

## 2025 Annual Report



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About Bank of China Limited



BOC Head Office



BOCHK



Singapore Branch



London Branch



New York Branch



Shanghai Branch

### About Bank of China Limited (Continued)



Bank of China Limited (“BOC”), which holds 100% shares in Bank of China (Mauritius) Limited, is the most globalised bank in the People’s Republic of China. As at 30 June 2025, the overseas institutions of BOC totalled 539, covering 64 countries and regions across the world, including 45 Belt and Road initiative (BRI) partner countries.

BOC is also the most integrated bank in the People’s Republic of China. It has established an integrated service platform based on its pillars of its corporate banking, personal banking, financial markets and other commercial banking business which covers investment banking, direct investment, securities, insurance, funds, aircraft leasing, asset management, financial technology and other areas, thus providing its customers with a comprehensive range of financial services.

### About Bank of China (Mauritius) Limited

Bank of China (Mauritius) Limited (the ‘Bank’ or “BOCM”) was incorporated in Mauritius on 13 January 2016 as a wholly owned subsidiary of Bank of China Limited.

On 18 March 2016, the Bank of Mauritius issued a banking licence to the Bank, making the latter the first Chinese bank licensed to conduct banking operations in Mauritius. The Bank was officially launched on 27 September 2016 to operate in the financial services sector principally commercial banking business including deposits, remittances, loans, international settlement and trade finance, financial markets and financial institution business.

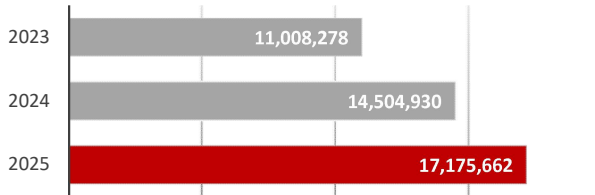
In recognition of its capability and expertise, BOCM has been designated, by the Bank of Mauritius, as a Renminbi (RMB) Clearing Bank in Mauritius in 2022, a status that further solidifies Mauritius' position as a renowned International Financial Centre. In 2024, the Bank was designated as the RMB Clearing Bank for Mauritius by the People's Bank of China (PBOC).

With closer ties between Mauritius and the People's Republic of China, and deepening cooperation in all areas, Bank of China (Mauritius) Limited will provide comprehensive and professional financial services to enterprises of the two countries and multinational enterprises throughout their entire life cycles by adhering to its strategic goal of "building a world-class bank in the new era", drawing on the advantages of internationalised operation and cross-border businesses, mobilizing global resources and improving financing capacity.

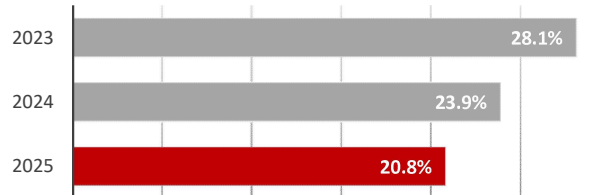
Bank of China (Mauritius) Limited will strive to become the strategic platform of Bank of China Limited's businesses in Africa, to serve as a bridge that links the People's Republic of China to Mauritius and other African countries in trade and investment, and to make more contributions to bilateral finance and investment cooperation.

## Financial Highlights

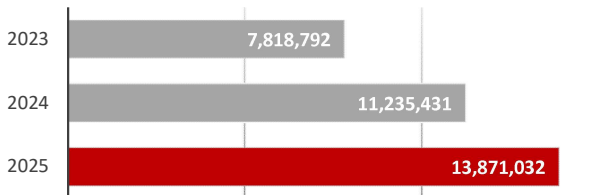
### Operating income (USD)



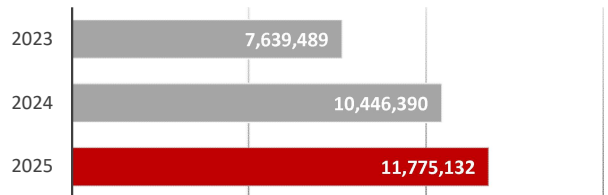
### Cost to income ratio



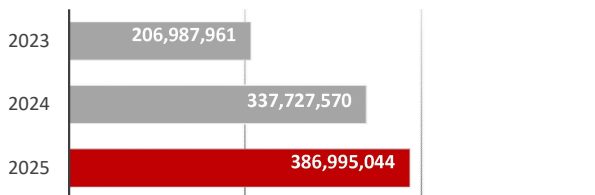
### Profit before tax (USD)



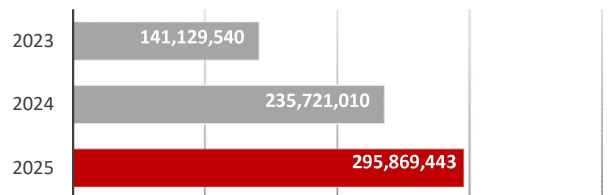
### Profit after tax (USD)



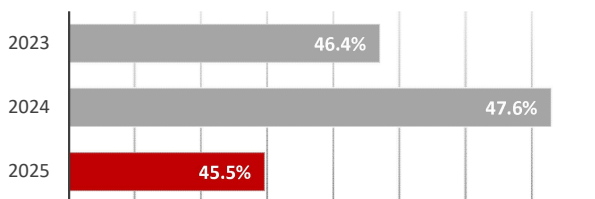
### Total Assets (USD)



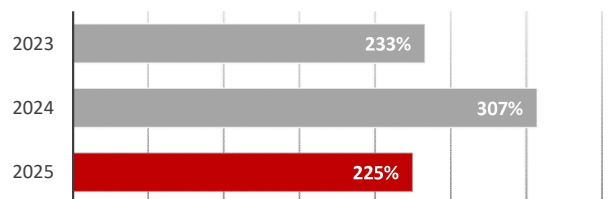
### Total customer deposits (USD)



### CAR



### LCR (consolidated)



### ROA



### ROE



## Management Discussion and Analysis

### Performance review

Area of Performance	Objectives for 2025	Performance for 2025	Objectives for 2026
<b>Operating income</b>	The Bank targets total operating income of USD 16.3m for 2025	<b>Total operating income was USD 17.2m an increase of 18.4% over last year and above target by 5.4% as a result of higher net interest income.</b>	The Bank targets total operating income of USD 19.1m for 2026
<b>Operating expenses</b>	Total operating expenses is forecasted at USD 4.5m.	<b>Operating expenses amounted to USD 3.6m and the cost-to-income ratio was 20.8%</b>	Total operating expenses is forecasted at USD 4.0m.
<b>Customer loans &amp; advances</b>	Gross loans of USD 116.6m to be achieved in 2025	<b>Gross loans including a loan to a major local bank were below target at USD 83.1m down by USD 33.5m or 28.7% mainly due to early repayment from a major customer.</b>	Gross loans of USD 170m to be achieved in 2026
<b>Customer deposits</b>	Target deposits of USD 250.3m to be attained in 2025	<b>The Bank's deposits amounted to USD 295.9m higher than target by USD 45.6m or 18.2%. Deposits increased by USD 60.1m or 25.5% compared to 2024.</b>	Target deposits of USD 316m to be attained in 2026
<b>Asset Quality</b>	Meet regulatory and IFRS 9 requirements	<b>Impairment provision under the ECL model amounted to USD 0.3m. ECL on loans and advances to customers was USD 0.2m (0.2% of gross loans and advances).  The Bank also maintains a general banking provision on its performing credit exposures over and above the requirement of IFRS 9.  NPL was nil.</b>	Meet regulatory and IFRS 9 requirements
<b>Capital Management</b>	Meet regulatory capital adequacy ratio (CAR) requirement	<b>The Bank's capital base amounted to USD 68.9m and its CAR was 46.0%</b>	Meet regulatory capital adequacy ratio (CAR) requirement
<b>Liquidity Risk Management</b>	Meet regulatory liquidity risk management guidelines	<b>The consolidated liquidity coverage ratio (LCR) stood at 225.0%.</b>	Meet regulatory liquidity risk management guidelines
<b>Return on Equity (ROE)</b>	To achieve a ROE of 15.4%	<b>ROE was 17.3%.</b>	To achieve a ROE of 17.4%
<b>Return on Assets (ROA)</b>	ROA of 3.3% in 2025	<b>The Bank's ROA was 3.0%.</b>	ROA of 3.55% in 2026

## Management Discussion and Analysis (continued)

### Performance review (Continued)

The Directors of Bank of China (Mauritius) Limited (the 'Bank') are pleased to present the audited financial statements for the year ended 31 December 2025.

#### Improving development quality and efficiency while gaining ground in financial performance

The Bank continued to pursue growth and worked consistently to improve its development quality and efficiency. The Bank adhered to the principle of pursuing progress while ensuring stability, thus making steady progress in its operations, management and business performance.

#### Income Statement Analysis

In 2025, the Bank achieved a profit before tax (PBT) of USD13.9m an increase of USD2.6m or 23.5% compared with the prior year. Return on total assets (ROA) was 3.0% (2024: 3.1%) and return on equity (ROE) was 17.3% (2024: 16.4%).

The principal components and changes of the Bank's income statement are set out below:

(Amount in USD)	2025	2024	2025 vs 2024		2023
			Change	Change (%)	
Net interest income (NII)	<b>16,234,896</b>	13,928,661	<b>2,306,235</b>	<b>16.6%</b>	10,045,497
Non-interest income	<b>940,766</b>	576,269	<b>364,497</b>	<b>63.3%</b>	962,781
Total operating income	<b>17,175,662</b>	14,504,930	<b>2,670,732</b>	<b>18.4%</b>	11,008,278
Total operating expenses	<b>(3,576,732)</b>	(3,465,991)	<b>(110,741)</b>	<b>3.2%</b>	(3,096,552)
Impairment on financial assets	<b>272,102</b>	196,492	<b>75,610</b>	<b>38.5%</b>	(92,934)
Profit before income tax (PBT)	<b>13,871,032</b>	11,235,431	<b>2,635,601</b>	<b>23.5%</b>	7,818,792
Profit for the year (PAT)	<b>11,775,132</b>	10,446,390	<b>1,328,742</b>	<b>12.7%</b>	7,639,489

The Bank's total operating income increased by USD2.7m or 18.4% compared with the year ended 31 December 2024 as a result of higher NII. As at reporting date, NII represented 94.5% (2024: 96.0%) of total operating income.

With better allocation of resources to higher income generating assets, NII grew by USD2.3m or 16.6% year on year. Specifically, interest income increased by USD1.8m or 12.5% to USD 16.4m as a result of higher average balances of placements with banks and financial investments.

The Bank also recorded a marginal increase of USD0.4m or 63.3% in non-interest income compared with the prior year. The increase was mainly due to higher loan arrangement fees as well as higher income from foreign exchange business.

The Bank continued to operate its business in a prudent manner. It proactively optimised its cost structure, focused on refined management, allocated more resources to key business areas and enhanced input and output efficiency.

Total operating expenses increased slightly by 3.2% compared with the prior year as a result of higher staff costs.. The cost to income ratio improved to 20.8% compared with 23.9% in 2024.

## Management Discussion and Analysis (continued)

### Performance review (Continued)

#### Impairment on financial assets

The Bank continued to improve its comprehensive risk management system to ensure a stable credit asset quality. It stringently implemented a prudent and solid risk provisioning policy and maintained adequate capacity for risk mitigation.

In 2025, the Bank recorded a reversal of impairment losses on assets of USD272.1k compared with a reversal of USD196.5k in the prior year. Please refer to Note 6 and the section “Risk Management – Credit Risk” in Notes 27(i) for more information on the loan quality and allowance for loan impairment losses.

### Financial Position Analysis

#### Proactively aligning with the strategies and priorities of the Group and making new breakthroughs in serving high-quality development

The Bank adhered to high-quality development, remained committed to the Group’s development philosophy, dynamically adjusted its business strategies and continually improved its business structure, thus achieving steady growth in assets and liabilities.

As at 31 December 2025, the Bank’s total assets amounted to USD387.0m, an increase of USD49.3m or 14.6% compared with the prior year-end. Increases were mainly in due from banks.

Total liabilities amounted to USD318.9m, an increase of USD45.0m or 16.4% compared with the end of 2024. Customer deposits, which accounted for 93.0% of total liabilities, contributed mainly to the increase.

The principle components of the Bank’s statement of financial position are set out below:

Items	2025 USD	2024 USD	2025 vs 2024		2023 USD
			Changed	Changed (%)	
<b>ASSETS</b>					
Cash and cash equivalents	26,630,377	32,463,463	(5,833,086)	-18.0%	12,763,385
Due from banks	236,945,848	164,873,549	72,072,299	43.7%	62,259,389
Financial investment	50,571,335	42,055,492	8,515,843	20.2%	40,612,844
Loans and advances to customers	72,141,414	97,320,391	(25,178,977)	-25.9%	90,298,869
All other assets	706,070	1,014,675	(308,605)	-30.4%	1,053,474
<b>Total assets</b>	<b>386,995,044</b>	<b>337,727,570</b>	<b>49,267,474</b>	<b>14.6%</b>	<b>206,987,961</b>
<b>LIABILITIES</b>					
Customer deposits	295,869,443	235,721,010	60,148,433	25.5%	141,129,540
Due to banks	2,041,192	2,225,783	(184,591)	-8.3%	717,512
Current tax liabilities	1,519,816	549,217	970,599	176.7%	321,064
Other liabilities	19,438,190	35,365,096	(15,926,906)	-45.0%	11,490,749
<b>Total liabilities</b>	<b>318,868,641</b>	<b>273,861,106</b>	<b>45,007,536</b>	<b>16.4%</b>	<b>153,658,865</b>

#### Cash and cash equivalents

Cash and cash equivalents comprised mainly of balances with correspondent banks and unrestricted (readily available) balances with the Central Bank. The Central Bank reserves are used as High Quality Liquid Assets (HQLA) for Regulatory Liquidity Coverage Ratio (LCR).

