399	13,693,686
Other assets	16,955	-	-	16,955
	<u>50,264,084</u>	<u>33,666</u>	<u>4,180,399</u>	<u>54,478,149</u>

	<b>Financial liabilities at fair value through profit or loss Rs 000</b>	<b>Financial liabilities at amortised cost Rs 000</b>	<b>Total Rs 000</b>
<b>Financial liabilities</b>			
Deposits from customers	-	47,861,820	47,861,820
Derivative liabilities held for risk management	18,981	-	18,981
Other borrowed funds	-	1,406,635	1,406,635
Subordinated liabilities	-	982,138	982,138
Other liabilities	-	238,525	238,525
	<u>18,981</u>	<u>50,489,118</u>	<u>50,508,099</u>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**2. FINANCIAL RISK MANAGEMENT (CONT'D)**

(j) **Financial instruments by category (Cont'd)**

**At 31 December 2023**

	<b>Amortised cost Rs 000</b>	<b>Financial assets at fair value through profit or loss Rs 000</b>	<b>FVTOCI Rs 000</b>	<b>Total Rs 000</b>
<b>Financial assets</b>				
Cash and cash equivalents	10,169,278	-	-	10,169,278
Derivative assets held for risk management	-	4,580	-	4,580
Loan and advances to Banks	8,873,984	-	-	8,873,984
Loan and advances to customers	19,129,086	-	-	19,129,086
Investment securities	10,617,591	-	2,427,459	13,045,050
Other assets	17,546	-	-	17,546
	<u>48,807,485</u>	<u>4,580</u>	<u>2,427,459</u>	<u>51,239,524</u>

	<b>Financial liabilities at fair value profit or loss Rs 000</b>	<b>Financial liabilities at amortised cost Rs 000</b>	<b>Total Rs 000</b>
<b>Financial liabilities</b>			
Deposits from customers	-	44,847,282	44,847,282
Derivative liabilities held for risk management	39,434	-	39,434
Other borrowed funds	-	1,299,929	1,299,929
Subordinated liabilities	-	1,112,897	1,112,897
Other liabilities	-	236,793	236,793
	<u>39,434</u>	<u>47,496,901</u>	<u>47,536,335</u>

**3. NET INTEREST INCOME**

	<b>Dec-25 Rs 000</b>	<b>Dec-24 Rs 000</b>	<b>Dec-23 Rs 000</b>
<b>Interest income</b>			
Loans and advances to banks	<b>383,286</b>	411,553	339,172
Loans and advances to customers	<b>1,098,728</b>	1,348,138	1,375,402
Investments securities	<b>330,766</b>	289,779	270,635
Cash and cash equivalents	<b>786,389</b>	598,171	367,557
<b>Total interest income calculated using the effective interest method</b>	<u><b>2,599,169</b></u>	<u>2,647,641</u>	<u>2,352,766</u>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**3. NET INTEREST INCOME (CONT'D)**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
<b>Interest expense</b>			
Deposits from customers	(1,233,882)	(1,125,523)	(845,756)
Borrowings from banks	(67,832)	(107,590)	(157,598)
Subordinated liabilities	(56,343)	(66,940)	(74,049)
Interest Expense on Lease liabilities	(4,494)	(7,565)	(6,457)
<b>Total interest expense</b>	<b>(1,362,551)</b>	<b>(1,307,618)</b>	<b>(1,083,860)</b>
<b>Net interest income</b>	<b>1,236,618</b>	<b>1,340,023</b>	<b>1,268,906</b>
<b>(a) Resident</b>			
<b>Interest income</b>			
Loans and advances to customers	964,695	922,745	1,045,915
Investments securities	206,412	173,750	129,349
Cash and cash equivalents	431,804	267,950	31,450
<b>Total interest income calculated using the effective interest method</b>	<b>1,602,911</b>	<b>1,364,445</b>	<b>1,206,714</b>
<b>Interest expense</b>			
Deposits from customers	(478,958)	(491,480)	(440,730)
Borrowings from banks	-	(9,873)	(39,128)
Subordinated liabilities	(42,829)	(46,431)	(47,839)
Interest expense on Lease liabilities	(4,494)	(7,565)	(6,457)
<b>Total interest expense</b>	<b>(526,281)</b>	<b>(555,349)</b>	<b>(534,154)</b>
<b>Net interest income</b>	<b>1,076,630</b>	<b>809,096</b>	<b>672,560</b>
<b>(b) Non- Resident</b>			
<b>Interest income</b>			
Loans and advances to banks	383,286	411,554	339,172
Loans and advances to customers	134,033	425,393	329,487
Investments securities	124,354	116,028	141,286
Cash and cash equivalents	354,585	330,220	336,107
<b>Total interest income calculated using the effective interest method</b>	<b>996,258</b>	<b>1,283,195</b>	<b>1,146,052</b>
<b>Interest expense</b>			
Deposits from customers	(754,924)	(634,043)	(405,026)
Borrowings from banks	(67,832)	(97,717)	(118,470)
Subordinated liabilities	(13,514)	(20,509)	(26,210)
<b>Total interest expense</b>	<b>(836,270)</b>	<b>(752,269)</b>	<b>(549,706)</b>
<b>Net interest income</b>	<b>159,988</b>	<b>530,926</b>	<b>596,346</b>
<b>Recognised on financial assets measured at amortised cost</b>			
<b>Interest Income</b>			
Loans and advances to banks	383,286	411,554	339,172
Loans and advances to customers	1,078,692	1,328,074	1,354,434
Investments securities	144,157	159,180	194,428
Cash and cash equivalents	786,389	598,170	367,557
Lease receivables	20,036	20,064	20,968
<b>Recognised on financial assets measured at FVTOCI</b>			
Investment securities	186,609	130,599	76,207
<b>Total interest income calculated using the effective interest method</b>	<b>2,599,169</b>	<b>2,647,641</b>	<b>2,352,766</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**3. NET INTEREST INCOME (CONT'D)**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
<b>Interest expense</b>			
<b>Recognised on financial liabilities measured at amortised cost</b>			
Deposits from customers	(1,233,882)	(1,125,523)	(845,756)
Borrowings from Banks	(67,832)	(107,590)	(157,598)
Subordinated liabilities	(56,343)	(66,940)	(74,049)
Interest expense on lease liabilities	(4,494)	(7,565)	(6,457)
<b>Total interest expense</b>	<b>(1,362,551)</b>	<b>(1,307,618)</b>	<b>(1,083,860)</b>
<b>Net interest income</b>	<b>1,236,618</b>	<b>1,340,023</b>	<b>1,268,906</b>
<b>(a) Resident</b>			
<b>Recognised on financial assets measured at amortised cost</b>			
<b>Interest Income</b>			
Loans and advances to customers	944,659	902,681	1,024,947
Investments securities	19,803	43,152	53,142
Lease receivables	20,036	20,064	20,968
Cash and cash equivalents	431,804	267,950	31,450
<b>Recognised on financial assets measured at FVTOCI</b>			
Investment securities	186,609	130,598	76,207
<b>Total interest income calculated using the effective interest method</b>	<b>1,602,911</b>	<b>1,364,445</b>	<b>1,206,714</b>
<b>Interest expense</b>			
<b>Recognised on financial liabilities measured at amortised cost</b>			
Deposits from customers	(478,958)	(491,480)	(440,730)
Borrowings from Banks	-	(9,873)	(39,128)
Subordinated liabilities	(42,829)	(46,431)	(47,839)
Interest expense on lease liabilities	(4,494)	(7,565)	(6,457)
<b>Total interest expense</b>	<b>(526,281)</b>	<b>(555,349)</b>	<b>(534,154)</b>
<b>Net interest income</b>	<b>1,076,630</b>	<b>809,096</b>	<b>672,560</b>
<b>(b) Non- Resident</b>			
<b>Recognised on financial assets measured at amortised cost</b>			
<b>Interest Income</b>			
Loans and advances to banks	383,286	411,554	339,172
Loans and advances to customers	134,033	425,393	329,487
Investments securities	124,354	116,028	141,286
Cash and cash equivalents	354,585	330,220	336,107
<b>Total interest income calculated using the effective interest method</b>	<b>996,258</b>	<b>1,283,195</b>	<b>1,146,052</b>
<b>Interest expense</b>			
<b>Recognised on financial liabilities measured at amortised cost</b>			
Deposits from customers	(754,924)	(634,043)	(405,026)
Borrowings from Banks	(67,832)	(97,717)	(118,470)
Subordinated liabilities	(13,514)	(20,509)	(26,210)
<b>Total interest expense</b>	<b>(836,270)</b>	<b>(752,269)</b>	<b>(549,706)</b>
<b>Net interest income</b>	<b>159,988</b>	<b>530,926</b>	<b>596,346</b>

**BANK ONE LIMITED**
**Notes to the Financial Statements for the year ended 31 December 2025**
**4. NET FEE AND COMMISSION INCOME**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
<b>Fee and commission income</b>			
Retail Banking customer fees	18,361	21,531	19,656
Corporate Banking credit related fees	28,965	32,754	25,674
International Banking customer fees	218,259	202,736	216,757
Guarantees	9,719	10,451	17,072
Credit cards and e-commerce related fees	24,871	25,499	22,634
Debit Cards	44,214	38,662	24,741
Others (include fees related to custody / trade finance business)	67,750	61,910	74,412
<b>Total fee and commission income</b>	<b>412,139</b>	<b>393,543</b>	<b>400,946</b>
<b>Fee and commission expense</b>			
InterBank transaction fees	(34,811)	(28,245)	(30,999)
Credit cards and e-commerce related fees	(20,532)	(20,607)	(23,603)
Debit Cards	(73,411)	(79,464)	(34,042)
Others	(75,867)	(56,241)	(50,307)
<b>Total fee and commission expense</b>	<b>(204,621)</b>	<b>(184,557)</b>	<b>(138,951)</b>
<b>Net fee and commission income</b>	<b>207,518</b>	<b>208,986</b>	<b>261,995</b>
<b>(a) Resident</b>			
<b>Fee and commission income</b>			
Retail Banking customer fees	18,361	21,531	19,656
Corporate Banking credit related fees	28,965	32,754	25,674
Guarantees	3,651	4,900	6,683
Credit cards	24,871	25,499	22,247
Debit Cards	44,214	38,662	24,741
Others	23,314	24,309	23,702
<b>Total fee and commission income</b>	<b>143,376</b>	<b>147,655</b>	<b>122,703</b>
<b>Fee and commission expense</b>			
InterBank transaction fees	(18,477)	(12,755)	(7,391)
Credit cards	(20,532)	(20,607)	(23,603)
Debit Cards	(73,411)	(79,464)	(34,042)
Others	(6,538)	(7,131)	(5,805)
<b>Total fee and commission expense</b>	<b>(118,958)</b>	<b>(119,957)</b>	<b>(70,841)</b>
<b>Net fee and commission income</b>	<b>24,418</b>	<b>27,698</b>	<b>51,862</b>
<b>(b) Non- Resident</b>			
<b>Fee and commission income</b>			
International Banking customer fees	218,259	202,736	216,757
Guarantees	6,068	5,551	10,389
Credit cards and e-commerce related fees	-	-	387
Others	44,436	37,601	50,710
<b>Total fee and commission income</b>	<b>268,763</b>	<b>245,888</b>	<b>278,243</b>
<b>Fee and commission expense</b>			
InterBank transaction fees	(16,334)	(15,490)	(23,608)
Credit cards and e-commerce related fees	-	-	-
Others	(69,329)	(49,110)	(44,502)
<b>Total fee and commission expense</b>	<b>(85,663)</b>	<b>(64,600)</b>	<b>(68,110)</b>
<b>Net fee and commission income</b>	<b>183,100</b>	<b>181,288</b>	<b>210,133</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**5. NET GAIN ON DEALING IN FOREIGN CURRENCIES AND DERIVATIVES**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Profit arising from dealing in foreign currencies	492,996	347,465	290,448
Net (loss)/gain from derivatives	<u>(102,623)</u>	<u>1,827</u>	<u>(34,854)</u>
	<u><b>390,373</b></u>	<u><b>349,292</b></u>	<u><b>255,594</b></u>
<b>(a) Resident</b>			
Profit arising from dealing in foreign currencies	129,644	109,414	91,271
Net (loss)/gain from derivatives	<u>(8,046)</u>	<u>38</u>	<u>(31,896)</u>
	<u><b>121,598</b></u>	<u><b>109,452</b></u>	<u><b>59,375</b></u>
<b>(b) Non- Resident</b>			
Profit arising from dealing in foreign currencies	363,352	238,051	199,177
Net (loss)/gain from derivatives	<u>(94,577)</u>	<u>1,789</u>	<u>(2,958)</u>
	<u><b>268,775</b></u>	<u><b>239,840</b></u>	<u><b>196,219</b></u>