The decrease in cash and cash equivalents in 2025 compared to last year end was mainly due to lower balances in correspondence banks abroad.

## Management Discussion and Analysis (continued)

### Performance review (Continued)

#### Due from banks

The Bank participated in a new syndicated loan to finance a major local bank during the year. Excess funds were placed as short to medium term financial deposits with banks within the Bank of China Group.

#### Financial Investment

The Bank increased its investment in US securities by USD8.5m or 20.2% during the year. The investments are designated as available for sales and are measured at fair value through other comprehensive income (FVOCI).

#### Loans and Advances to Customers

The Bank participated in syndicated agreements and trade financing to finance major overseas corporate customers of the Bank of China Group.

Loans and advances to customers decreased by USD25.2m or 25.9% to USD72.1m mainly due to early repayment of credit facilities of USD16.6m in addition to maturity of USD7.2m advances during current reporting period.

The Bank further improved its risk management system and maintained a generally stable asset quality. As at end of 2025, the balance of the Bank's allowance for loan impairment losses under the ECL model amounted to USD0.2m (2024: USD0.4m). There was no restructured loan (2024: Nil) and non-performing loan was nil (2024: Nil).

#### Customer deposits

The Bank continues to further consolidate its customer base, making new progress in both quantity and quality. As at the end of 2025, the Bank's deposits from customers amounted to USD 295.9m, an increase of USD60.1m or 25.5% compared with the prior year-end. The customer deposits were mainly from non-interest bearing current accounts, denominated in US dollar (USD).

#### Due to banks

Due to banks were mainly from peer banks in Mauritius for renminbi (RMB) clearing purpose.

#### Other liabilities

Other liabilities included mainly items in the process of clearance and settlement of USD18.1m (2024: USD33.9m), lease obligation, deferred income and accrued expenses.

### Off-balance Sheet Items

Off-balance sheet items refer to credit commitments. Please refer to Note 25 on credit commitment for more details.

## Management Discussion and Analysis (continued)

### Performance review (Continued)

#### Capital

Bank of China (Mauritius) Limited is a 100% subsidiary of Bank of China Limited, a state-owned joint stock commercial bank in the People's Republic of China. The authorised share capital of the Bank is USD 50m made up of 50 million ordinary shares of USD 1 each, which were fully issued and paid on incorporation.

One of the Bank's objectives is to ensure that adequate capital resources are available to ensure that all regulatory requirements and relevant Basel guidelines are complied with. The Bank uses the Basel II Standardised Approach to manage its credit risk exposures, and the Basic Indicator Approach is used for operational risk.

The Capital Base positions under Basel III and the regulatory limits applicable to the Bank were as follows:

(Amount in USD)	2025	2024	2023
<b>Common equity tier 1 (CET1) capital</b>			
Share capital	<b>50,000,000</b>	50,000,000	50,000,000
Accumulated profits	<b>12,379,928</b>	10,388,428	2,805,441
Accumulated other comprehensive income and other disclosed reserves	<b>4,015,655</b>	2,181,591	523,655
Regulatory deduction for:			
Intangible assets	<b>(6,027)</b>	(7,691)	(9,506)
Deferred tax assets	<b>(34,515)</b>	(51,007)	(70,701)
Transitional arrangement for IFRS 9 ECL provisions	<b>-</b>	75,679	281,515
<b>CET 1 / Tier 1 capital (T1)</b>	<b>66,355,041</b>	62,587,000	53,530,404
<b>Tier 2 capital</b>			
Provisions or loan-loss reserves	<b>1,730,820</b>	1,608,960	496,736
<b>Tier 2 capital (T2)</b>	<b>1,730,820</b>	1,608,960	496,736
<b>Total capital base (TC = T1 + T2)</b>	<b>68,085,861</b>	64,195,960	54,027,140
<b>Risk-weighted assets</b>			
Total on-balance sheet risk-weighted credit exposures	<b>105,406,902</b>	116,960,177	105,123,032
Total non-market-related off-balance sheet risk-weighted credit exposures	<b>22,613,737</b>	1,707,032	1,485,406
Risk weighted assets for operational risk	<b>21,344,435</b>	15,729,691	9,713,536
Aggregated net open foreign exchange position	<b>330,297</b>	336,040	234,584
<b>Total risk-weighted assets</b>	<b>149,695,371</b>	134,732,940	116,556,558
<b>Capital adequacy ratio</b>	<b>45.5%</b>	47.6%	46.4%
Regulatory limit - Minimum Total CAR	<i>12.5%</i>	<i>12.5%</i>	<i>12.5%</i>
<b>CET 1 capital</b>	<b>44.3%</b>	46.5%	45.9%
Regulatory limit - Minimum CET1 CAR	<i>6.5%</i>	<i>6.5%</i>	<i>6.5%</i>
<b>Tier 1 capital ratio</b>	<b>44.3%</b>	46.5%	45.9%
Regulatory limit - Minimum Tier1 CAR	<i>8.0%</i>	<i>8.0%</i>	<i>8.0%</i>

## Management Discussion and Analysis (continued)

### Risk Management Report

The Bank's primary risk management objectives are to optimize capital allocation, maximize value for its shareholder, maintain risk within acceptable parameters and satisfy the requirements of the regulatory authorities, its depositors and other interest groups for the Bank's prudent and stable development. The Bank believes that risk management should cover all risk types and all businesses that may bear risk, including but not limited to credit risk, liquidity risk, market risk, operational risk, compliance risk and reputational risk.

The Bank's risk management governance structure is designed to cover all business processes and to ensure that various risks are properly managed and controlled in the course of conducting business. The Bank has a robust risk management organizational structure with a comprehensive set of policies and procedures to identify, measure, monitor and control various risks to which it is exposed. The Bank is also constructing a bank-wide risk management culture which all the business and management personnel should accept and comply with.

The Board of Directors which represents the interests of the shareholder is the highest decision-making authority of the Bank and has the ultimate responsibility for risk management. In line with good governance principles, the board has delegated authority to sub-committees to discharge its responsibilities effectively. The main committee responsible for overseeing risk is the Risk Management Committee.

#### Internal control

The Bank follows the Three Lines of Defence Model which is in place in entities within the Group. The policy has been developed for the purpose of establishing a robust operational control environment at Bank of China (Mauritius) Limited, using Bank of China Limited's internal control rules and regulations, as well as the local regulatory requirements and the market best practices. Business line management owns the risks arising from their activities, and has the primary responsibility for risk management within the Bank; it comprises the First Line of Defence. The Second Line of Defence consists of the oversight functions within the Bank, namely the risk and compliance functions, which are responsible for defining and maintaining the risk management and compliance frameworks, establishing specific policies, providing guidance on implementing policies, ensuring compliance, defining working practices and then measuring and monitoring the management of the risks faced by the Bank; each providing an objective challenge and undertaking its own independent oversight of the First Line of Defence and its day-to-day management of all risks. The Third Line of Defence consists of the internal audit function of the Bank, which reports directly to the Audit Committee.

The three layers of the Bank work together, with each layer being independent, ensuring that the key activities are operating effectively and meet their operating objectives. Appropriate responsibility is allocated to the management, reporting and escalation of compliance and risk matters and, in so doing, promoting a strong compliance and risk culture within the Bank.

#### Credit risk

The Bank has established comprehensive policies and procedures for managing credit risk which are approved by the Bank's Risk Management Committee. The committee defines the procedures and limits for accepting credit risk. Credit risk associated with trading and investing activities is managed through the Bank's market risk management process.

The Bank is currently subject to credit risk mainly through its lending activities and in cases where it acts as an intermediary on behalf of customers or other third parties and when it issues guarantees.

Currently the Bank's current credit strategy is to rely on the advantages of the Group's globalization and to actively participate in high-quality syndicated loans, as well as seeking projects in line with Mauritius' national development strategy. The Bank keeps a close connection with leading banks and pays high attention to its customers.

## Management Discussion and Analysis (continued)

### Risk Management Report (Continued)

#### Credit risk (Continued)

##### (i) Maximum credit exposure

The maximum exposure to credit risk at the reporting date without taking account of any collateral held and other credit enhancements is as follows:

	2025		2024		2023	
	USD	% of total	USD	% of total	USD	% of total
<b>Fund-based exposures</b>						
Cash and cash equivalents	26,630,671	6.1%	32,518,338	9.2%	12,772,771	5.7%
Due from banks	237,021,205	53.9%	164,958,170	46.6%	62,259,389	27.9%
Loans and advances to customers	72,318,524	16.4%	97,746,530	27.6%	91,047,310	40.7%
Financial investment	50,571,335	11.5%	42,055,492	11.9%	40,612,844	18.2%
Other assets - Mandatory balance with central bank	261,457	0.1%	404,322	0.1%	150,872	0.1%
	<b>386,803,192</b>	<b>87.9%</b>	<b>337,682,852</b>	<b>95.3%</b>	<b>206,843,186</b>	<b>92.5%</b>
<b>Off Balance Sheet exposures</b>						
Letters of guarantee issued	9,758,750	2.2%	16,529,426	4.7%	8,388,923	3.8%
Letters of credit issued	-	0.0%	-	0.0%	8,362,319	3.7%
Undrawn commitments	43,333,333	9.9%	-	0.0%	-	0.0%
	<b>53,092,083</b>	<b>12.1%</b>	<b>16,529,426</b>	<b>4.7%</b>	<b>16,751,242</b>	<b>7.5%</b>
<b>Total</b>	<b>439,895,275</b>	<b>100.0%</b>	<b>354,212,278</b>	<b>100.0%</b>	<b>223,594,428</b>	<b>100.0%</b>

##### (ii) Collateral and other credit enhancements

The use of credit risk mitigants is an integral part of the credit risk management process and is documented in the Bank's Credit Risk Policy. The amount and type of collateral required depends on the counterparty's credit quality and repayment capacity. The principal collateral types taken include:

- Bank guarantee / corporate guarantee
- Lien on fixed assets

**Management Discussion and Analysis (continued)**
**Risk Management Report (Continued)**
**Credit risk (Continued)**
**(iii) Credit concentration of risk by industry sectors**

Total outstanding credit facilities in USD extended by the Bank to any one customer or group of closely-related customers for amounts aggregating more than 10% of its Tier 1 capital, classified by industry sectors are as follows:

Customer	Industry	2025		2024		2023	
		Amount (USD)	% of Tier 1 Capital	Amount (USD)	% of Tier 1 Capital	Amount (USD)	% of Tier 1 Capital
A	Electricity, gas, steam and AC supply	25,216,928	38.0%	25,022,570	40.0%	-	0.0%
B	Mining	20,110,894	30.3%	20,125,736	32.2%	20,183,995	37.7%
C	Mining	18,031,482	27.2%	18,059,110	28.9%	18,071,914	33.8%
D	Electricity, gas, steam and AC supply	-	0.0%	16,525,166	26.4%	19,711,182	36.8%
E	Manufacturing	-	0.0%	-	0.0%	20,113,256	37.6%
F	Transport	8,959,220	13.5%	10,998,948	17.6%	12,966,963	24.2%
G	Mining	-	0.0%	7,015,000	11.2%	-	0.0%
<b>Gross loans and advances to customers</b>		<b>72,318,524</b>	<b>109.0%</b>	<b>97,746,530</b>	<b>156.2%</b>	<b>91,047,310</b>	<b>170.1%</b>

**(iv) Credit concentration of risk by geographical distribution**

Region	2025		2024		2023		
	Amount(USD)	% of total	Amount(USD)	% of total	Amount(USD)	% of total	
Africa and Middle-east	43,248,410	59.8%	43,081,680	44.1%	18,071,914	19.8%	
Asia	20,110,894	27.8%	27,140,736	27.8%	40,297,251	44.3%	
Europe	-	0.0%	16,525,166	16.9%	19,711,182	21.7%	
Caribbean	8,959,220	12.4%	10,998,948	11.3%	12,966,963	14.2%	
<b>Gross loans and advances to customers</b>		<b>72,318,524</b>	<b>100.0%</b>	<b>97,746,530</b>	<b>100.0%</b>	<b>91,047,310</b>	<b>100.0%</b>

## Management Discussion and Analysis (continued)

### Risk Management Report (Continued)

#### Liquidity risk

Liquidity risk arises in the general funding of the Bank's activities and in the management of the resulting positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and within an appropriate time frame.

The responsibility for asset and liability management policies lies with the Asset and Liability Management Committee ("ALCO") whose membership includes the Bank's senior management members. ALCO oversees the management of the Bank's capital, the size and composition of the Bank's statement of financial position and liquidity. Liquidity management is directed towards ensuring that all the Bank's operations can meet their funding needs, whether this is to replace existing funding as it matures, or is withdrawn by depositors, or to satisfy the demands of customers for additional borrowings.

#### Liquidity coverage ratio

The Guideline on Liquidity Risk Management issued by the Central Bank introduces the Liquidity Coverage Ratio (LCR). The objective of LCR is to ensure that a bank has an adequate inventory of unencumbered high quality liquid assets (HQLA) that consists of cash or assets convertible into cash at little or no loss of value in market, to meet its liquidity needs for a 30 days stress period.

The LCR ratio is as follows:

$$\text{LCR} = \frac{\text{Stock of HQLA}}{\text{Total net cash outflows over the next 30 calendar days}}$$

The LCR has two components:

- (a) the value of the stock of HQLA in stressed conditions; and
- (b) total net cash outflows over the next 30 calendar days

#### Eligible stock of high-quality liquid assets

There are three categories of assets that can be included in the stock of HQLA. Assets to be included in each category are those that the Bank is holding on the first day of the stress period, irrespective of their residual maturity. The highest quality liquid assets (HQLA1) can be included without limit, while other high-quality liquid assets, HQLA2 (which consist of HQLA2A and HQLA2B) can only comprise up to 40 per cent of the stock. HQLA2B can only comprise up to 15 per cent of the stock and must be included within the overall 40 per cent cap on HQLA2.

#### Composition of HQLA

The Bank's HQLA is made up of central bank reserves (including required reserves), in excess of the daily Cash Reserve Ratio and US marketable securities. The balances of HQLA were as follows:

(Amount in USD)	2025	2024	2023
Central bank reserves	14,957,433	15,100,213	5,075,692
US Bonds	50,571,335	42,055,492	40,613,106
<b>Total HQLA</b>	<b>65,528,768</b>	<b>57,155,705</b>	<b>45,688,798</b>

The HQLA is denominated in Mauritian Rupees (MUR), US Dollars (USD) and Euro (EUR). USD, being a major currency that is freely convertible, transferable and actively traded in global foreign exchange markets is also used to cover liquidity needs in other currencies.

**Management Discussion and Analysis (continued)**
**Risk Management Report (Continued)**
**Liquidity risk (continued)**

The table below shows the Bank's LCRs against the minimum regulatory limit of 100%:

Significant trading currencies	2025	2024	2023
MUR	1247%	1865%	723%
USD	247%	306%	242%
Consolidated (in USD)	225%	307%	233%

The quantitative information about the Bank's LCR were as follows:

(Amount in USD)	Quarterly average of bimonthly observations						
	31 December 2025		31 December 2024		31 December 2023		
	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	
<b>HIGH-QUALITY LIQUID ASSETS</b>							
1	Total high-quality liquid assets (HQLA)	54,489,770	54,489,770	48,714,327	48,714,327	45,434,680	45,434,680
<b>CASH OUTFLOWS</b>							
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-
3	Stable deposits	-	-	-	-	-	-
4	Less stable deposits	-	-	-	-	-	-
5	Unsecured wholesale funding, of which:	269,283,418	105,574,011	201,521,305	79,462,748	147,407,978	62,385,723
6	Operational deposits (all counterparties)	1,987,289	496,822	1,106,372	276,593	-	-
7	Non-operational deposits (all counterparties)	267,296,129	105,077,189	200,414,933	79,186,155	147,407,978	62,385,723
8	Unsecured debt	-	-	-	-	-	-
9	Secured wholesale funding	-	-	-	-	-	-
10	Additional requirements, of which:	2,307,831	1,704,777	2,131,652	214,378	2,661,461	182,101
11	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-
13	Credit and liquidity facilities	-	-	-	-	-	-
14	Other contractual funding obligations	1,673,037	1,673,037	113,469	113,469	-	-
15	Other contingent funding obligations	634,794	31,740	2,018,183	100,909	2,661,461	182,101
16	<b>TOTAL CASH OUTFLOWS</b>	<b>271,591,249</b>	<b>107,278,788</b>	<b>203,652,957</b>	<b>79,677,126</b>	<b>150,069,439</b>	<b>62,567,824</b>
<b>CASH INFLOWS</b>							
17	Secured funding (e.g. reverse repos)	-	-	-	-	-	-
18	Inflows from fully performing exposures	-	-	-	-	-	-
19	Other cash inflows	210,380,582	197,525,304	153,828,473	136,503,750	75,851,862	75,042,065
20	<b>TOTAL CASH INFLOWS</b>	<b>210,380,582</b>	<b>197,525,304</b>	<b>153,828,473</b>	<b>136,503,750</b>	<b>75,851,862</b>	<b>75,042,065</b>
<b>TOTAL ADJUSTED VALUE</b>							
		31 December 2025		31 December 2024		31 December 2023	
21	<b>TOTAL HQLA</b>	<b>54,489,770</b>		<b>48,714,327</b>		<b>45,434,680</b>	
22	<b>TOTAL NET CASH OUTFLOWS</b>	<b>26,819,697</b>		<b>19,919,282</b>		<b>15,641,956</b>	
23	<b>LIQUIDITY COVERAGE RATIO</b>	<b>203.2%</b>		<b>244.6%</b>		<b>290.5%</b>	
24	<b>QUARTERLY AVERAGE OF DAILY HQLA</b>	<b>53,175,910</b>		<b>46,887,436</b>		<b>46,967,032</b>	

## Management Discussion and Analysis (continued)

### Risk Management Report (Continued)

#### Liquidity risk (continued)

Six data points were used to calculate the quarterly average of bimonthly observations figures in the previous table.

The unweighted value of inflows and outflows is calculated as the outstanding balances of the various categories or types of liabilities, off-balance sheet items or contractual receivables.

The “weighted” value of HQLA is calculated as the value after haircuts are applied. The “weighted” value for inflows and outflows is to be calculated as the value after the inflow and outflow rates are applied.

The reported values for ‘quarterly average of daily HQLA’ are based on end of day figures over the three months period ended 31 December 2025. The number of data points used for the calculations are 92.

The liquidity risk management has not changed from prior year.

#### Net stable funding ratio

The Central Bank issued the Guideline on Net Stable Funding Ratio (NSFR) which came into effect on 30 June 2024. The NSFR aims at decreasing funding risk and promoting resilience over a one-year time horizon by creating incentives for a bank to fund its activities with more stable sources of funding on an ongoing basis thereby reducing its probability of distress and by the same token potential broader systemic stress. It limits a bank’s ability to expand its balance sheet through over-reliance on short-term wholesale funding and encourages better assessment of funding risk across all on- and off-balance sheet items.

#### Regulatory requirements of NSFR

As stipulated in the Guideline, a bank shall maintain a minimum NSFR of 100% at all times which shall be calculated as per the formula given below:

$$\text{NSFR} = \frac{\text{Total amount of available stable funding}}{\text{Total amount of required stable funding}} \geq 100\%$$

where,

“Available Stable Funding” (ASF) is defined as the portion of capital and liabilities held by a bank that is expected to be reliable over a one-year time horizon.

The amount of “Required Stable Funding” (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held as well as its off-balance sheet (OBS) exposures.

The table below shows the Bank’s NSFR against the minimum regulatory limit:

Significant trading currencies	Regulatory limit	31 December 2025	31 December 2024
MUR	100%	<b>272%</b>	155%
USD	100%	<b>118%</b>	110%
Consolidated (in USD)	100%	<b>117%</b>	108%

## Management Discussion and Analysis (continued)

### Risk Management Report (Continued)

#### Liquidity risk (continued)

#### Net stable funding ratio (continued)

The Bank's consolidated NSFR individual line items were as follows:

Reporting Period:	31 December 2025	Unweighted value by residual maturity				Weighted value	
		No maturity	< 6 months	≥ 6 months to< 1 year	≥ 1yr	31-Dec-25	31-Dec-24
Reporting currency:	USD						
SN	ASF Item						
<b>1</b>	<b>Capital: (SN 2+SN 3)</b>	-	-	-	<b>68,085,861</b>	<b>68,085,861</b>	64,195,960
2	Regulatory capital	-	-	-	68,085,861	68,085,861	64,195,960
3	Other capital instruments	-	-	-	-	-	-
<b>4</b>	<b>Retail deposits and deposits from small business customers: (SN 5+ SN 6)</b>	-	<b>8,362,627</b>	-	-	<b>7,526,365</b>	4,852,890
5	Stable deposits	-	-	-	-	-	-
6	Less stable deposits	-	8,362,627	-	-	7,526,365	4,852,890
<b>7</b>	<b>Wholesale funding (SN 8+ SN 9)</b>	-	<b>289,548,007</b>	-	-	<b>144,774,003</b>	115,937,005
8	Operational deposits	-	2,036,253	-	-	1,018,126	772,550
9	Other wholesale funding	-	287,511,754	-	-	143,755,877	115,164,455
<b>10</b>	<b>Other liabilities: (SN 11+ SN 12)</b>	<b>362,750</b>	<b>19,158,029</b>	<b>666,673</b>	<b>201,576</b>	<b>534,913</b>	<b>778,239</b>
11	NSFR derivative liabilities	-	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	362,750	19,979,833	666,673	201,576	534,913	778,239
<b>13</b>	<b>Total ASF (SN 1+SN 4+ SN 7+SN 10)</b>					<b>220,921,142</b>	<b>185,764,094</b>
RSF Item							
<b>14</b>	<b>Total NSFR High Quality Liquid Assets (HQLA)</b>					<b>2,528,567</b>	<b>2,102,775</b>
<b>15</b>	<b>Deposits held at financial institutions for operational purposes</b>	-	<b>237,983,320</b>	-	-	<b>118,991,660</b>	<b>87,129,066</b>
<b>16</b>	<b>Performing loans and securities: (SN 17+ SN 18+ SN 20+ SN 22+ SN 23)</b>	-	-	<b>20,110,893</b>	<b>52,207,630</b>	<b>54,431,932</b>	<b>73,585,293</b>
17	Performing loans to financial institutions secured by HQLA 1	-	-	-	-	-	-
18	Performing loans to financial institutions secured by non HQLA 1 and unsecured performing loans to financial institutions	-	-	-	-	-	-
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:	-	-	<b>20,110,893</b>	-	<b>10,055,446</b>	<b>13,570,368</b>
20	With a risk weight of less than or equal to 35% under the Guideline on Standardised Approach to Credit Risk	-	-	-	-	-	-
21	Performing residential mortgages, of which:	-	-	-	-	-	-
22	With a risk weight of 35% under the the Guideline on Standardised Approach to Credit Risk	-	-	-	-	-	-
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	<b>52,207,630</b>	<b>44,376,486</b>	<b>60,014,925</b>
<b>24</b>	<b>Other assets: (SN 25+SN 26+ SN 27+ SN 28+ SN 29)</b>	<b>340,814</b>	<b>45,595</b>	<b>57,710</b>	<b>10,816,197</b>	<b>11,260,316</b>	<b>8,839,236</b>
25	Physical traded commodities, including gold	-	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of a Central Counterparty (CCP)	-	-	-	-	-	-
27	NSFR derivative assets	-	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-	-
29	All other assets not included in the above categories	<b>340,814</b>	<b>45,595</b>	<b>57,710</b>	<b>10,816,197</b>	<b>11,260,316</b>	<b>8,839,256</b>
<b>30</b>	<b>Off-balance sheet items</b>		<b>53,092,083</b>			<b>2,166,667</b>	<b>-</b>
<b>31</b>	<b>Total RSF (SN 14+ SN 15+ SN 16+ SN 24+SN 30)</b>					<b>189,379,143</b>	<b>171,656,370</b>
<b>32</b>	<b>Net Stable Funding Ratio (%) (SN 13/ SN 31)</b>					<b>117%</b>	<b>108%</b>

## Management Discussion and Analysis (continued)

### Risk Management Report (Continued)

#### Market risk

Market risk arises from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. All business desks in the Bank operate within market risk management policies that are set by the Bank. Limits have been set to control the Bank's exposure to movements in prices and volatilities arising from trading, lending, deposit taking and investment decisions.

#### Interest rate risk

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or re-price at varying times or be denominated in different amounts. In the case of floating rate assets and liabilities, the bank is also exposed to basis risk, which is the difference in re-pricing characteristics of the various floating rate indices. ALCO exercises oversight over interest rate risk management.

#### Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal process, people and system, or from external events. The risk is inherent in every aspect of business operations and confronted by the Bank in its day-to-day operational activities.

In accordance with the Three Lines of Defence model, all departments or functional units as the first line of defence are the first parties responsible for operational risk management, and carry out the duties and functions of self-risk control in the process of business operation through self-assessment and self-enhancement. The Risk Management, Legal & Compliance Department is responsible for assisting Management in managing the Bank's operational risk, including the establishment and review of the operational risk management policy and framework, designing the operational risk management tools and reporting mechanism, and assessing and reporting the overall operational risk position to Management and the Risk Management Committee. As the third line of defence, Internal Audit provides independent assurance to the effectiveness and adequacy of the operational risk management framework and is required to conduct periodic audit of the operational risk management activities of various departments or functional units within the Bank regarding their compliance and effectiveness and to put forward recommendations for remedial actions.

The Bank has put in place an effective internal control process which requires the establishment of policies and control procedures for all the key activities. The Bank adheres to the fundamental principle of proper segregation of duties and authorisation. The Bank adopts various operational risk management tools or methodologies such as key risk indicators, self-assessment, operational risk events reporting and review to identify, assess, monitor and control the risks inherent in business activities and products. Business continuity plans are established to support business operations in the event of an emergency or disaster. Adequate backup facilities are maintained and periodic drills are conducted.

#### Compliance risk

Compliance risk is the risk of legal or regulatory sanctions, financial losses or losses in reputation the Bank may suffer as a result of its failure to comply with applicable laws and regulations. Compliance risk is managed by the Risk Management, Legal & Compliance Department, whose responsibilities also include management of the risks relating to money laundering, terrorist financing and financial crime. As part of the Bank's corporate governance framework, the policies for the management of compliance risks, money laundering, terrorist financing and financial crime compliance risks are approved by the Board of Directors annually.

## Management Discussion and Analysis (continued)

### Risk Management Report (Continued)

#### Reputational risk

With regard to reputational risk management, the Bank aims to identify and prevent reputational risk proactively at an early stage when an incident occurs. Since reputational risk is often caused by various types of operational and strategic issues that negatively impact on the trust and perception of the Bank, all operational and key risks identified are assessed to evaluate the severity of their impact on the Bank, including the damage caused to its reputation.

#### Climate Change and Environmental Financial Risks

As global awareness of climate change and environmental sustainability grows, financial institutions are increasingly expected to address environmental risks within their operational frameworks. Climate change poses significant risks to these institutions, encompassing both physical and transition risks. The value of financial assets and liabilities may be impacted by the current or anticipated economic outcomes resulting from ongoing climate change (physical risks) or by the shift towards a low-carbon economy (transition risks). Understanding and managing these risks are crucial for ensuring long-term financial stability and sustainability.