**6. OTHER OPERATING INCOME**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Gain/(loss) on disposal/scrap of property and equipment	1,117	571	(55)
Net gain from derecognition of financial assets measured at FVTOCI	<u>258</u>	<u>359</u>	<u>733</u>
	<u><b>1,375</b></u>	<u><b>930</b></u>	<u><b>678</b></u>
Others include gain/loss on disposal of securities.			
<b>(a) Resident</b>			
Gain/(loss) on disposal/scrap of property and equipment	847	571	(55)
Dividend Income	270	-	-
Net gain from derecognition of financial assets measured at FVTOCI	<u>258</u>	<u>359</u>	<u>733</u>
	<u><b>1,375</b></u>	<u><b>930</b></u>	<u><b>678</b></u>

**7. NET IMPAIRMENT REVERSAL/(LOSS) ON FINANCIAL ASSETS**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Impairment loss for the year	(65,181)	(236,173)	(127,564)
Bad debts written off for which no provisions were made	(4,557)	(50)	(246)
Provisions released during the year	55,717	69,100	250,781
Recoveries of advances written off	<u>16,537</u>	<u>10,879</u>	<u>9,179</u>
<b>Net impairment reversal/(loss) on financial assets</b>	<u><b>2,516</b></u>	<u><b>(156,244)</b></u>	<u><b>132,150</b></u>

**8. PERSONNEL EXPENSES**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Wages and salaries	(433,150)	(402,642)	(455,895)
Compulsory social security obligations	(28,600)	(27,970)	(26,635)
Funded pension costs (note 25)	(17,719)	(14,494)	(12,086)
Unfunded pension costs (note 25)	(7,094)	(5,664)	5,175
Defined contribution plan	(40,427)	(39,878)	(32,161)
Other personnel expenses	<u>(143,864)</u>	<u>(142,763)</u>	<u>(153,035)</u>
	<u><b>(670,854)</b></u>	<u><b>(633,411)</b></u>	<u><b>(674,637)</b></u>

Other personnel expenses include training and other staff related expenses.

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

<b>9. OTHER EXPENSES</b>	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
Software licensing and other information technology cost	<b>(211,675)</b>	(189,098)	(150,878)
Premises related expenses	<b>(95,124)</b>	(81,217)	(63,919)
Legal and professional expenses	<b>(54,149)</b>	(69,651)	(25,921)
Others	<b>(77,622)</b>	(75,867)	(82,601)
	<b><u>(438,570)</u></b>	<u>(415,833)</u>	<u>(323,319)</u>

Others include directors expenses, subscriptions and marketing and promotion expenses.

**10. INCOME TAX EXPENSE**

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

Prior to the enactment of the Mauritius Finance Act 2023, the tax regime applicable to banks was as follows for financial years ended 31 December 2023 and 2022, subject to Banks satisfying some prescribed conditions:

Up to Rs 1.5 bn	5%
Above Rs 1.5 bn and up to the amount equivalent to the chargeable income of the base year (FY 31 December 2017)	15%
Remainder	5%

Following enactment of the Mauritius Finance Act 2023 in July 2023, the reduced incentive rate of 5% applicable to banks on chargeable income exceeding MUR 1.5 billion has been abolished. Banks are now taxed at 7% on a chargeable income of less than MUR 1.5 billion and at 15% on a chargeable income exceeding MUR 1.5 billion.

Deferred tax asset is calculated at a range of 9% to 16.5 % for resident and 7% to 12% for non-resident respectively.

Special levy on banks having leviable income not exceeding Rs 1.2 billion is calculated at the rate of 5.5% of net interest income and other income before deduction of expenses. Special levy is not applicable on income derived from transactions with Global Business Licence holders and Mauritian companies to the extent of their banking transactions carried out through a foreign permanent establishment.

From July 1, 2025, to June 30, 2028, the Fair Share Contribution (FSC) and Additional FSC will apply as a tax to the Bank as its with chargeable income exceeds the Rs 24 million threshold. The Banks will thus be subject to both FSC tax at a rate of 5% on its total chargeable income and also an Additional FSC tax of 2.5% on chargeable income from transactions with residents (domestic operations), excluding global business entities. The tax is payable quarterly.

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
<b>(a) Current tax expense</b>			
Tax expense (including Special levy and CSR)	<b>80,085</b>	57,132	44,645
<b>(b) Deferred tax expense/(credit)</b>			
Temporary differences (Note 21)	<b>(14,757)</b>	(25,681)	10,275
	<b><u>65,328</u></b>	<u>31,451</u>	<u>54,920</u>
<b>(c) Reconciliation of effective tax rate</b>			
Profit before income tax	<b><u>625,789</u></b>	<u>598,865</u>	<u>810,730</u>
Taxed at (7% to 16.5%); (2024: 7% and 2023: 5%)	<b>50,782</b>	41,921	40,537
Non-deductible expenses	<b>1,126</b>	409	1,436
Income not subject to tax	<b>(1,269)</b>	(762)	(459)
Special levy on Banks	<b>9,623</b>	9,623	9,625
Corporate social responsibility fund	<b>8,982</b>	248	-
Fair share contribution	<b>18,244</b>	-	-
Over provision of tax in prior year	<b>(1,053)</b>	(7,442)	(599)
Differences in rates	<b>3,133</b>	(12,546)	4,380
Impact of change in rate in deferred tax rate	<b>(24,240)</b>	-	-
Total income tax in statement of profit or loss	<b><u>65,328</u></b>	<u>31,451</u>	<u>54,920</u>

**BANK ONE LIMITED**
**Notes to the Financial Statements for the year ended 31 December 2025**
**11. EARNINGS PER SHARE**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Profit for the year (Rs 000)	<u>560,461</u>	<u>567,414</u>	<u>755,810</u>
Weighted average number of ordinary shares	<u>14,564,560</u>	<u>14,564,560</u>	<u>14,564,560</u>
Earnings per share - Basic and diluted (Rs.)	<u>38.48</u>	<u>38.96</u>	<u>51.89</u>

**12. CASH AND CASH EQUIVALENTS**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Cash in hand	138,660	99,708	141,477
Foreign currency notes and coins	3,275	4,615	12,254
Balances with Central Banks	1,884,927	1,784,429	1,870,547
Balance due in clearing	11,054	10,367	20,518
Money market placements	16,197,494	10,414,815	4,304,793
Balances with Banks abroad	<u>2,630,271</u>	<u>4,789,674</u>	<u>3,837,344</u>
	<u>20,865,681</u>	<u>17,103,608</u>	<u>10,186,933</u>
Less: allowance for expected credit loss (Stage 1)	<u>(7,638)</u>	<u>(12,865)</u>	<u>(17,655)</u>
	<u>20,858,043</u>	<u>17,090,743</u>	<u>10,169,278</u>
Current	<u>20,858,043</u>	<u>17,090,743</u>	<u>10,169,278</u>
<b>(a) Resident</b>			
Cash in hand	138,660	99,708	141,477
Foreign currency notes and coins	3,275	4,615	12,254
Balances with Central Banks	1,884,927	1,784,429	1,870,547
Balance due in clearing	11,054	10,367	20,518
Money market placements	<u>15,556,293</u>	<u>6,516,249</u>	<u>2,235,922</u>
	<u>17,594,209</u>	<u>8,415,368</u>	<u>4,280,718</u>
Less: allowance for expected credit loss (Stage 1)	<u>(4,197)</u>	<u>(3,646)</u>	<u>(15,313)</u>
	<u>17,590,012</u>	<u>8,411,722</u>	<u>4,265,405</u>
<b>(b) Non- Resident</b>			
Money market placements	641,201	3,898,566	2,068,871
Balance with Banks abroad	<u>2,630,271</u>	<u>4,789,674</u>	<u>3,837,344</u>
	<u>3,271,472</u>	<u>8,688,240</u>	<u>5,906,215</u>
Less: allowance for expected credit loss	<u>(3,441)</u>	<u>(9,219)</u>	<u>(2,342)</u>
	<u>3,268,031</u>	<u>8,679,021</u>	<u>5,903,873</u>

There were no transfer between stages during the year (2024 and 2023: Nil).

**Reconciliation of liabilities arising from financing activities**

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

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Cash and cash equivalents	20,858,043	17,090,743	10,169,278
Securities maturing within 3 months	-	747,214	112,744
Borrowings from banks	-	(595,122)	(233,242)
	<u>20,858,043</u>	<u>17,242,835</u>	<u>10,048,780</u>

**12. CASH AND CASH EQUIVALENTS (CONT'D)****Reconciliation of liabilities arising from financing activities (Cont'd)**

	Balance as at 01 January 2025	Financing cash flows (i)	Non-cash changes		Balance as at 31 December 2025
			New Rights-of- Use	Other Changes (ii)	
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Other borrowed funds	1,406,635	110,208	-	4,534	1,521,377
Subordinated liabilities	982,138	(114,407)	-	(1,280)	866,451
Lease liabilities	80,749	(24,888)	46,581	4,523	106,965
	<u>2,469,522</u>	<u>(29,087)</u>	<u>46,581</u>	<u>7,777</u>	<u>2,494,793</u>
			Non-cash changes		
	Balance as at 01 January 2024	Financing cash flows (i)	New Rights-of- Use	Other Changes (ii)	Balance as at 31 December 2024
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Other borrowed funds	1,299,929	102,185	-	4,521	1,406,635
Subordinated liabilities	1,112,897	(131,437)	-	678	982,138
Lease liabilities	79,065	(24,146)	18,266	7,564	80,749
	<u>2,491,891</u>	<u>(53,398)</u>	<u>18,266</u>	<u>12,763</u>	<u>2,469,522</u>
			Non-cash changes		
	Balance as at 01 January 2023	Financing cash flows (i)	New R-O-U	Other Changes (ii)	Balance as at 31 December 2023
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Other borrowed funds	2,932,664	(1,637,175)	-	4,440	1,299,929
Subordinated liabilities	1,289,279	(177,088)	-	706	1,112,897
Lease liabilities	84,617	(19,849)	7,840	6,457	79,065
	<u>4,306,560</u>	<u>(1,834,112)</u>	<u>7,840</u>	<u>11,603</u>	<u>2,491,891</u>

(i) The cash flows from rights of use, subordinated and other borrowed funds make up the net amount of proceeds from borrowings and repayments against borrowings in the statement of cash flows under financing activities.

(ii) Other changes include interest accruals, exchange gains or losses, amortisation and interest payments.