The global community has urgently called for both public and private sectors to adapt to and mitigate climate change. In 2020, the Bank of Mauritius became a member of the Network of Central Banks and Supervisors for Greening the Financial System (“NGFS”) and released its Guideline on Climate-Related and Environmental Financial Risk Management in April 2022. Through this guideline, the Bank outlines its expectations for a prudent approach to addressing climate-related and environmental financial risks, aiming to strengthen the banking sector’s resilience against these risks.

The Bank continued to strengthen the whole process management of environmental (climate), social and governance risks associated with customers, from risk identification and classification, due diligence, business approval, contract management, fund disbursement, post-lending management and post-investment management. Additionally, the Bank has conducted training sessions on climate and environmental risks across different departments to ensure a thorough understanding and awareness throughout the Bank.

The Bank upheld the concept of green operations and has intensified its efforts in the management of energy conservation and consumption reduction. It has implemented measures to decrease the utilization of resources such as water, electricity, paper, and fuel in its business activities, thereby enhancing energy efficiency.

## Management Discussion and Analysis (continued)

### Risk Management Report (Continued)

#### Climate Change and Environmental Financial Risks (Continued)

##### Governance Process

The board reviews and approves the policy for environmental, social and governance risks, monitors senior management to manage environmental, social and governance risks effectively and reviews relevant reports on environmental, social and governance risks.

The senior management fulfils the following responsibilities:

- According to the requirements of regulator and the board, formulate and revise the policy for environmental, social and governance risks, and submit to the board for approval;
- Clarify the division of responsibilities of each department, and provide necessary guarantee and support for the successful implementation of management on environmental, social and governance risks;
- At least on a half-yearly basis, report to the board on environmental, social and governance risks issues and opportunities, etc.; and
- Ensure that environmental, social and governance risks issues are addressed in a timely manner.

##### Climate related and environmental financial risks and opportunities which have been identified over the short, medium and long term and the impact on their strategy and financial planning

The Bank continued to optimise the structure of assets allocated to brown industries, promoted production capacity replacement, green transformation and technological upgrading, and concentrated resources in the key areas of advanced capacity, energy efficient manufacturing, technology upgrading and transformation, safe, green, intelligent and efficient operations, and energy supply assurance, etc. It introduced a “veto system” for credit and investment support to corporate customers and projects that violate national provisions and regulatory requirements, fail to meet environmental standards, have major environmental and climate risk exposures, cause damage to critical habitats, destroy important biodiversity areas and national nature reserves, illegally log, fish and poach wildlife, cause deforestation through the excessive expansion of oil palm plantations, or illegally occupy and destroy forest lands. The Bank urged existing corporate customers involved in such situations to make rectifications and take effective measures to mitigate risks, and to exit projects that cannot be rectified as soon as possible.

It also strictly fulfilled its commitment to no longer provide financing for new coal mining and coal power projects outside of China from the fourth quarter of 2021 onwards, except for projects already contracted.

##### Processes for identifying, assessing and managing climate related risks and environmental financial risks

The Bank continued to strengthen the whole process management of environmental (climate), social and governance risks associated with customers, from risk identification and classification, due diligence, business approval, contract management, fund disbursement, post-lending management and post-investment management. It included binding requirements for environmental and social risk management in more than 80 industry credit policies, covering such industries as agriculture, forestry, animal husbandry and fishery, mining and metallurgy, oil, gas and chemical, construction and real estate, transportation and logistics.

The corporate banking departments of the Bank reviewed and classified the environmental (climate), social, and governance risks of customers as “Category A, B or C”, and conducted due diligence.

## **Management Discussion and Analysis (continued)**

### **Risk Management Report (Continued)**

#### **Climate Change and Environmental Financial Risks (Continued)**

##### **Elements which were considered in their assessment of the materiality of climate-related and environmental financial risks**

The Bank actively carried out climate risk stress tests and analysed the impact of physical risks caused by extreme weather events (floods, typhoons, sea level rise, etc.) on key industries, with the results showing that relevant risks were controllable overall. It also strengthened communication with stakeholders and established adequate, timely and effective communication mechanisms with government departments, environmental organisations, communities and the general public, media and investors, etc.

##### **Overall risk management framework**

In response to the guideline issued by the Bank has implemented a comprehensive Management Policy for Environmental (Climate), Social and Governance Risks Associated with Customers. The objectives of the Bank's Environmental (Climate), Social, and Governance risk management are to improve the policies, systems, and processes used for managing environmental (climate), social, and governance risks, establish an effective whole process management approach that covers risk identification, measurement, assessment, monitoring and reporting, and control and mitigation, and control or reduce the risks that may arise from the Bank's operational activities.

##### **Current Performance**

The Bank will aim to provide green loans to appropriate customers in future.

##### **Reference methodologies**

With reference to the Bank of Mauritius Guideline on Climate-Related and Environmental Financial Risk Management and the definitions and classifications of climate risks set out by Task Force on Climate-Related Financial Disclosures (TCFD) and Network for Greening the Financial System (NGFS), the Bank identified and analysed the transmission pathways and impact of climate risks on its other major risks, such as credit risk, market risk, liquidity risk, operational risk, reputational risk, country risk and IT risk, both from the perspective of physical risk and transitional risk.

With reference to NGFS climate risk scenarios, the Bank quantitatively assessed the impact of transition risks on customers.

## Corporate Governance Report

### Holding Structure

<b>China Investment Corporation</b>	
100%	
<b>China HuiJin Investment Limited</b>	
58.59%	
<b>Bank of China Limited</b>	
100%	
<b>Bank of China(Mauritius)Limited</b>	

Bank of China (Mauritius) Limited (the “Bank”) was incorporated in Mauritius on 13 January 2016 as a wholly-owned subsidiary of Bank of China Limited (“BOC” or the “Holding Company” or “Head Office”), based in the People’s Republic of China (“PRC”). The Bank holds a banking licence to conduct banking business and private banking business\* in Mauritius.

BOC is a state-owned joint stock commercial bank, listed on the Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange.

The parent company of BOC is Central Huijin Investment Limited (“Huijin”), a wholly-owned subsidiary of China Investment Corporation, which owned 58.59% of the ordinary shares of the BOC as at 31 December 2025.

Huijin is a state-owned investment company established under the Company Law of PRC on 16 December 2003. Wholly-owned by China Investment Corporation, Huijin makes equity investments in key state-owned financial institutions, as authorised by the State Council.

The Bank is a Public Interest Entity (“PIE”) as per the Financial Reporting Act 2004. The Bank follows the requirements of the Bank of Mauritius Guideline on Corporate Governance and the National Code of Corporate Governance for Mauritius (2016).

### Governance Structure

#### Our Governance Framework

In order to meet the relevant legislations and regulations of Mauritius, improve the corporate governance mechanism and boost its operation management, the Bank has set up a committed and unitary board, which is composed of 6 directors, including 4 non-executive directors appointed by the Holding Company, 1 independent non-executive director engaged from Mauritius and 1 executive director appointed by the Board.

The composition of the board is in compliance with Section 18(3) of the Banking Act 2004 and the Bank of Mauritius Guideline on Corporate Governance.

While the Board has reserved certain matters for its approval, it has created three special committees to help it carry out its duties and responsibilities in specific areas. These are the Audit Committee, the Risk Management Committee and the Nomination & Remuneration Committee.

The Bank has in place an approved Code of Conduct and Ethical Standards. The board monitors and evaluates compliance therewith. The Bank expects the highest level of integrity from its directors, officers and employees in all dealings. A Whistleblowing Policy has also been adopted, the aim of which is to provide an avenue for all directors, officers and employees to report their concerns about any illegal, unethical or questionable practices in confidence and without the risk of reprisal.

The Bank has ensured that a written description of the major accountabilities within the organisation have been formalised.

\* *The Bank does not offer private banking services for the time being.*

## Corporate Governance Report (Continued)

### Board Structure

#### *Chairman (non-executive director)*

Yun Yi (Chairman as from 11 July 2025)

#### *Non-executive directors*

Guo Xin (Chairman up to 10 July 2025)

ZHANG Shuai

ZHANG Haiying (Resigned on 25 of February 2025)

LI Lianhong (non-executive director as from 10 December 2025)

#### *Independent non-executive director*

LI WAN PO Tin Miow

#### *Executive director*

LI Lianhong (executive director up to 09 December 2025)

Wei Zhiyu (Appointed on 10th of December 2025)

#### *Secretary to the Board*: ENSafrica (Mauritius)

The Bank has one female director. The directors believe that the board composition is fair given the size of the operations of the Bank.

### Key roles and responsibilities of directors

#### Chairman of the Board

The functions of the Chairman of the Board are as follows:

- Provide overall leadership to the board without limiting the principle of individual responsibility for board decisions, encourage and ensure the active participation of each director in discussions and board matters;
- Participate in the selection of board members to ensure that the board has an appropriate mix of competencies, experience skill and independence;
- Oversee a formal succession plan for the board, Chief Executive Officer and senior management;
- Attend meetings of the relevant board committees;
- Monitor and evaluating board and director appraisals;
- Determine the formulation of an annual work plan for the board against agreed objectives and goals, as well as playing an active part in setting the agenda for board meetings;
- Act as the main link between the board and management, and particularly between the board and the chief executive officer;
- Maintain sound relations with the Bank's shareholder and ensuring that the principles of effective communication and pertinent disclosure are followed;
- Ensure that all directors play a full and constructive role in the functioning and decisions of the board;
- Take a lead role in removing non-performing or unsuitable directors from the board;
- Ensure that all the relevant information and facts are placed before the board to enable the directors to reach informed decisions.

#### Non-Executive Directors

The main responsibilities of non-executive directors are among others, as follows:

- Ensure the commercial activities of the Bank are in compliance with laws, regulations and economic policies, and not beyond the business scope stipulated in the banking licence;
- Review all business and financial reports of the Bank, and be aware of the business operation and management status of the Bank in a timely manner;
- Attend and conduct meetings effectively;
- Advise and provide support and supervision to the Chief Executive Officer;
- Actively participate in Board decision making and challenge the Chairperson constructively; and
- Take an active interest in the Bank's affairs and follow up anything improper that comes to their attention.

## Corporate Governance Report (Continued)

### Key roles and responsibilities of directors (continued)

#### Independent Non-Executive Director

While the National Code of Corporate Governance for Mauritius (2016) encourages having at least two independent directors, the Banking Act 2004 and the Bank of Mauritius Guideline on Corporate Governance allows subsidiaries of foreign banks to have non-executive directors in lieu of independent directors. The directors believe that given the size of the operations of the Bank, the fact that it is a subsidiary of a foreign bank, and 5 out of 6 directors of the Bank are non-executive, good governance principles are still safeguarded.

The Bank regularly assesses the changes in its operating environment and makes appropriate changes as deemed necessary.

#### Executive Directors

The Bank has one Executive Director, the Chief Executive Officer. His main responsibilities are as follows:

- Take charge of daily administration, business operation and accounting management, and report to the Board of Directors;
- Organise the implementation of the Bank's annual business plans and investment plans;
- Organise the implementation of resolutions of the Board of Directors;
- Submit operation and significant investment plans to the Board of Directors on behalf of senior management members, and carry out implementation of such plans upon approval by the Board of Directors;
- Formulate the annual financial budget plan and final accounts of the Bank and propose same to the Board;
- Formulate the loss mitigation plan of the Bank and propose the same to the Board;
- Formulate plans for the increase or reduction of the stated capital of the Bank and propose the same to the Board and the Shareholder;
- Formulate the draft of the basic administrative system, internal management framework and important branch establishment structure of the Bank and report to the Board for approval;
- Draft the legal and compliance policy and relevant basic management rules and report to the Board for approval; formulate the basic rules and regulations of the Bank;
- Propose candidates to the Board for the office of Deputy CEO, and other senior management members of the Bank;
- Appoint or dismiss officers of all internal departments and branches;
- Review and determine wages, welfares, rewards and punishment plan of employees;
- Actively cooperate with board sub-committees under the Board, implement decisions made by Board sub-committees in accordance with the Constitution;
- Exercise the special authority at his disposal in relation to the Bank's affairs in accordance with laws and the Bank's interests upon the occurrence of significant emergencies or other urgent circumstances, and report to the Board and the Shareholder thereafter;
- Liaise with the Central Bank; and
- Acts as a liaison between Management and the Board.

While the National Code of Corporate Governance for Mauritius (2016) encourages having at least two executive directors, the BOM Guideline on Corporate Governance requires at least one executive director, the Chief Executive Officer. The Bank fully complies with this requirement. The Board believes that the spirit of the National Code of Corporate Governance is met through the participation and attendance of the Chief Executive Officer as Executive Director and other senior executives in relevant sub-committees and board deliberations. It further believes that having regard to the nature, size and complexity of the Bank, the board structure in place for the time being is effective.

## Corporate Governance Report (Continued)

### Key roles and responsibilities of directors (continued)

#### Board attendance report

During the year under review, the Board met on four occasions. Decisions were also taken by way of resolutions in writing which were signed by all the directors in accordance with the provisions of the Companies Act 2001.