**13. DERIVATIVE ASSETS AND LIABILITIES HELD FOR RISK MANAGEMENT**

	Contractual/ Nominal Amount	Assets Fair Value	Liabilities Fair Value
	Rs 000	Rs 000	Rs 000
<b>As at 31 December 2025</b>			
Currency forwards	61,909	450	53
Currency Swaps	3,276,917	5,962	108,983
	<u>3,338,826</u>	<u>6,412</u>	<u>109,036</u>
Resident	471,220	393	8,439
Non- Resident	2,867,606	6,019	100,597
<b>Current</b>	<u>3,338,826</u>	<u>6,412</u>	<u>109,036</u>
<b>As at 31 December 2024</b>			
Currency forwards	70	18,936	18,981
Currency Swaps	7,479	14,730	-
	<u>7,549</u>	<u>33,666</u>	<u>18,981</u>
Resident	-	-	-
Non-Resident	7,549	33,666	18,981
<b>Current</b>	<u>7,549</u>	<u>33,666</u>	<u>18,981</u>

**BANK ONE LIMITED**
**Notes to the Financial Statements for the year ended 31 December 2025**
**13. DERIVATIVE ASSETS AND LIABILITIES HELD FOR RISK MANAGEMENT (CONT'D)**

	Contractual/ Nominal Amount Rs 000	Assets Fair Value Rs 000	Liabilities Fair Value Rs 000
<b>As at 31 December 2023</b>			
Currency forwards	1,039,698	2,739	3,139
Currency Swaps	1,717,580	1,841	36,295
	<u>2,757,278</u>	<u>4,580</u>	<u>39,434</u>
Resident	1,976,334	1,971	33,867
Non-Resident	780,944	2,609	5,567
<b>Current</b>	<u>2,757,278</u>	<u>4,580</u>	<u>39,434</u>

**14. LOANS AND ADVANCES TO BANKS**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
In and outside Mauritius	<b>4,716,464</b>	5,839,020	8,917,253
Less: allowance for expected credit loss	<b>(41,195)</b>	(43,315)	(43,269)
	<u>4,675,269</u>	<u>5,795,705</u>	<u>8,873,984</u>
Current	<b>3,152,678</b>	4,357,243	8,431,094
Non Current	<b>1,522,591</b>	1,438,462	442,890
	<u>4,675,269</u>	<u>5,795,705</u>	<u>8,873,984</u>
<b>(i) Non-Resident</b>			
Outside Mauritius	<b>4,716,464</b>	5,839,020	8,917,253
Less: allowance for expected credit loss	<b>(41,195)</b>	(43,315)	(43,269)
	<u>4,675,269</u>	<u>5,795,705</u>	<u>8,873,984</u>
<b>(ii) Remaining term to maturity</b>			
Up to 3 months	<b>495,632</b>	1,659,475	2,785,917
Over 3 months and up to 6 months	<b>2,309,989</b>	1,992,445	3,281,472
Over 6 months and up to 12 months	<b>347,057</b>	705,323	2,363,706
Over 1 year and up to 5 years	<b>1,522,591</b>	1,438,462	442,889
	<u>4,675,269</u>	<u>5,795,705</u>	<u>8,873,984</u>
<b>(iii) Allowance for expected credit loss</b>			
	<b>Stage 3 ECL Rs 000</b>	<b>Stage 1 &amp; 2 ECL Rs 000</b>	<b>TOTAL ECL Rs 000</b>
<b>Balance as at 01 January 2023</b>	-	2,793	2,793
Provision during the year	-	307	307
<b>Balance as at 31 December 2023</b>	-	3,100	3,100
Provision during the year	-	40,215	40,215
<b>Balance as at 31 December 2024</b>	-	43,315	43,315
Provision during the year	-	(2,120)	(2,120)
<b>Balance as at 31 December 2025</b>	<u>-</u>	<u>41,195</u>	<u>41,195</u>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**15. LOANS AND ADVANCES TO CUSTOMERS**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Retail customers			
- Credit cards	73,978	71,476	72,104
- Mortgages	6,788,014	7,709,612	7,837,976
- Other retail loans	4,283,435	3,116,136	3,362,367
Corporate customers	6,307,331	5,475,043	5,847,737
Entities outside Mauritius	4,232,831	2,276,940	2,630,311
	<u>21,685,589</u>	<u>18,649,207</u>	<u>19,750,495</u>
Less: allowance for credit impairment	(718,874)	(801,813)	(621,409)
	<u>20,966,715</u>	<u>17,847,394</u>	<u>19,129,086</u>
Current	5,878,436	2,371,062	3,829,006
Non current	15,088,279	15,476,332	15,300,080
	<u>20,966,715</u>	<u>17,847,394</u>	<u>19,129,086</u>
Net finance lease receivables included in loans and advances to customers (Note 15 g)	275,738	276,412	270,151
	<u>275,738</u>	<u>276,412</u>	<u>270,151</u>
<b>(a) Resident</b>	<b>Dec-25 Rs 000</b>	<b>Dec-24 Rs 000</b>	<b>Dec-23 Rs 000</b>
Retail customers			
- Credit cards	73,978	71,476	72,104
- Mortgages	6,623,271	7,569,461	7,712,944
- Other retail loans	3,890,024	3,010,753	3,242,600
Corporate customers	6,307,331	5,475,019	5,402,200
	<u>16,894,604</u>	<u>16,126,709</u>	<u>16,429,848</u>
Less allowance for credit impairment	(155,839)	(301,201)	(283,193)
	<u>16,738,765</u>	<u>15,825,508</u>	<u>16,146,655</u>
<b>(b) Non-Resident</b>	<b>Dec-25 Rs 000</b>	<b>Dec-24 Rs 000</b>	<b>Dec-23 Rs 000</b>
Retail customers			
- Mortgages	164,743	140,151	125,032
- Other retail loans	393,411	105,383	119,767
Corporate customers	-	24	445,537
Entities outside Mauritius	4,232,831	2,276,940	2,630,311
	<u>4,790,985</u>	<u>2,522,498</u>	<u>3,320,647</u>
Less allowance for expected credit loss	(563,035)	(500,612)	(338,216)
	<u>4,227,950</u>	<u>2,021,886</u>	<u>2,982,431</u>
<b>(c) Remaining term to maturity</b>	<b>Dec-25 Rs 000</b>	<b>Dec-24 Rs 000</b>	<b>Dec-23 Rs 000</b>
Up to 3 months	3,442,079	2,444,638	2,479,025
Over 3 months and up to 6 months	437,038	416,763	221,866
Over 6 months and up to 12 months	1,999,319	175,058	1,018,888
Over 1 year and up to 5 years	4,694,564	5,095,311	4,170,730
Over 5 years	10,393,715	9,715,624	11,238,577
	<u>20,966,715</u>	<u>17,847,394</u>	<u>19,129,086</u>

**BANK ONE LIMITED**
**Notes to the Financial Statements for the year ended 31 December 2025**
**15. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)**
**(d) Credit concentration of risk by industry sectors**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Agriculture and fishing	584,352	388,126	29,942
Manufacturing	600,459	39,892	47,856
<i>of which Export Processing Zone License holders</i>	<u>24,889</u>	<u>-</u>	<u>8,672</u>
Tourism	1,391,373	704,031	1,092,597
Transport	1,070,324	658,001	694,789
Construction	1,230,625	1,273,575	1,798,178
Financial and business services	1,333,798	1,522,780	1,714,392
Traders	3,272,762	2,451,218	2,405,685
Personal	8,194,978	9,392,080	9,599,800
<i>of which credit cards</i>	<u>70,164</u>	<u>71,476</u>	<u>72,104</u>
<i>of which Residential Mortgages</i>	<u>6,572,600</u>	<u>7,522,152</u>	<u>7,837,976</u>
Professional	10,401	11,287	12,478
Global business license holders	871,534	233,941	456,855
Others	3,124,983	1,974,276	1,897,923
<i>of which credit central government</i>	<u>2,259,552</u>	<u>1,352,179</u>	<u>1,326,516</u>
	<u>21,685,589</u>	<u>18,649,207</u>	<u>19,750,495</u>
	<b>Dec-25</b>	<b>Dec-24</b>	<b>Dec-23</b>
	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>
<b>(i) Resident</b>			
Agriculture and Fishing	584,352	388,126	29,942
Manufacturing	371,483	39,892	47,856
<i>of which Export Processing Zone License holders</i>	<u>-</u>	<u>-</u>	<u>8,672</u>
Tourism	1,391,373	704,031	1,092,597
Transport	381,654	427,294	434,443
Construction	1,219,481	1,259,856	1,749,585
Financial and business services	965,805	830,116	772,787
Traders	2,389,850	2,451,194	2,300,251
Personal	7,960,320	9,243,386	9,457,344
<i>of which credit cards</i>	<u>70,164</u>	<u>71,476</u>	<u>72,104</u>
<i>of which Residential Mortgages</i>	<u>6,407,858</u>	<u>7,522,152</u>	<u>7,712,944</u>
Global business license holders	871,534	233,941	-
Professional	10,401	11,287	12,478
Others	748,351	537,586	532,565
	<u>16,894,604</u>	<u>16,126,709</u>	<u>16,429,848</u>
<b>(ii) Non-Resident</b>			
Manufacturing	228,976	-	-
<i>of which Export Processing Zone License holders</i>	<u>24,889</u>	<u>-</u>	<u>-</u>
Transport	688,670	230,707	260,346
Construction	11,144	13,719	48,593
Financial and business services	367,993	692,664	941,605
Traders	882,912	24	105,434
Personal	234,658	148,694	142,456
<i>of which Residential Mortgages</i>	<u>164,742</u>	<u>-</u>	<u>125,032</u>
Global business license holders	-	-	456,855
Others	2,376,632	1,436,690	1,365,358
<i>of which credit central government</i>	<u>2,259,552</u>	<u>1,352,179</u>	<u>1,326,516</u>
	<u>4,790,985</u>	<u>2,522,498</u>	<u>3,320,647</u>

**BANK ONE LIMITED**
**Notes to the Financial Statements for the year ended 31 December 2025**
**15. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)**
**(d) Credit concentration of risk by industry sectors (Cont'd)**

Others include the following sectors: Media, Entertainment and Recreational Activities, Education, Modernisation and Expansion Enterprise Certificate Holders, Health Development Certificate Holders, Public Non financial Corporations, State and Local Government, Infrastructure, ICT, Freeport certificate holders and others.

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
<b>Off balance sheet by industry sector</b>			
Agriculture and Fishing	200	1,167	350,622
Manufacturing	37,532	523,591	425,208
Tourism	88,029	1,212,465	14,626
Transport	2,091	40,010	4,816
Construction	557,814	114,660	835,857
Financial and business services	81,034	325,302	1,527,236
Traders	587,858	26,329	841,934
Personal	1,811,279	11,820	387,637
Global business license holders	1,148,701	648,177	1,193,841
Others	2,397,867	1,902,882	181,151
	<b>6,712,405</b>	<b>4,806,403</b>	<b>5,762,928</b>

**(e) Allowance for expected credit loss**

	<b>Specific allowances for impairment Stage 3 ECL</b>	<b>Portfolio allowances for impairment Stage 1 and 2 ECL</b>	<b>Total</b>
	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>
Balance as at 1 January 2023	518,943	222,177	741,120
Provision for expected credit loss for the year	201,400	7,900	209,300
Loans written off out of allowance	(42,107)	-	(42,107)
Provisions released	(112,894)	(174,010)	(286,904)
Balance as at 31 December 2023	565,342	56,067	621,409
Provision for expected credit loss for the year	356,198	20,912	377,110
Loans written off out of allowance	(47,349)	-	(47,349)
Provisions released	(118,105)	(31,252)	(149,357)
<b>Balance as at 31 December 2024</b>	<b>756,086</b>	<b>45,727</b>	<b>801,813</b>
Provision for expected credit loss for the year	44,920	36,715	81,635
Loans written off out of allowance	(108,857)	-	(108,857)
Provisions released	(55,717)	-	(55,717)
<b>Balance as at 31 December 2025</b>	<b>636,432</b>	<b>82,442</b>	<b>718,874</b>

**(f) Allowance for credit impairment**

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
Retail customers			
- Credit cards	3,755	5,089	4,449
- Mortgages	31,248	39,995	25,227
- Other retail loans	113,134	79,015	81,874
Corporate customers	265,043	585,958	380,433
Entities outside Mauritius	305,694	91,756	129,426
	<b>718,874</b>	<b>801,813</b>	<b>621,409</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**15. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)**

(f) Allowance for credit impairment (Cont'd)	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
<b>(a) Resident</b>			
Retail customers			
- Credit cards	3,755	5,089	4,449
- Mortgages	30,308	39,995	25,147
- Other retail loans	111,321	79,015	80,710
Corporate customers	<u>10,455</u>	<u>177,214</u>	<u>172,886</u>
	<u><b>155,839</b></u>	<u><b>301,313</b></u>	<u><b>283,192</b></u>
<b>(b) Non-Resident</b>			
Retail customers			
- Mortgages	940	-	80
- Other retail loans	1,813	-	1,164
Corporate customers	254,588	408,744	207,547
Entities outside Mauritius	<u>305,694</u>	<u>91,756</u>	<u>129,426</u>
	<u><b>563,035</b></u>	<u><b>500,500</b></u>	<u><b>338,217</b></u>
<b>(g) Investment in finance leases</b>			

The amount of investments in finance leases included in the loans and advances to customers.