	Members	Board member since	Board status	Meeting attendance
Incumbent Directors	Guo Xin (chairman up to 10 July 2025)	Jul-22	Non-executive director	4 / 4
	Yun Yi (chairman as from 11 July 2025)	Feb-25	Non-executive director	4 / 4
	ZHANG Shuai	Jul-22	Non-executive director	4 / 4
	LI WAN PO Tin Miow	Jan-16	Independent non-executive director	4 / 4
	LI Lianhong	Nov-20	Executive director	4 / 4

#### Company Secretary

The main duties of the Company Secretary are as follows:

- Assist the directors in dealing with tasks of the Board;
- Responsible for communications between the Directors and relevant departments of the Bank;
- Ensure the Directors are provided with the necessary information and documents for their fulfilment of their authority and functions;
- Continuously advise, remind and ensure that the Directors are acquainted with the regulations, policies and requirements by relevant regulatory authorities regarding bank operations;
- Assist Directors and the CEO to abide by laws, regulations, rules, the Bank's Constitution and other relevant provisions in their exercise of authority and functions;
- Organise the Board meetings; to be responsible for taking minutes of the meetings of the Directors and the Shareholder in English; to ensure the resolution and the decisions made in meetings are in compliance with legal procedures; to proactively monitor the implementation of the Board resolutions and to reply to the Directors in respect of questions concerning relevant meeting procedures and applicable rules;
- Ensure that the Bank keeps complete organisational documents and records;
- Ensure that the Bank prepares and submits according to law the documents and reports required by relevant authorities; and
- Other duties set forth in the Constitution of the Bank.

#### Key Dates

Date of incorporation	13 January 2016
Date of banking licence	18 March 2016
Operations start date	27 September 2016
Financial year end	31 December
Board meetings in 2025	18 March, 26 June, 23 September; 3 December
Publication of financial statements	23 March 2026

## Corporate Governance Report (Continued)

### Directors' Profile

The profiles of the Board members who served on the Board during the financial year 2025 are presented hereunder.

#### • Mr. Yun Yi (Non-Executive Director and Chairman)

Aged 55

##### Qualifications

- o Holder of Master degree in MBA from Peking University
- o Holder of Bachelor degree in Japanese Language and Culture from Peking University

##### Current

- o Appointed as Director of Bank of China (Mauritius) Limited in February 2025 and Chairman of Bank of China (Mauritius) Limited in July 2025
- o Appointed as Deputy General Manager of Clearing Department of Bank of China Head Office in 2024

##### Previous

- o Worked as Deputy General Manager of Tokyo Branch.
- o Worked as General Manager of Corporate Banking Department, LiaoNing Branch
- o Worked as General Manager of Yokohama Branch

#### • Mr. GUO Xin (Non-Executive Director)

Aged 59

##### Qualifications

- o Holder of Master degree in MBA from He Fei University of Technology.
- o Holder of Bachelor degree in Economics from Anhui University

##### Current

- o Appointed as Director of Bank of China (Mauritius) Limited in July 2022 and Chairman of Bank of China (Mauritius) Limited in November 2022
- o Appointed as Director and Chairman of Bank of China (Djibouti) Limited in November 2022

##### Previous

- o Worked as Secretary General and Board Member of China Chamber of Commerce to the EU.
- o Worked as Deputy General Manager of Manila Branch.
- o Worked as Vice Managing Director of Bank of China (Luxembourg) S.A. Stockholm Branch, Sweden

#### • Ms. ZHANG Shuai – Non-executive Director

Aged 45

##### Qualifications

- o Holder of Master degree of International Relations from Renmin University of China
- o Holder of Bachelor degree of International Relations from Renmin University of China

##### Current

- o Appointed as Director of Bank of China (Mauritius) Limited in July 2022
- o Appointed as Managing Director of Credit Management Department of Bank of China Head Office in 2020

##### Previous

- o Worked as Division Chief of Chinese Ministry of Education.

## Corporate Governance Report (Continued)

### Directors' Profile (Continued)

#### • Mr. LI Lianhong - Non-executive Director

Aged 57

##### Qualifications

- o Holder of Masters Degree in Computer Application from Southeast University
- o Holder of Bachelor degree in Software Technology from Southeast University

##### Current

- o Appointed as Chief Executive Officer and Director of Bank of China (Mauritius) Limited in October 2020 and November 2020 respectively

##### Previous

- o Worked as Deputy Chief Executive Officer of Bank of China (Mexico) Limited
- o Worked as Head of Preparatory Group for Bank of China Cuba
- o Worked as head of Team Work for Corporate Banking Headquarters of Bank of China Head Office

#### • Mr. LI WAN PO Tin Miow (Jacques) G.O.S.K. – Independent Director

Aged 81

##### Qualifications

- o Fellow of the Chartered Association of Certified Accountants

##### Current

- o Appointed as Independent Director of Bank of China (Mauritius) Limited on 13 January 2016
- o Chairman and Managing Director of Jacques Li Wan Po Group of Companies
- o Executive Director and Group CEO of New Goodwill Investment Ltd Group of Companies
- o Chairman of The Mauritius Development Investment Trust Company Ltd
- o Board Director in several other public and private Companies

##### Previous

- o Board member of the Bank of Mauritius
- o Member of Monetary Policy Committee of the Bank of Mauritius
- o Board member of Mauritius Commercial Bank Ltd
- o Board member of Medine Ltd
- o President of the Association of Mauritian Manufacturers

#### • Mr. WEI Zhiyu - Chief Executive Officer

Aged 48

##### Qualifications

- o Holder of MBA from Tsinghua University
- o Holder of Bachelor degree in Accounting from Tsinghua University

##### Current

- o Appointed as Chief Executive Officer of Bank of China (Mauritius) Limited in December 2025

##### Previous

- o Worked as Deputy General Manager of Bank of China (Dubai) Branch
- o Worked as Assistant General Manager of Bank of China (Dubai) Branch
- o Worked as Director of Treasury Department of Bank of China Head Office

## Corporate Governance Report (Continued)

### Board of Directors

Being a wholly-owned subsidiary of Bank of China, 5 out of 6 directors are from Bank of China, with one of them acting as executive director and the other 4 directors acting as Non-Executive Directors; the Board also comprises one local independent director who has no relationship with the shareholder and the Bank.

The Bank has established a Board in accordance with its Constitution. The Board has all the powers necessary for managing, directing and supervising the management of the business and the affairs of the Bank. The Board is ultimately responsible for the affairs of the Bank. The Bank's Constitution provides that the minimum number of Directors shall be five. As per the Bank's Constitution, the Board reassesses its charter and develops succession plan as and when required. It further believes that having regard to the nature, size and complexity of the Bank, the Board structure in place, for the time being, is effective.

The Bank has developed relevant policies about information, information technology and information security.

The Board oversees information governance within the organisation and ensures that the performance of information and information technology systems leads to business benefits and creates value. The Board ensures that information assets are managed effectively and there is a framework on information, information technology and information security governance.

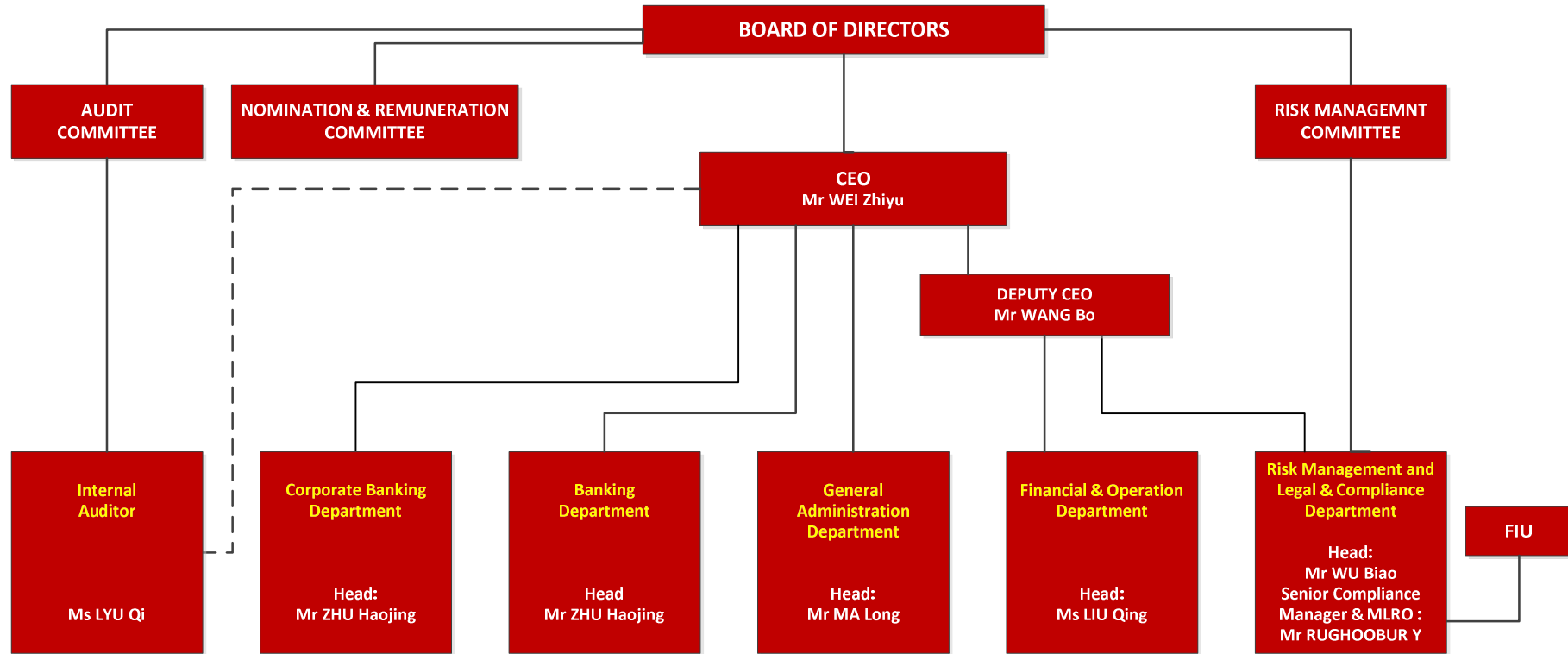
### The key responsibilities of the Board of Directors are set out below:

- Report its work to the Shareholder
- Implement the resolutions of the Shareholder
- Decide on strategic policies, business plans and material investment plans of the Bank except for those material investment plans that are subject to the Shareholder's approval as specified by authorization rules of the Shareholder
- Formulate the proposed annual financial budgets and final accounts of the Bank
- Formulate the plans for loss mitigation of the Bank and risk capital distribution
- Formulate plans for the increase or reduction in the stated capital of the Bank
- Draft plans for merger, division, dissolution or change in structure of the Bank
- Examine and approve related party transactions which require Board approvals under laws, administrative regulations and other relevant governing rules
- Review and decide on the establishment of the Bank's basic administrative system, internal management framework and important sub-entities
- Develop and review corporate governance policies of the Bank
- Examine and approve the policies regarding laws and regulation compliance and the relative basic management system of the Bank
- Formulate proposals for amendment of the Constitution of the Bank, and report to the Shareholder for approval
- Examine the Bank's human resources and remuneration strategies, review and determine the remuneration strategies for the Bank's senior management members; to be responsible for performance evaluation of senior management members; to decide on the material rewards and disciplinary matters for senior management members
- Review and approve the information disclosure policy and system of the Bank
- Propose to appoint, re-appoint or change the accounting firm that audits the Bank
- Receive work report from the CEO and the management of the Bank and examine their work
- Receive the report by external auditors on a regular or ad-hoc basis
- Review and approve the Bank's annual report
- Assume the responsibilities for succession planning and for the appointment and induction of new directors to the Board
- Approves the job description of Senior management; and
- Exercise other functions and powers prescribed by laws, administrative regulations or the Constitution of the Bank, and those granted by the Shareholder

The Board assumes responsibility for leading and controlling the organisation.

**Corporate Governance Report (Continued)**

**Organisation structure of the bank**



## Corporate Governance Report (Continued)

### Executive management

#### • Mr. WEI Zhiyu - Chief Executive Officer

Please refer to page 26.

#### • Mr. WANG Bo - Deputy CEO

Aged 53

##### Qualifications

- o MBA of Tsinghua University

##### Current

- o Appointed as Deputy CEO of Bank of China (Mauritius) Limited in 2023

##### Responsibilities

- o Based on the leadership of CEO, be responsible for comprehensive risk management of Bank of China (Mauritius) Limited
- o According to the regulation of supervision authority of Mauritius and Bank of China, be responsible for administration and guidance of risk management and legal compliance department and financial management function

##### Previous

- o Worked as Deputy CEO of BOC Milan Branch
- o Worked as Deputy General Manager of Corporate Banking Department of Shandong Branch BOC

#### • Mr. MA Long - Head of General Administration Department & Chief Information Security Officer

Aged 42

##### Qualifications

- o Holder of Master degree of Economics in University of Leicester

##### Current

- o Appointed as Head of General Administration Department of Bank of China (Mauritius) Limited in 2023

##### Responsibilities

- o According to our bank work deployment, preparing the work plan and being responsible for the implementation;
- o Reporting to CEO/DCEO's on the department's work, in a timely manner to convey the staff CEO/DCEO's requirements;
- o Responsible for administrative office work management;
- o Responsible for management of daily procurement of office supplies;
- o Responsible for management of the construction, installation and maintenance in technical part of the IT system;
- o Responsible for management of the building and maintenance of information technology related systems;
- o Responsible for the communication and coordination with external agencies and internal institutions of the information technology related work;
- o Organization and participation in various public welfare activities;
- o Responsible for verification of the work of compliance posts.