	Up to 1 Year Rs 000	Between 1 - 2 years Rs 000	Between 2 - 3 years Rs 000	Between 3 - 4 years Rs 000	Between 4 - 5 years Rs 000	Over 5 years Rs 000	Dec-25 Total Rs 000	Dec-24 Total Rs 000	Dec-23 Total Rs 000
Gross investment in finance leases	88,049	72,089	58,159	46,777	33,319	33,460	331,853	608,862	588,324
Unearned finance income	(18,399)	(13,503)	(9,482)	(6,091)	(3,372)	(2,483)	(53,330)	(329,659)	(315,444)
<b>Present value of minimum lease payments</b>	<u>69,650</u>	<u>58,586</u>	<u>48,677</u>	<u>40,686</u>	<u>29,947</u>	<u>30,977</u>	<u>278,523</u>	<u>279,203</u>	<u>272,880</u>
Allowance for impairment	(696)	(586)	(487)	(407)	(299)	(310)	(2,785)	(2,791)	(2,729)
	<u><b>68,954</b></u>	<u><b>58,000</b></u>	<u><b>48,190</b></u>	<u><b>40,279</b></u>	<u><b>29,648</b></u>	<u><b>30,667</b></u>	<u><b>275,738</b></u>	<u><b>276,412</b></u>	<u><b>270,151</b></u>

Under finance lease, all the risks and rewards of ownership of the asset are transferred to the lessee. The term of the lease contract generally ranges from five to seven years. All finance lease receivables are secured over the asset leased and in some cases additional guarantees are taken from the lessee.

Amount due from lessees under finance leases are recorded under loans and advances. Finance lease income is allocated to the accounting period so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**15. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)**

**(h) Allowance for expected credit loss by industry sectors**

	Dec-25					Dec-24	Dec-23
	Gross	Impaired loans	Stage 3 ECL	Stage 1 & 2 ECL	Total ECL	Total ECL	Total ECL
	amount of loans						
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Agriculture and fishing	584,352	-	-	402	402	1,039	84
Manufacturing	600,459	-	-	2,535	2,535	107	135
<i>of which Export Processing Zone License holders</i>	24,889	-	-	2,374	2,374	-	-
Tourism	1,391,373	4,291	1,466	2,225	3,691	3,107	3,930
Transport	1,070,324	233,308	232,516	6,288	238,804	238,608	266,999
Construction	1,230,625	-	-	3,393	3,393	41,932	43,585
Financial and business services	1,333,798	369,210	194,993	1,148	196,141	183,946	5,815
Traders	3,272,762	9,392	8,348	10,160	18,508	118,046	118,009
Personal	8,194,978	153,262	87,191	22,460	109,651	122,471	105,727
<i>of which Residential Mortgages</i>	6,572,600	103,864	31,248	15,925	47,173	34,330	39,557
Professional	10,401	-	-	35	35	31	35
Global business license holders	871,534	-	-	16,693	16,693	626	1,352
Others	3,124,983	385,950	111,918	17,103	129,021	91,900	75,738
<i>of which government</i>	2,259,552	385,950	111,918	12,848	124,766	71,581	74,125
	<b>21,685,589</b>	<b>1,155,413</b>	<b>636,432</b>	<b>82,442</b>	<b>718,874</b>	<b>801,813</b>	<b>621,409</b>

**Bank One Limited**

**Notes to the Financial Statements for the year ended 31 December 2025**

**15. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)**

**(h) Allowance for credit impairment by industry sectors (cont'd)**

	Dec-25				Dec-24	Dec-23	
	Gross amount of loans Rs 000	Impaired loans Rs 000	Stage 3 ECL Rs 000	Stage 1 & 2 ECL Rs 000	Total ECL Rs 000	Total ECL Rs 000	
<b>(a) Resident</b>							
Agriculture and Fishing	584,352	-	-	402	402	1,039	84
Manufacturing	371,483	-	-	666	666	107	135
<i>of which Export Processing Zone License holders</i>	-	-	-	-	-	-	-
Tourism	1,391,373	4,291	1,466	2,225	3,691	3,107	3,930
Transport	381,654	8,671	7,879	702	8,581	9,652	8,116
Construction	1,219,481	-	-	3,368	3,368	41,918	43,441
Financial and Business Services	965,805	1,217	1,217	1,148	2,365	3,240	3,029
Traders	2,389,850	9,392	8,348	5,683	14,031	118,046	117,697
Personal	7,960,320	145,102	81,115	21,832	102,947	122,319	105,226
<i>of which Residential Mortgages</i>	6,407,858	100,839	30,308	14,395	44,703	34,330	39,107
<i>of which credit cards</i>	70,164	4,515	3,755	158	3,913	-	-
Global business license holders	871,534	-	-	16,693	16,693	626	1,352
Professional	10,401	-	-	35	35	31	35
Others	748,351	-	-	3,060	3,060	1,438	1,499
	<b>16,894,604</b>	<b>168,673</b>	<b>100,025</b>	<b>55,814</b>	<b>155,839</b>	<b>301,523</b>	<b>284,544</b>
<b>(b) Non-Resident</b>							
Agriculture and fishing	-	-	-	-	-	-	-
Manufacturing	228,976	-	-	1,869	1,869	-	-
<i>of which Export Processing Zone License holders</i>	24,889	-	-	2,374	2,374	-	-
Tourism	-	-	-	-	-	-	-
Transport	688,670	224,637	224,637	5,586	230,223	228,956	258,883
Construction	11,144	-	-	25	25	14	144
Financial and Business Services	367,993	367,993	193,776	-	193,776	180,706	2,786
Traders	882,912	-	-	4,477	4,477	-	312
Personal	234,658	8,160	6,076	628	6,704	152	501
<i>of which Residential Mortgages</i>	164,742	3,025	940	1,530	2,470	-	450
Global business license holders	-	-	-	-	-	-	-
Others	2,376,632	385,950	111,918	14,043	125,961	90,462	74,239
<i>of which government</i>	2,259,552	385,950	111,918	12,848	124,766	71,581	74,125
	<b>4,790,985</b>	<b>986,740</b>	<b>536,407</b>	<b>26,628</b>	<b>563,035</b>	<b>500,290</b>	<b>336,865</b>

**BANK ONE LIMITED**
**Notes to the Financial Statements for the year ended 31 December 2025**
**16. INVESTMENT SECURITIES**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Investment securities at fair value through OCI	5,085,508	4,180,399	2,427,459
Investment securities at amortised cost	14,347,008	9,523,131	10,625,229
	<u>19,432,516</u>	<u>13,703,530</u>	<u>13,052,688</u>
Less: Allowance for expected loss	(5,334)	(9,844)	(7,638)
	<u>19,427,182</u>	<u>13,693,686</u>	<u>13,045,050</u>
Current	11,526,584	10,884,722	8,471,553
Non-current	7,900,598	2,808,964	4,573,497
	<b>Dec-25</b>	<b>Dec-24</b>	<b>Dec-23</b>
	<b>Rs 000</b>	<b>Rs 000</b>	<b>Rs 000</b>
<b>Investments at FVTOCI</b>			
Equity shares in M Oriental Bank Ltd (Kenya)	-	35,026	26,086
Other equity investments	6,833	6,029	5,936
Bank/Government of Mauritius securities	5,078,675	4,139,344	2,395,437
	<u>5,085,508</u>	<u>4,180,399</u>	<u>2,427,459</u>
<b>(a) Resident</b>			
Bank/Government of Mauritius securities	5,078,675	4,139,344	2,395,437
Others	3,276	3,276	3,276
	<u>5,081,951</u>	<u>4,142,620</u>	<u>2,398,713</u>
<b>(b) Non-Resident</b>			
Equity shares in M Oriental Bank Ltd (Kenya)	-	35,026	26,086
Others	3,557	2,753	2,660
	<u>3,557</u>	<u>37,779</u>	<u>28,746</u>

The investment held in Industrial Finance Corporation of Mauritius (Equity) Ltd (formerly known as SME Equity Fund Ltd) has been valued using net asset value basis and investment in SWIFT has been valued using net asset value as at 30 June 2025. Refer to note 2 (i). The Bank classified these investments as equity securities at FVOCI because these securities represent investments that the Bank intends to hold for the long term for strategic purposes.. Refer to note 2 (i).

During the financial year 2025, the Bank disposed of its equity holding of 4,597,208 shares, representing 3.69% shareholding of M Oriental Bank Ltd, incorporated and operating in Kenya. In previous years, the equity holding was fair valued based on the market approach using the average Price to book ratio.

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
<b>Investments at amortised cost</b>			
Government of Mauritius bonds	572,074	921,701	1,315,358
Treasury Bills / Notes issued by Government of Mauritius	-	-	181,038
BOM notes/Treasury notes	1,918	404,088	1,608,413
Foreign bonds and bills/Other Bank Placements	13,773,016	8,197,342	7,520,420
	<u>14,347,008</u>	<u>9,523,131</u>	<u>10,625,229</u>
Less: Allowance for expected loss	(5,334)	(9,844)	(7,638)
	<u>14,341,674</u>	<u>9,513,287</u>	<u>10,617,591</u>
<b>(a) Resident</b>			
Government of Mauritius bonds	572,074	921,701	1,315,358
Bank of Mauritius Bills	-	-	-
Treasury Bills /issued by Government of Mauritius	-	-	181,038
BOM notes/Treasury notes	1,918	404,088	1,608,413
	<u>573,992</u>	<u>1,325,789</u>	<u>3,104,809</u>
Less: Allowance for expected loss	(602)	(1,625)	(3,840)
	<u>573,390</u>	<u>1,324,164</u>	<u>3,100,969</u>
<b>(b) Non-Resident</b>			
Corporate Bonds/Other Bank Placements	13,773,016	8,197,342	7,520,420
Less: Allowance for expected loss	(4,732)	(8,219)	(3,798)
	<u>13,768,284</u>	<u>8,189,123</u>	<u>7,516,622</u>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**16. INVESTMENT SECURITIES (CONT'D)**

**Investments at amortised cost (cont'd)**

**Remaining term to maturity - 2025**

	<b>Up to 3 months Rs 000</b>	<b>3-6 months Rs 000</b>	<b>6-12 months Rs 000</b>	<b>1-5 years Rs 000</b>	<b>Total Rs 000</b>
Government of Mauritius bonds	-	320,466	251,608	-	572,074
Treasury Bills / Notes issued by Government of Mauritius	-	1,918	-	-	1,918
BOM notes/Treasury notes/Corporate Bonds/Other Bank Placements	9,508,024	466,982	982,920	2,815,090	13,773,016
	<b>9,508,024</b>	<b>789,366</b>	<b>1,234,528</b>	<b>2,815,090</b>	<b>14,347,008</b>

**Remaining term to maturity - 2024**

	<b>Up to 3 months Rs 000</b>	<b>3-6 months Rs 000</b>	<b>6-12 months Rs 000</b>	<b>1-5 years Rs 000</b>	<b>Total Rs 000</b>
Government of Mauritius bonds	350,278	-	-	571,423	921,701
Treasury Bills / Notes issued by Government of Mauritius	-	-	404,088	-	404,088
BOM notes/Treasury notes/Corporate Bonds/Other Bank Placements	3,997,310	471,335	1,489,330	2,239,367	8,197,342
	<b>4,347,588</b>	<b>471,335</b>	<b>1,893,418</b>	<b>2,810,790</b>	<b>9,523,131</b>

**Remaining term to maturity - 2023**

	<b>Up to 3 months Rs 000</b>	<b>3-6 months Rs 000</b>	<b>6-12 months Rs 000</b>	<b>1-5 years Rs 000</b>	<b>Total Rs 000</b>
Government of Mauritius bonds	-	191,928	201,222	922,208	1,315,358
Treasury Bills / Notes issued by Government of Mauritius	-	80,058	100,980	-	181,038
BOM notes/Treasury notes/Corporate Bonds/Other Bank Placements	4,306,780	719,796	480,778	3,621,479	9,128,833
	<b>4,306,780</b>	<b>991,782</b>	<b>782,980</b>	<b>4,543,687</b>	<b>10,625,229</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**17. RIGHT OF USE ASSETS**

	<b>Buildings</b>		
	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
<u>Cost</u>			
At 1 January	135,046	116,780	108,940
Additions	69,950	18,266	7,840
Remeasurement	(48,331)	-	-
At 31 December	<u>156,665</u>	<u>135,046</u>	<u>116,780</u>
<u>Accumulated depreciation</u>			
At 1 January	64,492	47,006	31,975
Charge for the year	15,101	17,486	15,031
Remeasurement	(20,588)	-	-
At 31 December	<u>59,005</u>	<u>64,492</u>	<u>47,006</u>
<u>Carrying amount</u>			
At 31 December	<u>97,660</u>	<u>70,554</u>	<u>69,774</u>

The Bank leases various properties mainly to operate its branches. The average lease term is 8 years.

The Bank does not have an option to purchase the leased assets at the end of the lease term.

Amounts recognised in profit or loss under:

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
Depreciation and amortisation - depreciation expense on right-of-use assets	15,101	17,486	15,031
Interest expense - interest expense on lease liabilities	4,494	7,564	6,457
	<u>19,595</u>	<u>25,050</u>	<u>21,488</u>

At 31 December 2025, the Bank is committed to Rs 0.08 million (2024: Rs 0.9 million) for low-value assets.

The total cash outflow for leases amounted to Rs 25.1 million (2024: Rs 24.1 million) for the year.

**LEASE LIABILITIES**

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
<b>Resident</b>			
Analysed as:			
Non-current	85,865	65,294	64,595
Current	21,100	15,455	14,470
	<u>106,965</u>	<u>80,749</u>	<u>79,065</u>

**Disclosure required by IFRS 16**

<u>Maturity analysis:</u>			
Year 1	21,100	15,455	14,470
Year 2	21,085	18,460	14,127
Year 3	13,228	18,776	17,027
Year 4	10,471	8,827	17,227
Year 5	9,577	5,310	7,156
Onwards	31,504	13,921	9,058
	<u>106,965</u>	<u>80,749</u>	<u>79,065</u>

The Bank does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Bank's Finance department.

## 18. PROPERTY AND EQUIPMENT

<u>Cost or Valuation</u>	Land and buildings Rs 000	Computer and other equipment Rs 000	Motor vehicles and furniture and fittings Rs 000	Work in Progress Rs 000	Total Rs 000
<b>Balance as at 01 January 2023</b>	287,671	197,490	236,910	4,199	726,270
Acquisitions	-	1,165	885	16,007	18,057
Revaluation	55,520	-	-	-	55,520
Reclassification to non current assets held for sale	-	10,027	4,042	(14,069)	-
Reclassification to intangible assets	-	(48)	-	-	(48)
Expensed during the year	-	-	-	-	-
Write off/scrapped	-	(13,475)	(5,367)	-	(18,842)
<b>Balance as at 31 December 2023</b>	<b>343,191</b>	<b>195,159</b>	<b>236,470</b>	<b>6,137</b>	<b>780,957</b>
Acquisitions	-	3,017	299	23,155	26,471
Reclassification from non current assets held for sale	-	-	-	-	-
Transfer to equipment and furniture	-	-	-	-	-
Disposal	-	(239)	(1,985)	-	(2,224)
Write off/scrapped	-	(209)	-	-	(209)
<b>Balance as at 31 December 2024</b>	<b>343,191</b>	<b>197,728</b>	<b>234,784</b>	<b>29,292</b>	<b>804,995</b>
Acquisitions	-	7,534	-	53,332	60,866
Revaluation	9,066	-	-	-	9,066
Transfer to PPE	-	40,221	26,795	(67,016)	-
Disposal	-	(232)	(7,140)	-	(7,372)
Write off/scrapped	-	(1,163)	-	-	(1,163)
<b>Balance as at 31 December 2025</b>	<b>352,257</b>	<b>244,088</b>	<b>254,439</b>	<b>15,608</b>	<b>866,392</b>
<b>Accumulated depreciation</b>					
<b>Balance as at 01 January 2023</b>	<b>70,600</b>	<b>124,052</b>	<b>128,613</b>	-	<b>323,265</b>
Depreciation for the year	4,888	20,410	19,695	-	44,993
Disposal	-	(24)	-	-	(24)
Reclassification to non current assets held for sale	10,520	-	-	-	10,520
Write off/scrapped	-	(13,458)	(5,332)	-	(18,790)
<b>Balance as at 31 December 2023</b>	<b>86,008</b>	<b>130,980</b>	<b>142,976</b>	-	<b>359,964</b>
Depreciation for the year	5,494	20,725	18,816	-	45,035
Disposal	-	(215)	(1,985)	-	(2,200)
Reclassification to non current assets held for sale	-	-	-	-	-
Write off/scrapped	-	(159)	-	-	(159)
<b>Balance as at 31 December 2024</b>	<b>91,502</b>	<b>151,331</b>	<b>159,807</b>	-	<b>402,640</b>
Depreciation for the year	5,254	20,867	17,900	-	44,021
Disposal	-	(232)	(7,140)	-	(7,372)
Write off/scrapped	-	(1,163)	-	-	(1,163)
<b>Balance as at 31 December 2025</b>	<b>96,756</b>	<b>170,803</b>	<b>170,567</b>	-	<b>438,126</b>
<b>Net book value as at 31 December 2025</b>	<b>255,501</b>	<b>73,285</b>	<b>83,872</b>	<b>15,608</b>	<b>428,266</b>
Net book value as at 31 December 2024	251,689	46,397	74,977	29,292	402,355
Net book value as at 31 December 2023	257,183	64,179	93,494	6,137	420,993
<b>Net book value as at 31 December 2025</b>					
<b>Resident</b>	<b>255,501</b>	<b>73,285</b>	<b>83,872</b>	<b>15,608</b>	<b>428,266</b>
<b>Non-Resident</b>	-	-	-	-	-
<b>Net book value as at 31 December 2025</b>	<b>255,501</b>	<b>73,285</b>	<b>83,872</b>	<b>15,608</b>	<b>428,266</b>
Net book value as at 31 December 2024	251,689	46,271	74,977	29,292	402,229
Resident	251,689	46,271	74,977	29,292	402,229
Non-Resident	-	126	-	-	126
Net book value as at 31 December 2023	257,183	64,148	93,494	6,137	420,962
Resident	257,183	64,148	93,494	6,137	420,962
Non-Resident	-	31	-	-	31
<b>Net book value as at 31 December 2025</b>	<b>257,183</b>	<b>64,179</b>	<b>93,494</b>	<b>6,137</b>	<b>420,993</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**18. PROPERTY AND EQUIPMENT (CONT'D)**

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
<b>Assets disposed/scrapped/written-off during the year (cost)</b>			
Computer and equipment	<b>1,395</b>	448	13,523
Other assets	<b>7,140</b>	1,985	5,367
	<b>8,535</b>	2,433	18,890
<b>Work in progress included in property and equipment as at year end were incurred for:</b>			
(i) Renovation of branch	-	1,696	1,912
(ii) Others	<b>15,608</b>	27,596	4,225
	<b>15,608</b>	29,292	6,137

**Fully depreciated tangible assets:**

The gross carrying amount of fully depreciated property, plant and equipment that were still in use consists of:

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
Computer and other equipment	98,005	95,481	90,795
Motor vehicles and furniture and fittings	47,398	60,066	46,407
	<b>145,403</b>	155,547	137,202

**Fair Value of Land and Buildings**

The Bank carries its land and buildings used for carrying out its operations at fair value. The revaluation surplus, net of applicable deferred income taxes, was credited to other comprehensive income and reflected under 'revaluation surplus' in the statement of changes in equity.

The land and buildings were revalued in December 2025 based on an independent valuation carried out by Saddul & Partners, a chartered property valuer, using observable market inputs where available. In accordance with IFRS 13, the valuation incorporates **Level 2** inputs, as the key assumptions are based on observable market data with limited adjustments.

The freehold land has been valued using the **Comparable Sales Approach**, relying on recent market transactions of similar land parcels within close proximity. The sales prices of comparable plots have been adjusted for differences in key characteristics, including land size and other physical attributes. Under this method, the most significant input is the market price per square metre. The valuation has been conducted in accordance with International Valuation Standards (IVS 104) for valuations performed for financial reporting under IFRS 13.

The buildings and structures have been valued using the **Income Approach**, based on current observable market rental rates applicable to comparable commercial properties. Future rental income streams have been projected and discounted to present value using a discounted cash flow (DCF) method, reflecting the income-generating potential of the assets. Under this approach, the key inputs include market-based rental rates per square metre and the assumptions applied in the discounted cash flow model, which together also constitute Level 2 inputs under IFRS 13.

The main inputs used in the valuation approach ranged as follows:

**Land and Buildings excluding revaluation**

If these land and buildings were stated on the historical cost basis, the net book value would have as follows:

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
Cost	<b>201,000</b>	201,000	201,000
Accumulated depreciation	<b>(94,965)</b>	(90,944)	(86,924)
Net	<b>106,035</b>	110,056	114,076

The directors have assessed the carrying value of equipment and are of the opinion that no impairment is required at the reporting date. (2024: Nil, 2023: Nil)

The Bank carries its land and buildings used for carrying out its operations at fair value. The revaluation surplus, net of applicable deferred income taxes, was credited to other comprehensive income and reflected under 'revaluation surplus' in the statement of changes in equity.

## 18. PROPERTY AND EQUIPMENT (CONT'D)

The main inputs used in the valuation approach ranged as follows:

Description	Fair Value at 31 Dec 25 Rs 000	Valuation technique	Unobservable Inputs	Area Square metre	Range of Unobservable Inputs Rs/ Per Square Metre	Yield
<b>a) <u>Bank One City Centre - Port Louis</u></b>						
Land	50,000	Market approach	Price per square metre	273.51 m <sup>2</sup>	Rs78,000 to Rs169,500	n/a
Building	120,000	Income approach	Price per square metre	2493 m <sup>2</sup>	Rs485 - Rs600	7.50%

**Sensitivity analysis**

A 1% increase in yield percentage would lead to a decrease in fair value of building component by Rs19.3m and a decrease of 1% in yield would lead to an increase of Rs27m.

<b>b) <u>Nirmal House - Port Louis</u></b>						
Land	19,500	Market approach	Price per square metre	123.76 m <sup>2</sup>	Rs78,000 to Rs169,500	n/a
Building	40,500	Income approach	Price per square metre	1244 m <sup>2</sup>	Rs485 - Rs540	8%

**Sensitivity analysis**

A 1% increase in yield percentage would lead to a decrease in fair value of building component by Rs6.6 m and a decrease of 1% in yield would lead to an increase of Rs8.6m.

<b>c) <u>Bank One - Ex- Mahebourg branch</u></b>						
Building	12,500	Income approach	Price per square metre	116.78 m <sup>2</sup>	Rs650 - Rs1,000	8.50%

**Sensitivity analysis**

A 1% increase in yield percentage would lead to a decrease in fair value of building component by Rs1.3 m and a decrease of 1% in yield would lead to an increase of Rs1.7m.

<b>d) <u>Building space - Rose belle</u></b>						
Building	13,000	Income approach	Price per square metre	146 m <sup>2</sup>	Rs450 - Rs1,000	8%

**Sensitivity analysis**

A 1% increase in yield percentage would lead to a decrease in fair value of building component by Rs1.3 m and a decrease of 1% in yield would lead to an increase of Rs2m.

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**19. INTANGIBLE ASSETS**

Cost	Computer Software Rs 000	Work in Progress Rs 000	Total Rs 000
<b>Balance as at 01 January 2023</b>	<b>378,135</b>	<b>4,701</b>	<b>382,836</b>
Additions	-	41,483	41,483
Transfer to computer software	35,158	(35,158)	-
Expensed during the year	-	(115)	(115)
<b>Balance as at 31 December 2023</b>	<b>413,293</b>	<b>10,911</b>	<b>424,204</b>
Additions	12,293	35,879	48,172
Transfer to computer software	32,165	(32,165)	-
<b>Balance as at 31 December 2024</b>	<b>457,751</b>	<b>14,625</b>	<b>472,376</b>
Additions	32,816	66,558	99,374
Transfer to computer software	74,001	(74,001)	-
<b>Balance as at 31 December 2025</b>	<b>564,568</b>	<b>7,182</b>	<b>571,750</b>

Amortisation	Computer Software Rs 000	Work in Progress Rs 000	Total Rs 000
<b>Balance as at 01 January 2023</b>	<b>249,253</b>	-	<b>249,253</b>
Charge for the year	50,613	-	50,613
<b>Balance as at 31 December 2023</b>	<b>299,866</b>	-	<b>299,866</b>
Charge for the year	32,357	-	32,357
<b>Balance as at 31 December 2024</b>	<b>332,223</b>	-	<b>332,223</b>
Charge for the year	44,065	-	44,065
<b>Balance as at 31 December 2025</b>	<b>376,288</b>	-	<b>376,288</b>

<b>Net book value</b>			
<b>Net book value as at 31 December 2025</b>	<b>188,280</b>	<b>7,182</b>	<b>195,462</b>
Net book value as at 31 December 2024	125,528	14,625	140,153
Net book value as at 31 December 2023	113,427	10,911	124,338

The directors have assessed the carrying value of intangible assets and are of the opinion that no impairment is required at the reporting date. (2024: Nil, 2023: Nil).