##### Previous

- o Worked for Information Technology Operation Centre of Bank of China

## Corporate Governance Report (Continued)

### Executive management (Continued)

#### • Mr. ZHU Haojing - Head of Banking Department

Aged 43

##### Qualifications

- o Holder of Bachelor degree of Banking and International Finance in Flinders University
- o Holder of Master degree of Accounting in South Australia University
- o Holder of Certified Public Accountant Certificate

##### Current

- o Appointed as Head of Banking Department of Bank of China (Mauritius) Limited in 2025

##### Responsibilities

- o According to our bank work deployment, preparing the work plan and being responsible for the implementation;
- o Responsible for Banking department personnel work arrangement and management;
- o Reporting to CEO/DCEO's on the department's work, in a timely manner to convey the staff CEO/DCEO's requirements;
- o Responsible for writing the business department work summary;
- o Responsible for authorization of all kinds of business offers;
- o Issuance of all kinds of foreign business certificates;
- o Verifying and signing reversed entry voucher and unsettled transaction voucher;
- o Non-scheduled verifying important blank vouchers;
- o Guide staff to deal with business according to the rules and regulations;
- o Responsible for planning Banking department's operating strategy and plan, expanding the market, mining potential clients;
- o Coordinate to solve the counter customer disputes;
- o Responsible for verifying the department's expense;
- o Double-check large amount transactions;
- o Responsible for verification of the work of compliance posts;
- o Responsible for working out the Global Market business development; and
- o Responsible for the pricing, quotation, sales support of the Global Market products.

##### Previous

- o Worked for Bank of China (Zambia) Limited
- o Worked for Corporate Banking Department of Bank of China Wuxi Branch in China

#### • Mr. ZHU Haojing - Head of Corporate Banking Department

Aged 43

##### Qualifications

- o Holder of Bachelor degree of Banking and International Finance in Flinders University
- o Holder of Master degree of Accounting in South Australia University
- o Holder of Certified Public Accountant Certificate

##### Current

- o Appointed as Head of Corporate Banking Department of Bank of China (Mauritius) Limited in 2023

##### Responsibilities

- o Organizing the development and implementation of the marketing plan for corporate banking business according to the business operation
- o Supervising the operational risk, controlling the asset quality, operating in a legal and compliant manner and making the risk indicators fall
- o Reporting to CEO/DCEO's on the department's work, in a timely manner to convey the staff CEO/DCEO's requirements;
- o Responsible for writing the business department work summary;
- o Responsible for authorization of all kinds of business offers;
- o Issuance of all kinds of foreign business certificates;
- o Verifying and signing reversed entry voucher and unsettled transaction voucher;
- o Non-scheduled verifying important blank vouchers;
- o Guide staff to deal with business according to the rules and regulations;
- o Responsible for planning Banking department's operating strategy and plan, expanding the market, mining potential clients;
- o Coordinate to solve the counter customer disputes;
- o Responsible for verifying the department's expense;
- o Double-check large amount transactions; and
- o Responsible for verification of the work of compliance posts.

##### Previous

- o Worked for Bank of China (Zambia) Limited
- o Worked for Corporate Banking Department of Bank of China Wuxi Branch in China

## Corporate Governance Report (Continued)

### Executive management (Continued)

#### • Mr. WU Biao - Head of Risk Management and Legal & Compliance Department

Aged 44

##### Qualifications

- o Holder of Doctor degree of Economics in Political Economy in Renmin University of China

##### Current

- o Appointed as Head of Risk Management and Legal & Compliance Department of Bank of China (Mauritius) Limited in 2023

##### Responsibilities

- o Overall planning for risk management (credit, market and operational risk) according to the operation and development planning of the Head Office and the local regulatory requirements and the objectives of risk management;
- o Responsible for the management of credit decision-making mechanism and policies, and taking charge of the review on corporate credit projects;
- o Leading the management of asset quality monitoring system, corporate credit management system and limit monitoring system, and taking charge of the analysis of credit assets;
- o Working out the management flow, implementation rules and work plans for legal and compliance management, guiding and supervising the implementation of legal compliance of the Bank;
- o Leading the anti-money laundering work across the Bank, working out the internal control policies and reporting procedures for anti money laundering, coordinating the AML monitoring, inspection, evaluation, training and appraisal of the Bank, and completing the AML tasks assigned by the Head Office and the regulatory authority; and
- o Responsible for the business continuity management of the Bank, formulating the management policies, rules and regulations and operating procedures, and organizing the implementation, guidance, supervision, valuation and reporting.

##### Previous

- o Worked for Credit Management Department of Bank of China Head Office
- o Worked for Bank of China Heilongjiang Branch in China
- o Worked for Information Centre of Bank of China Head Office

#### • Mrs. LIU Qing - Head of Financial Operation Department

Aged 42

##### Qualifications

- o Holder of Bachelor degree of Laws in Central University of Finance and Economics in China
- o Holder of CPA China

##### Current

- o Appointed as Head of Financial Operation Department of Bank of China (Mauritius) Limited in 2023

##### Responsibilities

- o The implementation of the accounting system and the requirements of the Head Office, organize the accounting work and year-end accounts; prepare financial reports, responsible for the preparation of accounting statements and accounting information disclosure, and responsible for the statistical reports of the head office and the local central bank;
- o The implementation of the system of operation and management of the head office, overall management business operation process; responsible for the cashier management, document management, important seal, accounting records management, system parameter management ; Responsible for the counter business supervision and operation of risk prevention;
- o Budget management, cost management, asset liability management, capital management, pricing management and liquidity management, tax management, fixed assets and investment management. Responsible for formulating departments performance evaluation index system, and notification of examination according to the operation of the comprehensive evaluation;
- o Payment and settlement business management, formulate relevant business management measures and operation procedures; responsible for domestic and international payments business;
- o Responsible for the development of the whole line of long-term business development strategy planning; organize Comprehensive management plan and monitor, analyse and assess the implementation of the plan.

##### Previous

- o Worked for Financial Operation Department of Bank of China Jiayuguan Branch in China
- o Worked for Sub-branch of Bank of China Jiayuguan Branch in China
- o Worked for Retail Department of Bank of China Jiayuguan Branch in China
- o Worked for Banking Department of Bank of China Jiayuguan Branch in China

## Corporate Governance Report (Continued)

### Executive management (continued)

#### • Mr. RUGHOOBUR Yashwantsingh - Senior Compliance Manager and Money Laundering Reporting Officer

Aged 46

##### Qualifications

- o Holder of a Master's Degree in International Securities, Investment & Banking from University of Reading (UK)
- o Holder of a Bachelor's Degree in Economics from University of Delhi (India)
- o Certified Anti-Money Laundering Specialist (CAMS)
- o Certified Global Sanctions Specialist (CGSS)

##### Current

- o Appointed as Senior Compliance Manager in December 2016
- o Appointed as Money Laundering Reporting Officer in January 2017

##### Responsibilities

- o Promoting compliance with relevant laws, rules and standards within the organisation;
- o Oversight of the Bank's compliance with the relevant rules on systems and controls against money laundering and terrorist financing;
- o Act as the focal point of contact for all matters within the Bank relating to AML/CFT;
- o Manage relationships with the regulatory authority and law enforcement agencies; and
- o In his capacity of MLRO, the incumbent receives and reviews internal suspicious transaction reports (STRs) and takes reasonable steps to assess relevant CDD and other information to decide whether suspicions should be reported to the FIU and, if appropriate, make the necessary STR.

##### Previous

- o Worked in the Supervision Department of the Bank of Mauritius from April 2005 to November 2016

#### • Miss LYU Qi – Internal Auditor

Aged 30

##### Qualifications

- o Holder of Bachelor degree in Finance from Tianjin University (China).
- o Holder of Master degree in Finance from Loughborough University (UK).
- o Certified Internal Auditor with CIA (Certified Internal Auditor).

##### Current

- o Appointed as Internal Auditor of Bank of China (Mauritius) Limited in 2025

##### Responsibilities

- o Formulating general internal audit working procedures according to the guidelines of the Head Office, and organizing the implementation under the approval of the Audit Committee;
- o Developing an annual audit plan, implementing as approved, conducting special-purpose investigations and inspections and following up the corrective actions;
- o Assessing the effectiveness of internal control, risk management and governance systems based on risk evaluation, and recommending improvement actions;
- o Cooperate with external supervision and Head Office's inspection, carry out follow-up inspection for internal and external audit findings.

##### Previous

- o Worked in Audit Department of Bank of China Hebei Branch in China

## Corporate Governance Report (Continued)

### Board sub-committees

Board sub-committees are set up to assist the Board of Directors to fulfil its functions and duties. However, the Board of Directors remains responsible for the performance and affairs of the Bank. The Board sub-committees include: Audit Committee, Risk Management Committee, and Nomination and Remuneration Committee.

#### Nomination and Remuneration Committee

The key responsibilities of the Nomination and Remuneration Committee are as follows:

- Recommend the appointment of directors to the Shareholder, managerial personnel and other key personnel of the Bank;
- Define the remuneration strategies of the Bank;
- Supervise implementation of relevant strategies; and
- Other duties set forth in the Constitution.

The membership of the Nomination and Remuneration Committee and attendance report for the year under review are as follows:

Members	Committee member since	Board status	Meeting attendance
GUO Xin ( <i>Chairperson</i> )	Jul-22	Non-executive director	4 / 4
YunYi	Feb-25	Non-executive director	4 / 4
ZHANG Shuai	Jul-22	Non-executive director	4 / 4
LI Lianhong	Nov-20	Executive director*	4 / 4
LI WAN PO Tin Miow	Jan-16	Independent non-executive director	4 / 4

\* Mr Li Lianhong attended meetings of the Nomination and Remuneration Committee in his capacity as CEO

#### Audit Committee

The key responsibilities of the Audit Committee are described hereafter:

- Recommend approval by the Shareholder at the annual meeting for the appointment, renewal and replacement of the external auditor, and the related audit fees; evaluate the external auditors' independence and their cost effectiveness;
- Review the external auditor's findings and recommendations relating to the financial management and control processes; review with the external auditor significant issues regarding the application of accounting principles and the preparation of financial statements; review the annual plan and scope of work of the external auditor; review and examine significant accounting and internal audit policies and important internal audit regulations; review and examine the disclosure of financial information of the Bank;
- Meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year, without management being present, to discuss the external auditor's remit and any issue arising from the external audit, and to discuss any matter that the Committee thinks should be discussed privately; and
- Review and approve the Internal Audit Charter and organisational structure of the internal audit department; review the annual plan and scope of work of the internal audit department; approve the annual budget of the internal audit department and ensure its independence; evaluate the effectiveness of the internal audit department;
- Oversee the Bank's internal controls; review the significant findings to management prepared by the internal audit department and management's response thereto; review management's plans to address significant deficiencies and material weaknesses in the design or operation of internal controls and financial reporting; discuss the adequacy of the Bank's internal controls with the external auditor, and any special audit steps adopted in light of material control deficiencies; review fraud cases; and
- Other duties as required under the Banking Act 2004 and as may be authorised by the Board.

As shown below, the Audit Committee is composed of both non-executive and independent directors. This is in line with the requirements of section 40 of the Banking Act 2004 and paragraphs 28 and 29 of the Bank of Mauritius Guideline on Corporate Governance.

## Corporate Governance Report (Continued)

### Board sub-committees (continued)

The membership of the Audit Committee and attendance report for the year under review are as follows:

Members	Committee member since	Board status	Meeting attendance
LI WAN PO Tin Miow (Chairperson)	Jan-16	Independent non-executive director	4 / 4
YunYi	Feb-25	Non-executive director	4 / 4
GUO Xin	Jul-22	Non-executive director	4 / 4

### Risk Management Committee

The key responsibilities of the Risk Management Committee are described hereunder:

- Review and formulate the Bank's risk management strategies, substantial risk management policies and procedures, and to advise the Board of directors so as to make sure that the risk management policies and procedures are uniformly abided by the Bank internally;
- Examine the significant risky activities of the Bank and exercise veto power regarding the commitments exposing the Bank to credit and/or market risk exceeding individual risk limits approved by the Risk Management Committee or the Board of directors or causing approved aggregate limits to be exceeded;
- Supervise the implementation status of the Bank's risk management strategy, policy and procedure, and advise the Board of directors;
- Examine the risk management status; regularly evaluate implementation status of risk management and internal control by the management, functional departments and entities; regularly review the reports from the aforesaid departments and propose requests for improvement;
- Supervise the status of the Bank's compliance with laws and regulations; review and examine relevant administrative systems related to legal and compliance and make suggestions; submit the Risk Management Report to the Board of directors for examination and approval, and to review and examine the report of implementation of the legal and compliance policy of the Bank.

The membership of the Risk Management Committee and attendance report for the year under review are as follows:

Members	Committee member since	Board status	Meeting attendance
YunYi (Chairperson)	Feb-25	Non-executive director	4 / 4
GUO Xin	Jul-22	Non-executive director	4 / 4
ZHANG Shuai	Jul-22	Non-executive director	4 / 4
LI Lianhong	Nov-20	Executive director *	4 / 4
LI WAN PO Tin Miow	Jan-16	Independent non-executive director	4 / 4

\* Mr Li Lianhong attended meetings of the Nomination and Remuneration Committee in his capacity as CEO

## Corporate Governance Report (Continued)

### Board sub-committees (continued)

#### Corporate Governance Committee

Given the size of the operations of the Bank and given the fact that the Board has close supervision over the activities of the Bank, the directors believe that a separate corporate governance committee is not required. The Board itself is currently ensuring that good governance practices are adopted.

#### Nomination Process

The process and policy for the appointment of directors is defined in the Bank's Constitution. According to the Constitution, Directors of the Bank shall be natural persons, and candidates for directorship shall be decided by the Holding Company, Bank of China Limited, the sole shareholder of the Bank. The Shareholder will appoint any Director by Ordinary Resolution. Directors are not required to hold shares of the Bank.

The Bank's Non-Executive Directors are appointed by the Holding Company; the independent director is engaged from Mauritius and the executive director is appointed by the Holding Company.

All the directors are aware of their legal duties.