	Computer Software Rs 000	Work in Progress Rs 000	Total Rs 000
<b>Net book value as at 31 December 2025 by segments</b>			
<b>Resident</b>	<b>188,280</b>	<b>7,182</b>	<b>195,462</b>
Net book value as at 31 December 2024 by segments			
Resident	125,528	14,625	140,153
Net book value as at 31 December 2023 by segments			
Resident	113,427	10,911	124,338

**20. OTHER ASSETS**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Non-Banking assets acquired in satisfaction of debts**	<b>9,867</b>	9,104	9,104
Interest rate differential on staff loan	<b>173,987</b>	171,303	194,433
Other receivables	<b>107,851</b>	76,336	98,259
	<b>291,705</b>	256,743	301,796
Less: Allowance for expected loss	-	-	-
	<b>291,705</b>	256,743	301,796
Current	<b>11,599</b>	11,420	12,962
Non Current	<b>280,106</b>	245,323	288,834
<b>(a) Resident</b>			
Non-Banking assets acquired in satisfaction of debts	<b>9,867</b>	9,104	9,104
Interest rate differential on staff loan	<b>173,987</b>	171,303	194,433
Other receivables	<b>87,934</b>	71,829	91,776
	<b>271,788</b>	252,236	295,313
Less: Allowance for expected loss	-	-	-
	<b>271,788</b>	252,236	295,313
<b>(b) Non-Resident</b>			
Other receivables	<b>19,917</b>	4,507	6,483
	<b>19,917</b>	4,507	6,483

**BANK ONE LIMITED****Notes to the Financial Statements for the year ended 31 December 2025****21. DEFERRED TAX ASSETS**

The movement on the deferred income tax account is as follows:-

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
Balance as at 1 January	<b>60,701</b>	31,539	44,515
Profit or loss credit/(charge) (note 10)	<b>14,757</b>	25,681	(10,275)
Amount recognised directly in other comprehensive income:			
Deferred income tax on fair value adjustments on FVTOCI investments	<b>2,152</b>	(1,875)	(4,988)
Deferred income tax on revaluation of buildings	<b>(2,211)</b>	(996)	-
Deferred income tax on actuarial (gains)/losses on retirement benefits	<b>(1,562)</b>	6,352	2,287
Balance as at 31 December	<b>73,837</b>	60,701	31,539
<b>Resident</b>	<b>26,640</b>	28,615	22,083
<b>Non-Resident</b>	<b>47,197</b>	32,086	9,456
	<b>73,837</b>	60,701	31,539
<b>Deferred tax assets</b>			
Allowances for expected credit losses	<b>59,649</b>	48,711	24,988
Securities classified at FVTOCI	<b>5,962</b>	3,810	5,686
Retirement benefit obligations	<b>15,359</b>	15,545	6,566
Deferred tax on leases	<b>11,057</b>	7,231	-
	<b>92,027</b>	75,297	37,240
	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
<b>Deferred tax liabilities</b>			
Accelerated capital allowances	<b>1,314</b>	3,765	2,215
Revaluation reserve	<b>6,692</b>	4,481	3,486
Deferred tax on right of use-assets	<b>10,184</b>	6,350	-
	<b>18,190</b>	14,596	5,701
Net non-current	<b>73,837</b>	60,701	31,539

Deferred income tax is calculated on all temporary differences under the liability method using an effective tax rate ranging from 9% to 16.5% (2024: 9% and 2023: 7%) for resident and an effective tax rate of 7% to 12% (2024: 7% and 2023: 5%) for non-resident.

**22. DEPOSITS FROM CUSTOMERS**

(a) Deposits comprise the following:

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
Retail customers	<b>27,397,036</b>	19,018,506	11,808,463
Corporate customers	<b>4,658,310</b>	4,095,465	4,301,439
International customers	<b>26,985,669</b>	23,840,206	28,502,451
Government	<b>148,855</b>	907,643	234,929
	<b>59,189,870</b>	47,861,820	44,847,282
Current	<b>57,342,754</b>	46,237,886	42,987,143
Non Current	<b>1,847,116</b>	1,623,934	1,860,139

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**22. DEPOSITS FROM CUSTOMERS (CONT'D)**

(b) The table below shows the remaining term to maturity for deposits by type of customer:

	Time deposits with remaining term to maturity							Total
	Current accounts	Savings accounts	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	
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
<b>At 31 December 2025</b>								
Retail customers	9,162,491	10,206,520	5,921,930	446,642	601,152	1,057,449	852	27,397,036
Corporate customers	961,264	446,314	253,410	764,822	1,653,246	579,254	-	4,658,310
International customers	12,334,453	926,320	12,171,253	1,328,734	154,102	70,807	-	26,985,669
Government	2	44	-	10,055	-	138,754	-	148,855
<b>Total</b>	<b>22,458,210</b>	<b>11,579,198</b>	<b>18,346,593</b>	<b>2,550,253</b>	<b>2,408,500</b>	<b>1,846,264</b>	<b>852</b>	<b>59,189,870</b>
<b>At 31 December 2024</b>								
Retail customers	5,670,076	9,069,162	1,579,480	870,135	1,020,961	808,091	601	19,018,506
Corporate customers	760,550	568,088	839,190	500,272	923,928	503,437	-	4,095,465
International customers	11,305,762	310,748	9,222,553	2,045,357	784,309	171,477	-	23,840,206
Government	727,023	14,870	-	10,169	15,253	140,328	-	907,643
<b>Total</b>	<b>18,463,411</b>	<b>9,962,868</b>	<b>11,641,223</b>	<b>3,425,933</b>	<b>2,744,451</b>	<b>1,623,333</b>	<b>601</b>	<b>47,861,820</b>
<b>At 31 December 2023</b>								
Retail customers	1,678,399	6,790,934	499,395	646,720	1,237,344	955,070	601	11,808,463
Corporate customers	1,382,376	354,009	574,219	539,332	891,986	559,517	-	4,301,439
International customers	15,415,017	2,437,111	6,587,638	1,919,911	1,937,228	205,546	-	28,502,451
Government	-	14,710	-	-	80,814	139,405	-	234,929
<b>Total</b>	<b>18,475,792</b>	<b>9,596,764</b>	<b>7,661,252</b>	<b>3,105,963</b>	<b>4,147,372</b>	<b>1,859,538</b>	<b>601</b>	<b>44,847,282</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**22. DEPOSITS FROM CUSTOMERS (CONT'D)**

**(c) Deposits by Segments**

	<b>Current accounts Rs 000</b>	<b>Savings accounts Rs 000</b>	<b>Up to 3 months Rs 000</b>	<b>Over 3 months and up to 6 months Rs 000</b>	<b>Over 6 months and up to 12 months Rs 000</b>	<b>Over 1 year and up to 5 years Rs 000</b>	<b>over 5 years Rs 000</b>	<b>Total Rs 000</b>
<b>At 31 December 2025</b>								
<b>Resident</b>	<b>8,901,278</b>	<b>8,175,192</b>	<b>8,344,479</b>	<b>1,877,338</b>	<b>2,207,858</b>	<b>1,759,159</b>	<b>852</b>	<b>31,266,156</b>
<b>Non-Resident</b>	<b>13,556,932</b>	<b>3,404,006</b>	<b>10,002,114</b>	<b>672,915</b>	<b>200,642</b>	<b>87,105</b>		<b>27,923,714</b>
<b>At 31 December 2024</b>								
Resident	4,080,708	8,151,857	1,667,745	1,015,869	1,688,665	1,419,466	601	18,024,911
Non-Resident	14,382,703	1,811,011	9,973,478	2,410,064	1,055,786	203,867	-	29,836,909
<b>At 31 December 2023</b>								
Resident	3,611,822	7,886,133	1,911,053	1,200,205	2,187,795	1,635,190	601	18,432,799
Non-Resident	14,863,970	1,710,631	5,750,199	1,905,758	1,959,577	224,348	-	26,414,483

**BANK ONE LIMITED**
**Notes to the Financial Statements for the year ended 31 December 2025**
**23. OTHER BORROWED FUNDS**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Short term borrowings from banks	-	1,043,592	371,339
Long term borrowings from other financial institutions	1,516,375	358,042	923,588
Other borrowings	5,002	5,001	5,002
	<u>1,521,377</u>	<u>1,406,635</u>	<u>1,299,929</u>
Current	23,944	1,284,354	965,079
Non current	1,497,433	122,281	334,850
<b>Resident</b>			
Other borrowings	5,002	5,001	5,002
	<u>5,002</u>	<u>5,001</u>	<u>5,002</u>
Long term domestic borrowing bear interest rates on average of 5%.			
<b>Non-Resident</b>			
Short term borrowings from banks abroad (at market rates)	-	1,043,592	371,339
Long term borrowings from other financial institutions	1,516,375	358,042	923,588
	<u>1,516,375</u>	<u>1,401,634</u>	<u>1,294,927</u>

Long term foreign borrowings bear interest rates ranging from 5.7 % to 6%. (2024: 5.5 % to 6%, 2023: 5% to 7.06%).

**2025**

Remaining term to maturity :	Up to	1-2	2-3	3-4	4-5	above	Total
	1 year	years	years	years	years	5 years	
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Long term borrowings from other financial institutions/bonds	-	298,384	298,384	298,384	303,387	298,894	1,497,433
Short term borrowings	-	-	-	-	-	-	-
Interest payable	23,944						23,944
	<u>23,944</u>	<u>298,384</u>	<u>298,384</u>	<u>298,384</u>	<u>303,387</u>	<u>298,894</u>	<u>1,521,377</u>

**2024**

Remaining term to maturity :	Up to	1-2	2-3	3-4	4-5	above	Total
	1 year	years	years	years	years	5 years	
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Long term borrowings from other financial institutions/bonds	240,761	117,281	-	-	-	5,001	363,043
Short term borrowings	1,043,592	-	-	-	-	-	1,043,592
	<u>1,284,353</u>	<u>117,281</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,001</u>	<u>1,406,635</u>

**2023**

Remaining term to maturity :	Up to	1-2	2-3	3-4	4-5	above	Total
	1 year	years	years	years	years	5 years	
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Long term borrowings from other financial institutions/bonds	593,740	219,900	109,950	-	-	5,000	928,590
Short term borrowings	371,339	-	-	-	-	-	371,339
	<u>965,079</u>	<u>219,900</u>	<u>109,950</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>1,299,929</u>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**24. SUBORDINATED LIABILITIES**

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
Remaining term to maturity :			
Within 1 year	<b>142,614</b>	134,882	135,470
Over 1 years and up to 2 years	<b>89,035</b>	128,263	128,971
Over 2 years and up to 3 years	<b>39,802</b>	84,191	128,971
Over 3 years and up to 4 years	-	39,802	84,485
Over 4 years and up to 5 years	<b>595,000</b>	-	40,000
Over 5 years	-	595,000	595,000
	<b>866,451</b>	982,138	1,112,897
Current	<b>142,614</b>	134,882	135,470
Non current	<b>723,837</b>	847,256	977,427
<b>Resident</b>			
Within 1 year	<b>40,186</b>	40,056	39,387
Over 1 years and up to 2 years	<b>39,802</b>	39,802	40,000
Over 2 years and up to 3 years	<b>39,802</b>	39,802	40,000
Over 3 years and up to 4 years	-	39,802	40,000
Over 4 years and up to 5 years	<b>595,000</b>	-	40,000
Over 5 years	-	595,000	595,000
	<b>714,790</b>	754,462	794,387
<b>Non-Resident</b>			
Within 1 year	<b>102,428</b>	94,826	96,083
Over 1 years and up to 2 years	<b>49,233</b>	88,461	88,971
Over 2 years and up to 3 years	-	44,389	88,971
Over 3 years and up to 4 years	-	-	44,485
Over 4 years and up to 5 years	-	-	-
Over 5 years	-	-	-
	<b>151,661</b>	227,676	318,510

Interest rates on the subordinated debts range between 5% and 8.8% (between 5% and 8.825% in 2024 and between 5% and 9.075% in 2023).

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
<b>Movement in subordinated liabilities</b>			
Opening balance	<b>982,138</b>	1,112,897	1,289,279
Redemptions/amortisation/exchange difference	<b>(115,687)</b>	(130,759)	(176,382)
Closing balance	<b>866,451</b>	982,138	1,112,897

**BANK ONE LIMITED****Notes to the Financial Statements for the year ended 31 December 2025****25. EMPLOYEE BENEFIT OBLIGATIONS**

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
<b>Employee benefit obligations under defined benefit plan</b>			
Amounts recognised in the statement of financial position:	<b>132,462</b>	127,626	83,625
Amounts charged to profit or loss statement (note 8)	<b>17,719</b>	14,494	12,086
Amount (credited)/charged to other comprehensive income	<b>(5,837)</b>	36,021	22,034
<b>Employee benefit obligations under unfunded obligation</b>			
Amounts recognised in the statement of financial position:	<b>39,151</b>	44,758	37,639
Amounts charged/(credited) to profit or loss (note 8)	<b>7,094</b>	5,664	(5,175)
Amount charged to other comprehensive income	<b>(12,701)</b>	1,456	14,012
<u>Amount in the statement of financial position</u>			
(a) Employee benefit obligations under defined benefit plan	<b>132,462</b>	127,626	83,625
(b) Employee benefit obligations under unfunded obligation	<b>39,151</b>	44,758	37,639
	<b>171,613</b>	172,384	121,264
<u>Amounts charged to profit or loss statement (note 8)</u>			
(a) Employee benefit obligations under defined benefit plan	<b>17,719</b>	14,494	12,086
(b) Employee benefit obligations under unfunded obligation	<b>7,093</b>	5,664	(5,175)
	<b>24,812</b>	20,158	6,911

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**25. EMPLOYEE BENEFIT OBLIGATIONS (CONT'D)**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
<u>Amount (credited)/charged to other comprehensive income</u>			
(a) Employee benefit obligations under defined benefit plan	(5,837)	36,021	22,034
(b) Employee benefit obligations under unfunded obligation	(12,701)	1,456	14,012
	<b>(18,538)</b>	<b>37,477</b>	<b>36,046</b>

**(a) Defined pension benefits**

The plan is a defined benefit arrangement, with benefits based on final salary. It provides for a pension at retirement and a benefit on death or disablement in service before retirement. The assets of the funded plan are held and independently administered by Swan Life Ltd.

The following information is based on actuarial valuation report dated 26 January 2026 by Swan Life Ltd:

(i) The amounts recognised in the statement of financial position are as follows:

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Present value of funded obligations	293,124	276,656	221,539
Fair value of plan assets	(160,662)	(149,030)	(137,914)
Liability in the statement of financial position	<b>132,462</b>	<b>127,626</b>	<b>83,625</b>

(ii) The movement in the defined benefit obligations over the year is as follows:

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
At 1 January	127,625	83,625	55,650
Amount recognised in profit or loss	17,719	14,494	12,086
Amount recognised in other comprehensive income (gross)	(5,837)	36,021	22,034
Contributions by the employer	(7,045)	(6,514)	(6,145)

(iii) The movement in the defined benefit obligations the year is as follows:

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
At 1 January	276,656	221,539	195,413
<b>Included in profit or loss</b>			
Current service cost	10,717	9,576	8,276
Interest cost	13,696	11,427	11,438
<b>Included in other comprehensive income</b>			
Experience losses/(gains) on the liabilities	9,933	22,871	14,272
Changes in assumptions underlying the present value of the scheme	(12,341)	14,846	8,233
<b>Other</b>			
Benefits paid	(5,537)	(3,603)	(16,093)
At 31 December	<b>293,124</b>	<b>276,656</b>	<b>221,539</b>

(iv) The movement in the fair value of plan assets of the year is as follows:

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
At 1 January	149,031	137,914	139,763
Interest Income	7,469	7,228	8,209
Employer's contribution	7,045	6,514	6,146
Scheme expenses	(268)	(248)	(239)
Cost of insuring risk benefits	(507)	(470)	(343)
Actuarial gain	3,429	1,696	471
Benefits paid	(5,537)	(3,603)	(16,093)
At 31 December	<b>160,662</b>	<b>149,031</b>	<b>137,914</b>

**25. EMPLOYEE BENEFIT OBLIGATIONS (CONT'D)****(a) Defined pension benefits (Cont'd)**

(v) The amounts recognised in profit or loss are as follows:

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
Current service cost	<b>10,717</b>	9,576	8,276
Scheme expenses	<b>268</b>	248	239
Cost of insuring risk benefits	<b>507</b>	470	343
Net interest cost	<b>6,227</b>	4,200	3,228
Total included in employee benefit expense	<b>17,719</b>	14,494	12,086
Actual return on plan assets	<b>10,899</b>	8,923	8,680

(vi) The amounts recognised in other comprehensive income are as follows:

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
Gains on pension scheme assets	<b>(3,429)</b>	(1,696)	(471)
Experience losses on the liabilities	<b>9,933</b>	22,871	14,272
Changes in assumptions underlying the present value of the scheme	<b>(12,341)</b>	14,846	8,233
	<b>(5,837)</b>	36,021	22,034

(vii) Plan assets

The assets of the plan are invested in the Deposit Administration Policy underwritten by Swan Life Ltd. The Deposit Administration Policy is a pooled insurance product for Group Pension Schemes. It is a long-term investment Policy which aims to provide a smooth progression of returns from one year to the next without regular fluctuations associated with asset-linked investments such as Equity Funds. Moreover, the Deposit Administration Policy offers a minimum guaranteed return of 4% p.a.

(viii) As the pension fund is expected to produce a smooth return, a fairly reasonable indication of future returns can be obtained by looking at historical ones. Therefore, the long term expected return on asset assumption has been based on historical performance of the pension fund.

The fixed interest portfolio includes government bonds, debentures, mortgages and cash. The expected return for this asset class has been based on yields of government bonds at the measurement date.

(ix) Average duration

The Weighted average duration of the liabilities at 31 December 2025 is 7 years ( December 2024: 8 years)

(x) Future cash flows

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

Bank One Limited is expected to contribute MUR 6.89m to the pension scheme for the year ending 01 January 2027.

**(b) Liability for unfunded pension plan**

The liability relates to employees who are entitled to Retirement Gratuities payable under the Workers' Right Act (WRA). The latter provides for a lump sum at retirement based on final salary and years of service. All employees joining after 2008 will be entitled to receive the gratuity payment under the WRA.

**25. EMPLOYEE BENEFIT OBLIGATIONS (CONT'D)****(b) Liability for unfunded pension plan (Cont'd)**

The movement in the obligation of the unfunded pension plan of the year is as follows:

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
At 1 January	<b>44,758</b>	37,639	28,803
Amount recognised in profit or loss:			
Current service cost	<b>4,766</b>	3,669	5,213
Past service cost	-	-	(12,203)
Net interest cost	<b>2,328</b>	1,995	1,814
Amount recognised in profit or loss	<b>7,094</b>	5,664	(5,176)
Amount recognised in other comprehensive income (gross)	<b>(12,701)</b>	1,455	14,012
At 31 December	<b>39,151</b>	44,758	37,639

The weighted average duration of the liability as at 31 December 2025 is 12 years (2024: 12 years).

**(c) Key assumption**

The principal actuarial assumptions used for the purposes of the actuarial valuations were:

	<b>Dec-25</b>	Dec-24	Dec-23
	%	%	%
<u>Funded pension liability</u>			
Discount rate	<b>5.6</b>	5.0	5.2
Future salary growth rate	<b>4.0</b>	4.0	3.5

**(d) Sensitivity analysis**

Sensitivity analysis on both funded and unfunded benefit obligations to changes in the weighted principal assumptions is:

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
<u>Defined benefit funded scheme :</u>			
1% increase in discount rate	<b>18,751</b>	19,994	16,912
1% decrease in discount rate	<b>(21,070)</b>	(22,598)	(19,190)
1% increase in future salary growth rate	<b>21,882</b>	23,520	20,449
1% decrease in future salary growth rate	<b>(19,859)</b>	(21,237)	(18,329)
<u>Unfunded obligations</u>			
1% increase in discount rate	<b>8,440</b>	9,579	(7,634)
1% decrease in discount rate	<b>(10,105)</b>	(11,524)	(9,375)
1% increase in future salary growth rate	<b>10,050</b>	11,418	9,431
1% decrease in future salary growth rate	<b>(8,492)</b>	(9,636)	(7,802)

**25. EMPLOYEE BENEFIT OBLIGATIONS (CONT'D)****(e) Risk exposure**

The sensitivity analyses above have been determined based on sensibly possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

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

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

Through its defined pension benefit and unfunded plans, the Bank is exposed to a number of risks, the most significant of which are detailed below:

**(i) Funded plan**

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

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.

**(ii) Unfunded plan**

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

**26. CURRENT TAX LIABILITIES**

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
Special levy on Banks	<b>9,623</b>	9,623	9,623
Corporate social responsibility fund	<b>7,137</b>	46	-
Fair share contribution	<b>7,594</b>	-	-
Income Tax	<b>15,374</b>	28,443	27,319
Current	<b><u>39,728</u></b>	<u>38,112</u>	<u>36,942</u>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**27. OTHER LIABILITIES**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
Bills payable	43,859	33,276	38,971
Advance interests received	148,315	129,673	117,035
Provision for expenses	72,462	74,887	123,026
Other payables	98,987	177,783	168,214
Unclaimed items	33,582	28,172	30,000
Allowances for off balance sheet exposures	1,049	5,453	5,079
	<u>398,254</u>	<u>449,244</u>	<u>482,325</u>
Current	398,254	449,244	482,325
Non current	-	-	-

Other payables consist of provisions for expenses, card settlement payables and unclaimed items.

**Resident**

Bills payable	43,859	33,276	38,971
Advance interests received	67,248	68,950	74,097
Provision for expenses	72,462	74,887	123,026
Other payables	66,722	133,045	152,707
Unclaimed items	33,582	28,172	30,000
Allowances for off balance sheet exposures	1,049	5,453	1,010
	<u>284,922</u>	<u>343,783</u>	<u>419,811</u>

**Non-Resident**

Advance interests received	81,067	60,723	42,938
Other payables	32,265	44,738	15,507
Allowances for off balance sheet exposures	-	-	4,069
	<u>113,332</u>	<u>105,461</u>	<u>62,514</u>

**28. STATED CAPITAL**

	Dec-25 Rs 000	Dec-24 Rs 000	Dec-23 Rs 000
<u>Shares at no par value</u>			
Stated capital	<u>1,456,456</u>	<u>1,456,456</u>	<u>1,456,456</u>
At start of year and end of the year	<u>1,456,456</u>	<u>1,456,456</u>	<u>1,456,456</u>
Issue of shares during the year	-	-	-
At end of year	<u>1,456,456</u>	<u>1,456,456</u>	<u>1,456,456</u>
No of ordinary shares in issue (no par value)	<u>14,564,560</u>	<u>14,564,560</u>	<u>14,564,560</u>

BANK ONE LIMITED's stated capital stood at MUR 1,456,456,000, represented by 14,564,560 ordinary shares of no par value, held equally between CIEL Finance Limited and I&M Group PLC.

Each share confers on the holder the right to:

- one vote on a poll at a meeting of the Bank on any resolution;
- an equal share in dividends authorised by the Board; and
- an equal share in the distribution of the surplus assets of the Bank.

**BANK ONE LIMITED****Notes to the Financial Statements for the year ended 31 December 2025****29. CONTINGENT LIABILITIES**

The legal claims against the Bank is in respect of few customers who have alleged that breaches have been committed by the Bank which have resulted in the clients suffering financial losses. The Bank's legal counsel's opinion is that it is possible, but not probable, that the court ruling may be in favour of the claimant. Accordingly, no provision for any claim has been made in these financial statements. The possible outflow which could result from such litigation, based on the current status of the legal proceedings, is estimated to be insignificant, while the timing of the outflow is uncertain.

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
Acceptances on account of customers	<b>60,751</b>	835,017	424,260
Guarantees on account of customers	<b>1,365,903</b>	1,588,179	1,952,352
Letters of credit and other obligations on account of customers	<b>692,389</b>	472,754	590,734
Other contingent items - Foreign cheques and bills on collection	<b>5,773,637</b>	1,690,122	1,133,081
	<b>7,892,680</b>	4,586,072	4,100,427
<b>Resident</b>			
Acceptances on account of customers	<b>60,751</b>	830,180	8,448
Guarantees on account of customers	<b>874,724</b>	1,206,228	698,900
Letters of credit and other obligations on account of customers	<b>692,389</b>	470,735	1,670
Other contingent items - Foreign cheques and bills on collection	-	-	-
	<b>1,627,864</b>	2,507,143	709,018
<b>Non-Resident</b>			
Acceptances on account of customers	-	4,837	415,812
Guarantees on account of customers	<b>491,179</b>	381,951	1,253,452
Letters of credit and other obligations on account of customers	-	2,019	589,064
Other contingent items - Foreign cheques and bills on collection	<b>5,773,637</b>	1,690,122	1,133,081
	<b>6,264,816</b>	2,078,929	3,391,409

**Legal claims**

Litigation is a common occurrence in the Banking industry due to the nature of the business undertaken. The Bank has formal control and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Bank makes adjustments for any adverse effects which the claims may have on the financial standing.

**30. COMMITMENTS**

	<b>Dec-25</b>	Dec-24	Dec-23
	<b>Rs 000</b>	Rs 000	Rs 000
(a) <b>Undrawn credit facilities</b>	<b>4,593,362</b>	1,910,453	2,795,582
Resident	<b>3,725,719</b>	973,636	1,999,053
Non-Resident	<b>867,643</b>	936,817	796,529

**BANK ONE LIMITED****Notes to the Financial Statements for the year ended 31 December 2025****31. RELATED PARTY TRANSACTIONS**

	<b>Nature of relationship</b>	<b>Dec-25 Rs 000</b>	Dec-24 Rs 000	Dec-23 Rs 000
Cash and cash equivalents	Related companies	<b>203,799</b>	490,701	860,803
Loans and advances	Related companies	<b>149,472</b>	25,989	169,257
	Directors		-	-
	Key management personnel	<b>37,055</b>	63,673	75,326
Deposits	Related companies	<b>637,518</b>	854,184	1,082,978
	Directors		2	122
	Key management personnel	<b>18,632</b>	28,339	52,530
Borrowings	Related company	<b>5,002</b>	52,061	143,099
Interest income	Related companies	<b>6,870</b>	969	1,285
	Directors		-	-
	Key management personnel	<b>1,155</b>	2,421	-
Interest expense	Related companies	<b>22,118</b>	12,409	7,348
	Directors		-	3
	Key management personnel	<b>335</b>	997	630
Fees and Expenses	Directors	<b>15,123</b>	13,871	11,030

Related companies relates to enterprises in which shareholders, key directors/key management personnel have significant interest as defined in the guideline issued by BOM.

Credit commitments for Director/Senior management personnel amounted to Rs 4.24m (2024: 21.75m). Bank guarantees and committed lines for related companies amounts to Rs 278.02m (2024: 240.98m).

**Terms and conditions of transactions with related parties**

The above related party transactions were carried out under normal business terms and conditions and were subject to interest wherever applicable. None of exposures granted to related parties was impaired at 31 December 2025 (2024 and 2023: nil).

<b>(a) Key Management personnel compensation</b>	<b>Dec-25 Rs 000</b>	Dec-24 Rs 000	Dec-23 Rs 000
Salaries and short term employee benefits	<b>84,014</b>	86,680	109,040
Post employment benefits	<b>5,058</b>	4,909	5,606

There are no other long term benefits, termination benefits or share based payments payable to key management personnel.

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**32. SEGMENTAL STATEMENT OF FINANCIAL POSITION**

<u>Statement of Financial Position</u>	Dec-25			Dec-24			Dec-23		
	BANK Rs 000	RESIDENT Rs 000	NON-RESIDENT Rs 000	BANK Rs 000	RESIDENT Rs 000	NON-RESIDENT Rs 000	BANK Rs 000	RESIDENT Rs 000	NON-RESIDENT Rs 000
<b>ASSETS</b>									
Cash and cash equivalents	20,858,043	17,590,012	3,268,031	17,090,743	8,411,722	8,679,021	8,462,698	2,558,825	5,903,873
Derivative assets held for risk management	6,412	393	6,019	33,666	-	33,666	4,580	1,971	2,609
Loan and advances to Banks	4,675,269	-	4,675,269	5,795,705	-	5,795,705	8,873,984	-	8,873,984
Loan and advances to customers	20,966,715	16,738,765	4,227,950	17,847,394	15,825,508	2,021,886	19,129,086	16,146,655	2,982,431
Investment securities - FVTOCI	5,085,508	5,081,951	3,557	4,180,399	4,142,620	37,779	2,427,459	2,398,713	28,746
Investment securities - Amortised cost	14,341,674	573,390	13,768,284	9,513,287	1,324,164	8,189,123	10,617,591	3,100,969	7,516,622
Right-Of-Use assets	97,660	97,660	-	70,554	70,554	-	69,774	69,774	-
Property and equipment	428,266	428,266	-	402,355	402,229	126	420,993	420,962	31
Intangible asset	195,462	195,462	-	140,153	140,153	-	124,338	123,407	931
Other assets	291,705	271,788	19,917	256,743	252,236	4,507	2,008,376	2,001,893	6,483
Deferred tax asset	73,837	26,640	47,197	60,701	28,615	32,086	31,539	22,083	9,456
<b>Total assets</b>	<b>67,020,551</b>	<b>41,004,327</b>	<b>26,016,224</b>	<b>55,391,700</b>	<b>30,597,801</b>	<b>24,793,899</b>	<b>52,170,418</b>	<b>26,845,252</b>	<b>25,325,166</b>
	<b>BANK Rs 000</b>	<b>RESIDENT Rs 000</b>	<b>NON-RESIDENT Rs 000</b>	<b>BANK Rs 000</b>	<b>RESIDENT Rs 000</b>	<b>NON-RESIDENT Rs 000</b>	<b>BANK Rs 000</b>	<b>RESIDENT Rs 000</b>	<b>NON-RESIDENT Rs 000</b>
<b>Liabilities</b>									
Deposits from customers	59,189,870	31,266,156	27,923,714	47,861,820	18,024,911	29,836,909	44,847,282	18,432,799	26,414,483
Derivative liabilities held for risk management	109,036	8,439	100,597	18,981	-	18,981	39,434	33,867	5,567
Other borrowed funds	1,521,377	5,002	1,516,375	1,406,635	5,001	1,401,634	1,299,929	5,002	1,294,927
Subordinated liabilities	866,451	714,790	151,661	982,138	754,462	227,676	1,112,897	794,387	318,510
Employee benefit obligations	171,613	171,613	-	172,384	172,384	-	121,264	121,264	-
Current tax liabilities	39,728	39,728	-	38,112	38,112	-	36,942	36,942	-
Other liabilities	398,254	284,922	113,332	449,244	343,783	105,461	482,325	419,811	62,514
Lease liabilities	106,965	106,965	-	80,749	80,749	-	79,065	79,065	-
	<b>62,403,294</b>	<b>32,597,615</b>	<b>29,805,679</b>	<b>51,010,063</b>	<b>19,419,402</b>	<b>31,590,661</b>	<b>48,019,138</b>	<b>19,923,137</b>	<b>28,096,001</b>
<b>Shareholders' Equity</b>									
Stated Capital	1,456,456	-	-	1,456,456	-	-	1,456,456	-	-
Retained earnings	2,053,548	-	-	1,870,717	-	-	2,021,147	-	-
Other reserves	1,107,253	-	-	1,054,464	-	-	673,677	-	-
	<b>4,617,257</b>	<b>-</b>	<b>-</b>	<b>4,381,637</b>	<b>-</b>	<b>-</b>	<b>4,151,280</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>67,020,551</b>	<b>-</b>	<b>-</b>	<b>55,391,700</b>	<b>-</b>	<b>-</b>	<b>52,170,418</b>	<b>-</b>	<b>-</b>

**BANK ONE LIMITED**

**Notes to the Financial Statements for the year ended 31 December 2025**

**32. SEGMENTAL STATEMENT OF PROFIT OR LOSS (CONT'D)**

Statement of profit or loss	Dec-25			Dec-24			Dec-23		
	BANK Rs 000	RESIDENT Rs 000	NON-RESIDENT Rs 000	BANK Rs 000	RESIDENT Rs 000	NON-RESIDENT Rs 000	BANK Rs 000	RESIDENT Rs 000	NON-RESIDENT Rs 000
Interest income	2,599,169	1,602,911	996,258	2,647,641	1,364,445	1,283,196	2,352,766	1,206,714	1,146,052
Interest expense	(1,362,551)	(526,281)	(836,270)	(1,307,618)	(555,349)	(752,269)	(1,083,860)	(534,154)	(549,706)
<b>Net interest income</b>	<b>1,236,618</b>	<b>1,076,630</b>	<b>159,988</b>	<b>1,340,023</b>	<b>809,096</b>	<b>530,927</b>	<b>1,268,906</b>	<b>672,560</b>	<b>596,346</b>
Fee and commission income	412,139	143,376	268,763	393,543	147,655	245,888	400,946	122,703	278,243
Fee and commission expense	(204,621)	(118,958)	(85,663)	(184,557)	(119,957)	(64,600)	(138,951)	(70,841)	(68,110)
<b>Net fee and commission income</b>	<b>207,518</b>	<b>24,418</b>	<b>183,100</b>	<b>208,986</b>	<b>27,698</b>	<b>181,288</b>	<b>261,995</b>	<b>51,862</b>	<b>210,133</b>
Net gain on dealing in foreign currencies and derivatives	390,373	121,598	268,775	349,292	109,452	239,840	255,594	59,375	196,219
Net gain from derecognition of financial assets measured at fair value through other comprehensive income	258	258	-	359	359	-	733	733	-
Other operating income/(loss)	1,117	1,117	-	571	571	-	(55)	(55)	-
	<b>391,748</b>	<b>122,973</b>	<b>268,775</b>	<b>350,222</b>	<b>110,382</b>	<b>239,840</b>	<b>256,272</b>	<b>60,053</b>	<b>196,219</b>
<b>Operating income</b>	<b>1,835,884</b>	<b>1,224,021</b>	<b>611,863</b>	<b>1,899,231</b>	<b>947,176</b>	<b>952,055</b>	<b>1,787,173</b>	<b>784,475</b>	<b>1,002,698</b>
<b>Non Interest Expenses</b>									
Personnel expenses	(670,854)			(633,411)			(674,637)		
Depreciation and amortisation	(103,187)			(94,878)			(110,637)		
Other expenses	(438,570)			(415,833)			(323,319)		
	<b>(1,212,611)</b>			<b>(1,144,122)</b>			<b>(1,108,593)</b>		
<b>Profit before Impairment</b>	<b>623,273</b>			<b>755,109</b>			<b>678,580</b>		
Net impairment reversal/(loss) on financial assets	2,516			(156,244)			132,150		
<b>Profit before income tax</b>	<b>625,789</b>			<b>598,865</b>			<b>810,730</b>		
Income tax expense	(65,328)			(31,451)			(54,920)		
<b>Profit after tax</b>	<b>560,461</b>			<b>567,414</b>			<b>755,810</b>		

**33. SUBSEQUENT EVENT**

The directors approved the payment of a final dividend of MUR 150m (MUR 10.30 per share) for the financial year 2025 on 11 March 2026 subject to regulatory approval.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report which could significantly affect the financial position of the Bank at 31 December 2025.