### Director Appointment and Remuneration

#### Directors' Remuneration

Remuneration and benefits received by directors during the year were as follows:

Directors' Remuneration and Benefits			
Non-Executive Directors	GUO Xin (chairman)		
	ZHANG Haiying		
	ZHANG Shuai		
	Mr. LI WAN PO Tin Miow	USD	7,789
Executive Director	Mr. LI Lianhong	USD	389,824
	Mr. Wei Zhiyu	USD	29,351

Salary structure consists of basic salary and bonus. Basic salary is a fixed monthly payment depending on employee's experience, ability and competence. The total bonus payable to the employees is linked with the organization's business performance and is generally paid annually. Bonus is a floating part in the composition of employee's salary linked with his/her performance. The bonus assessment is expressed by the basic salary of several months, which is linked with the organisation's assessment score, the Bank's assessment level and individual employee performance assessment level.

Staff members of the Bank receive a discretionary bonus based on the Bank's performance as well as an assessment of their individual performances.

#### Director training and development

Appropriate training is provided to directors so that they continuously update their skills and knowledge.

#### Board and Director Appraisal

The members of the Board of Directors undergo a performance appraisal by the Head Office on a regular basis.

## Corporate Governance Report (Continued)

### External Auditors

The External Auditors must comply with all relevant auditing and ethical standards, and professional and regulatory requirements. The Audit Committee regularly assesses the effectiveness of the external audit process through discussion.

The Audit Committee also reviews all non-audit services provided by the external auditors to ensure the nature and extent of such non-audit services do not affect their independence.

In 2024 there was a change in external auditors from PricewaterhouseCoopers (PwC) to Ernst & Young (EY). The External Auditors are appointed at group level following a tendering exercise. Their appointment is approved by the central bank on an annual basis.

The remuneration of the auditors was as follows:

(Amount in USD)	2025	2024	2023
Audit fees	42,384	42,383	45,250
Other services	5,750	-	-
<b>Total</b>	<b>48,134</b>	<b>42,383</b>	<b>45,250</b>

### Related Party Transactions

As per the guideline on related party transactions issued by the Bank of Mauritius, a related party is defined as:

- a person who has significant interest in the Bank or the Bank has significant interest in the person;
- a director or senior officer of the Bank or of a body corporate that controls the Bank;
- the spouse, a child, the parent or ascendant or descendant of a natural person referred to above;
- an entity that is controlled by a person described in the foregoing sections; and
- a person or class of persons who has been designated by the regulatory authority as a related party.

The Bank adheres to the local regulatory guideline on related party transactions as well as group policy with regards to related party transactions.

For further details on related party, please refer to Note 26.

### Website

According to relevant regulation and guideline, the annual report is published in abridged on the Bank's website:  
<http://www.bankofchina.com/mu/>.

Considering the current size of the Bank and that our website is headquartered at our Head-office, the Corporate Governance Report has not been uploaded on the website.

## Corporate Governance Report (Continued)

### Internal control

The Bank follows the three lines of defence model which is in place in entities within the Bank of China group. The model, which is widely used in banks, consists of three layers of a business working together. Each layer independently checks that key activities are operating effectively, ensures that operating objectives are met, that appropriate responsibility is allocated for the management to report and escalate compliance and risk matters. Every year the Audit Committee of the Bank has a meeting with the external auditor to discuss matters relating to the audited financial statements for the financial year.

The Board is ultimately responsible for ensuring that management maintains systems of internal control that provide assurance of effective and efficient operations, internal financial controls and compliance with Mauritian laws and regulations. In carrying out this responsibility, the Board is aware of what is appropriate for the Bank's business and reputation, the materiality of the financial and other risks inherent in the business, and the relative costs and benefits of implementing specific controls. The Board also considers the nature and extent of the risk, the likelihood of it crystallising and the cost of controls.

The Board receives regular reports and updates from the Executive Management and the Audit Committee on the effectiveness of the Bank's internal control system. Based on the work performed by internal and external auditors, the Board has received the assurance that the internal controls systems are adequate and effective. The system of internal control is also subject to regulatory oversight.

The Financial Management business, Anti-Money-Laundering and Trade Finance & International Settlement control process have been tested. Overall the controls have been found to be effective.

### Internal Audit

Internal audit is an independent, objective assurance activity designed to add value and improve an organisation's operations. It helps an organisation to accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of risk management, control and governance processes. The Internal Auditor reports to the Audit Committee quarterly. During the year under review, the Internal Auditor has focused mainly on the monitoring of compliance with laws and regulations, including any requirements from the bank's supervisor and Head Office; evaluation of management information systems and processes in terms of their reliability, effectiveness and integrity.

### Independence of the Internal Audit

The Internal Auditor remains independent of the activities and objective in his work. There have been no restrictions placed over the right of access by the Internal Auditor to the records, Management or employees of the Bank.

### Conflicts of interest

Conflicts of interest is a situation whereby the interest of a member of the Board or Management or one of the significant shareholders and/or one of their associates is or may be competing with or impeding on the interests of the Bank. Any conflict or potential conflict of interest must be declared to the Board of Directors. The conflicts of interest of Directors are generally recorded in a register maintained by the Company Secretary. The Interest Register is available for consultation by shareholders upon written request to the Company Secretary.

There were no transactions between the Bank and its managers or directors during the year under review which could result in conflicts of interest.

### Stakeholders' relations and communications

The Board is committed to building open and trusted relationships with stakeholders through effective and transparent communication. The Bank's stakeholders encompass individuals and organisations with vested interest in the Bank or those impacted by its operations. The key stakeholder groups include customers, employees, shareholders and regulatory authorities. These primary stakeholders play crucial roles in the Bank's ecosystem and are an integral part of its success and sustainability.

Also, the Bank has implemented diverse channels for stakeholder engagement and feedback collection. This comprehensive feedback mechanism enables the Bank to identify strengths and address areas requiring improvement, ensuring continuous enhancement of its operations and stakeholder relations.

## Corporate Governance Report (Continued)

### Stakeholders' relations and communications (Continued)

Below is an overview of our main stakeholders and how the Bank engages with them:

Customers	
<b>How we engage with customers</b>	<ul style="list-style-type: none"> <li>- Dedicated relationship managers proposing tailored financial solutions</li> <li>- Business meetings and visits</li> <li>Online and offline conference, roadshows and presentations</li> <li>- Clients Networking events</li> <li>- Market updates</li> <li>- Website</li> <li>- E-Mailing</li> </ul>
<b>Their contribution to value creation</b>	- Customers are the lifeblood of the Bank. The Bank has developed marketing and sales strategies to segment its market, operating in niche markets.
<b>What customers expect from us</b>	<ul style="list-style-type: none"> <li>- High quality products and service excellence</li> <li>- Sustainable business model</li> <li>- Strong financial fundamentals</li> <li>- Efficient complaint management system</li> </ul>
<b>What concerns our customers</b>	<ul style="list-style-type: none"> <li>- Transparent and timely reports regarding the financial performance of the Bank</li> <li>- Security and confidentiality of transactions and data</li> <li>- Corporate governance and ethics</li> <li>- Disclose how the Bank is addressing ESG matters</li> </ul>
Employees	
<b>How we engage with customers</b>	<ul style="list-style-type: none"> <li>- Face-to-face meetings</li> <li>- Social events/activities</li> <li>- Training and coaching</li> </ul>
<b>Their contribution to value creation</b>	<ul style="list-style-type: none"> <li>- Work towards achievement of our strategy - Key Performance Indicators</li> <li>- Enhance trust on the market</li> <li>- Help create a positive employer and corporate brand</li> </ul>
<b>What customers expect from us</b>	- An environment that encourages growth and open communication
<b>What concerns our customers</b>	<ul style="list-style-type: none"> <li>- A safe and healthy place to work</li> <li>- Continued career growth</li> <li>- Open door management style with mutual trust</li> <li>- A positive work cultures</li> </ul>
Shareholders	
<b>How we engage with customers</b>	<ul style="list-style-type: none"> <li>- Annual reports, media releases and published results</li> <li>- Board meetings</li> </ul>
<b>Their contribution to value creation</b>	- Shareholders provide capital to sustain the Bank's growth locally and internationally
<b>What customers expect from us</b>	- Providing sustained returns on investment through strong fundamentals, brand and resilience and sound risk profile
<b>What concerns our customers</b>	<ul style="list-style-type: none"> <li>- Delivering sustainable return on investment</li> <li>- ESG-related matters</li> <li>- Corporate governance and ethics</li> </ul>
Regulatory Authorities	
<b>How we engage with customers</b>	<ul style="list-style-type: none"> <li>- Regular meetings</li> <li>- Workshops with the Bank of Mauritius on regulatory guidelines and new legislation</li> <li>- Written communications</li> <li>- Regulatory returns</li> </ul>
<b>Their contribution to value creation</b>	<ul style="list-style-type: none"> <li>- The regulator provides the enabling regulatory framework</li> <li>- Guidelines and instructions from the regulators issued from time to time.</li> </ul>
<b>What customers expect from us</b>	<ul style="list-style-type: none"> <li>- Providing banking and financial services in a transparent, secure and sustainable way.</li> <li>- Complying with acts, regulators and guidelines</li> </ul>
<b>What concerns our customers</b>	<ul style="list-style-type: none"> <li>- Products and services being provided and the communication around same</li> <li>- Compliance with laws, acts and regulations</li> <li>- Transparency and accessibility to accurate, relevant and current information.</li> <li>- The Bank's duty of confidentiality and data protection.</li> </ul>

**Statement of Compliance**

**Risk Management**

For risk management, please refer to the Risk Management Report on page 10.

(Section 75 (3) of the Financial Reporting Act 2004)

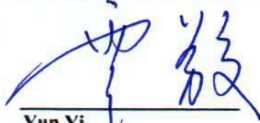
**Name of public interest entity: Bank of China (Mauritius) Limited**

Reporting period: Year ended 31 December 2025

We, the Directors of Bank of China (Mauritius) Limited, confirm that, to the best of our knowledge the Bank has complied with the obligations and requirements under the Code of Corporate Governance of Mauritius 2016.

The assessment of the Board concluded that, in 2025, the Board of Directors generally performed its duties in a lawful, compliant and diligent manner. Board operations were orderly, governance mechanisms were sound, and decision-making and oversight functions were effectively exercised. The Board played a positive role in supporting prudent operations, strengthening risk control and advancing key strategic initiatives. Overall board performance is assessed as Good.

The board has carefully considered Mr Li Wan Po's independence and believes that notwithstanding the number of years he has served as director, he retains independence of character and judgement. The board does not consider that there are relationships or circumstances which are likely to affect Mr Li Wan Po's judgement, and is satisfied that he remains independent.

  
Yun Yi  
Chairperson

23 March 2026

  
Wei Zhiyu  
Chief Executive Officer

  
Li Wan Po T. M. Jacques  
Independent Director

**Statement of Directors' Responsibility for Financial Reporting**

For the year ended 31 December 2025

The financial statements for the Bank of China (Mauritius) Limited (the "Bank") have been prepared by management, which is responsible for their integrity, consistency, objectivity and reliability. IFRS Accounting Standards, as issued by the International Accounting Standard Board ("IASB"), as well as the requirements of the Banking Act 2004 and the guidelines issued there under have been applied and management has exercised its judgment and made best estimates where deemed necessary.

The Bank has designed and maintained its accounting systems, related internal controls and supporting procedures, to provide reasonable assurance that financial records are completed and accurate and that assets are safeguarded against loss from unauthorised used or disposal. These supporting procedures include careful selection and training of qualified staff, the implementation of organisation and governance structures providing a well-defined division of responsibilities, 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 Audit Committee, Risk Management Committee and Nomination and Remuneration Committee which comprise independent and Non-Executive Directors who are not officers or employees of the Bank, oversees management's responsibility for financial reporting, internal controls, assessment and control of major risk areas, and assessment of significant and related party transactions.

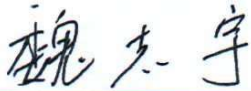
The Bank's internal auditor, who has full and free access to the audit committee, conducts a well-designed program of internal audit. There are not any restrictions placed over the right of access by internal audit to the employees of the organisation. In addition, the Bank's compliance function maintains policies, procedures and programs 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 auditors, Ernst & Young, have full and free access to the Board of Directors and its committees to discuss the audit and matters arising there from, such as their observations and fairness of financial reporting and the adequacy of internal controls.



Yun Yi  
Chairperson



Wei Zhiyu  
Chief Executive Officer



Li Wan Po T. M. Jacques  
Independent Director

23 March 2026

**Report from the Company Secretary**  
For the year ended 31 December 2025

We certify to the best of our knowledge and belief that the Bank has filed with the Registrar of Companies all such returns as are required of the Bank under the Companies Act 2001 in terms of Section 166 (d).



\_\_\_\_\_  
ENSafrica (Mauritius)  
Company Secretary

23 March 2026

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BANK OF CHINA (MAURITIUS) LIMITED

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### *Opinion*

We have audited the financial statements of Bank of China (Mauritius) Limited (the "Bank") set out on pages 47 to 103 which comprise the statement of financial position as at 31 December 2025, and Statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and comply with the Companies Act 2001, Banking Act 2004 and the Financial Reporting Act 2004.

##### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") and other independence requirements applicable to performing audits of financial statements of the Bank and in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Bank and in Mauritius. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How the matter was addressed in the audit
<p><b>Allowance for expected credit loss on loans and advances to customers</b></p> <p>The Bank has net loans and advances portfolio of USD 72.1m as at 31 December 2025. As explained in the accounting policies, these loans and advances are carried at amortised cost, less allowance for credit losses (USD 0.18m).</p>	<p>The Bank has adopted an ECL model developed by Bank of China Limited (BOC). This model, which caters to both credit-impaired loans and receivables as well as non-credit-impaired loans and receivables, is used globally in all Bank of China Limited related institutions.</p>

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BANK OF CHINA (MAURITIUS) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

*Key Audit Matters (Continued)*

Key Audit Matter	How the matter was addressed in the audit
<p>Identification of credit-impaired facilities and determination of the expected credit losses thereon involves significant judgement, estimates and assumptions regarding (i) the determination of whether a facility is credit impaired and (ii) in estimating the forecasted cash flows that the Bank expects to receive from the obligors. This includes an estimate of what the Bank can realise from the collaterals it holds as security on the impaired facilities.</p> <p>The determination of ECL on loans and advances which are not credit-impaired involves the highest level of management judgement, thus requiring greater audit attention. Specific areas of judgement and estimation uncertainty include:</p> <ul style="list-style-type: none"> <li>• Identification of significant increase in credit risk (SICR), and in particular the selection of criteria to identify a SICR. These criteria are highly judgemental and can materially impact the ECL recognised for certain portfolios where the life of the facilities is greater than 12 months.</li> <li>• Complexity of the ECL model involving a number of critical assumptions in the determination of probabilities of default (PD), loss given default (LGD) and Exposure at default (EAD).</li> <li>• Use of forward-looking information to determine the likelihood of future losses being incurred.</li> <li>• Qualitative adjustments made to model driven ECL results raised to address model limitations, emerging risks and trends in underlying portfolios which are inherently judgemental.</li> </ul> <p>Given the size of loans and advances of the Bank (19% of total assets) and the significant estimates and judgement involved in determination of the allowance of expected credit loss on these balances, we identified the estimation of ECL on loans and advances as a key audit matter.</p>	<p>With the assistance of the EY specialist team, we performed the following:</p> <ul style="list-style-type: none"> <li>• Reviewing the methodology adopted by the Bank for calculation of ECL. Our review also includes an assessment of the design of the models used for determination of PD, LGD and EAD for different types of loans including inter-alia term loans, guarantees and other off-balance sheet exposures;</li> <li>• Checking the adequacy and quality of the data used for the calculation of PD, LGD and EAD;</li> <li>• Assessing the key assumptions used in PD, LGD and EAD models which reflect the actual behaviours of the credit facilities;</li> <li>• Reviewing the staging of loans and advances to ensure they are in accordance with the criteria set by the management framework and used in the ECL calculation process. These procedures included the inspection of credit ratings at the end of the reporting period relative to origination date.</li> </ul> <p>We also assessed the adequacy of the disclosures in the financial statement in relation to ECL.</p>

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BANK OF CHINA (MAURITIUS) LIMITED

#### 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 103-pages document titled "Bank of China (Mauritius) Limited 2025 Annual Report", which includes the About Bank of China Limited, About Bank of China (Mauritius) Limited, Financial Highlights, Management Discussion and Analysis, Corporate Governance Report, Statement of Compliance, Statement of Directors' Responsibility for Financial Reporting and the Report from the Company Secretary as required by the Companies Act 2001. The other information 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 an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### *Responsibilities of 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 as issued by the International Accounting Standards Board and the requirements of the Companies Act 2001, Banking Act 2004 and the Financial Reporting Act 2004, 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.

##### *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:

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BANK OF CHINA (MAURITIUS) LIMITED

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

##### *Use of our report*

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

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF BANK OF CHINA (MAURITIUS) LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

*Companies Act 2001*

We have no relationship with or interests in the Bank other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Bank as far as it appears from our examination of those records.

*Banking Act 2004*

In our opinion, the financial statements have been prepared on a consistent basis and are complete, fair and properly drawn up and comply with the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius.


The explanations or information called for or given to us by the officers or agents of the Bank were satisfactory

*Financial Reporting Act 2004*

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



ERNST & YOUNG  
Ebène, Mauritius



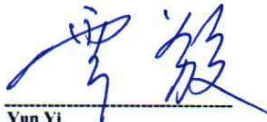
THIERRY LEUNG HING WAH, F.C.C.A  
Licensed by FRC

Date: 23 March 2026

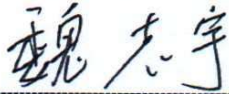
**Statement of financial position**  
As at 31 December 2025

(Amount in USD)	Notes	2025	2024	2023
<b>ASSETS</b>				
Cash and cash equivalents	10	26,630,377	32,463,463	12,763,385
Due from banks	11	236,945,848	164,873,549	62,259,389
Financial investment	13	50,571,335	42,055,492	40,612,844
Loans and advances to customers	12	72,141,414	97,320,391	90,298,869
Other assets	14	403,884	540,880	266,019
Furniture, equipment and right-of-use assets	15	261,644	415,097	707,248
Deferred tax assets	17	34,515	51,007	70,701
Intangible asset	16	6,027	7,691	9,506
<b>Total assets</b>		<b>386,995,044</b>	<b>337,727,570</b>	<b>206,987,961</b>
<b>LIABILITIES</b>				
Customer deposits	18	295,869,443	235,721,010	141,129,540
Due to banks	19	2,041,192	2,225,783	717,512
Current tax liabilities	20	1,519,816	549,217	321,064
Other liabilities	21	19,438,190	35,365,096	11,490,749
<b>Total liabilities</b>		<b>318,868,641</b>	<b>273,861,106</b>	<b>153,658,865</b>
<b>EQUITY</b>				
Share capital	22	50,000,000	50,000,000	50,000,000
Statutory reserve		3,828,306	2,062,036	495,078
General banking reserve		1,730,820	1,296,445	-
Other comprehensive reserve		187,349	119,555	28,577
Undistributed profits		12,379,928	10,388,428	2,805,441
<b>Total equity</b>		<b>68,126,403</b>	<b>63,866,464</b>	<b>53,329,096</b>
<b>Total equity and liabilities</b>		<b>386,995,044</b>	<b>337,727,570</b>	<b>206,987,961</b>

Approved and authorised for issue by the Board of Directors on 23 March 2026



Yun Yi  
Chairperson



Wei Zhiyu  
Chief Executive Officer



Li Wan Po T. M. Jacques  
Independent Director

*The accompanying notes from pages 51 to 103 form an integral part of these financial statements*

**Statement of Comprehensive Income**  
 For the year ended 31 December 2025

(Amount in USD)	Notes	Year ended 2025	Year ended 2024	Year ended 2023
Interest income calculated using the effective interest method	3	16,373,208	14,549,985	10,856,885
Interest expense calculated using the effective interest method	3	(138,312)	(621,324)	(811,388)
<b>Net interest income</b>		<b>16,234,896</b>	<b>13,928,661</b>	<b>10,045,497</b>
Fee and commission income	4	885,975	585,553	647,464
Fee and commission expense	4	(112,455)	(83,897)	(67,084)
<b>Net fee and commission</b>		<b>773,520</b>	<b>501,656</b>	<b>580,380</b>
Foreign exchange gains		150,590	74,613	382,401
Profit on disposal of asset		16,656	-	-
<b>Other income</b>	5	<b>167,246</b>	<b>74,613</b>	<b>382,401</b>
<b>Total operating income</b>		<b>17,175,662</b>	<b>14,504,930</b>	<b>11,008,278</b>
Net impairment (loss)/reversal on financial assets	6	272,102	196,492	(92,934)
Personnel expenses	7	(2,602,566)	(2,497,259)	(2,212,426)
Depreciation and amortisation	15, 16	(298,263)	(315,290)	(329,554)
Other operating expenses	8	(675,903)	(653,442)	(554,572)
<b>Total operating expenses</b>		<b>(3,576,732)</b>	<b>(3,465,991)</b>	<b>(3,096,552)</b>
Profit before income tax		13,871,032	11,235,431	7,818,792
Income tax expense	9	(2,095,900)	(789,041)	(179,303)
<b>Profit for the year</b>		<b>11,775,132</b>	<b>10,446,390</b>	<b>7,639,489</b>
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit or loss</b>				
Fair value movement on debt instruments	13	67,794	90,978	212,750
<b>Other comprehensive income for the year</b>		<b>67,794</b>	<b>90,978</b>	<b>212,750</b>
<b>Total comprehensive income for the year</b>		<b>11,842,926</b>	<b>10,537,368</b>	<b>7,852,239</b>

The accompanying notes from pages 51 to 103 form an integral part of these financial statements

**Statement of Changes in Equity**  
 For the year ended 31 December 2025

(Amount in USD)	Share capital	Statutory reserve	General banking reserve	Other comprehensive reserve	Undistributed profits / (losses)	Total equity
As at 31 December 2022	50,000,000	-	-	(184,173)	(4,338,970)	45,476,857
Profit for the year	-	-	-	-	7,639,489	7,639,489
Appropriation to statutory reserves	-	495,078	-	-	(495,078)	-
Fair value on movement of debt instrument	-	-	-	212,750	-	212,750
As at 31 December 2023	50,000,000	495,078	-	28,577	2,805,441	53,329,096
Profit for the year	-	-	-	-	10,446,390	10,446,390
Appropriation to statutory reserves	-	1,566,958	-	-	(1,566,958)	-
Appropriation to general banking reserves	-	-	1,296,445	-	(1,296,445)	-
Fair value on movement of debt instrument	-	-	-	90,978	-	90,978
<b>As at 31 December 2024</b>	<b>50,000,000</b>	<b>2,062,036</b>	<b>1,296,445</b>	<b>119,555</b>	<b>10,388,428</b>	<b>63,866,464</b>
Profit for the year	-	-	-	-	11,775,132	11,775,132
Dividends paid	-	-	-	-	(7,582,987)	(7,582,987)
Appropriation to statutory reserves	-	1,766,270	-	-	(1,766,270)	-
Appropriation to general banking reserves	-	-	434,375	-	(434,375)	-
Fair value on movement of debt instrument	-	-	-	67,794	-	67,794
<b>As at 31 December 2025</b>	<b>50,000,000</b>	<b>3,828,306</b>	<b>1,730,820</b>	<b>187,349</b>	<b>12,379,928</b>	<b>68,126,403</b>

**Statutory reserve**

The Bank sets aside statutory reserve in accordance with Section 21 of the Mauritius Banking Act 2004 which requires the Bank to transfer 15% of its net cumulative profit to a statutory reserve until this reserve equals its stated capital.

**General banking reserve**

In line with the prudential provisioning requirements of the Bank of Mauritius's guideline on classification, provisioning and write-off of credit exposures, the Bank maintains a general banking provision on its performing credit exposures over and above the requirement of IFRS 9.

**Other comprehensive reserve**

The other comprehensive reserve relates to fair value gain or loss on financial investments.

*The accompanying notes from pages 51 to 103 form an integral part of these financial statements*

**Statement of Cash Flows**  
For the year ended 31 December 2025

(Amount in USD)	Notes	Year ended 2025	Year ended 2024	Year ended 2023
<b>Cash flows from operating activities</b>				
Profit for the year		11,775,132	10,446,390	7,639,489
<b>Adjustments for:</b>				
Depreciation on property and equipment and right of use assets	15	296,599	313,475	327,739
Amortisation of intangible assets	16	1,664	1,815	1,815
(Profit) on disposal of vehicle	5	(16,656)	-	-
Interest income on financial investment	3	(2,204,821)	(2,204,195)	(1,237,417)
Income tax expense	9	2,095,900	789,041	179,303
Impairment (reversal)/loss on financial assets	6	(272,102)	(196,492)	92,934
		<b>11,675,716</b>	<b>9,150,034</b>	<b>7,003,863</b>
<b>Changes in operating assets and liabilities</b>				
(Increase) in due from banks	11	(72,063,035)	(102,698,781)	(27,216,381)
Decrease/ (Increase) in loan and advances to customers	12	25,428,006	(6,699,220)	1,625,372
Decrease/ (Increase) in other assets	14	136,996	(274,861)	(64,690)
(Decrease)/ Increase in due to banks	19	(184,591)	1,508,271	717,512
Increase in customer deposits	18	60,148,433	94,591,470	10,114,075
(Decrease)/ Increase in other liabilities	21	(15,797,286)	24,134,913	7,853,446
		<b>9,344,239</b>	<b>19,711,826</b>	<b>33,197</b>
Income tax paid	20	(1,108,629)	(541,193)	(37)
<b>Net cash from operating activities</b>		<b>8,235,610</b>	<b>19,170,633</b>	<b>33,160</b>
<b>Cash flows from investing activities</b>				
Purchase of financial investment	13	(30,195,627)	(41,109,974)	(39,619,349)
Proceeds on maturity of financial investment	13	22,000,000	41,500,000	30,000,000
Interest income received on financial investment		1,950,000	462,500	-
Purchase of furniture and equipment	15	(84,366)	(21,324)	(1,729)
Proceeds from sales of motor vehicle		20,338	-	-
Purchase of intangible assets	16	-	-	(6,026)
<b>Net cash (used in)/ from investing activities</b>		<b>(6,309,655)</b>	<b>831,202</b>	<b>(9,627,104)</b>
<b>Cash flows from financing activities</b>				
Payment of dividend	24	(7,582,987)	-	-
Repayment of principal portion of lease liability	21	(231,208)	(255,633)	(277,296)
<b>Net cash (used in) financing activities</b>		<b>(7,814,195)</b>	<b>(255,633)</b>	<b>(277,296)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>				
		<b>(5,888,240)</b>	<b>19,746,202</b>	<b>(9,871,240)</b>
Cash and cash equivalents at the beginning of the year		32,518,338	12,772,771	22,615,629
Exchange differences in respect of cash and cash equivalents		573	(635)	18,996
<b>Total cash and cash equivalents at end of the year</b>	10	<b>26,630,671</b>	<b>32,518,338</b>	<b>12,763,385</b>
<b>Operational cash flows from interest</b>				
Interest received		14,021,046	12,358,612	9,602,344
Interest paid		(243,010)	(666,226)	(661,450)

Cash flow movement relating to financial investment has been disaggregated between actual proceeds received and interest received during the year in line with the requirements of IAS 7.31. Comparatives have been amended to conform with the current year's presentation. This change has no impact on the cash flow from investing activities nor the closing cash and cash equivalents.

*The accompanying notes from pages 51 to 103 form an integral part of these financial statements*

## 1. CORPORATE INFORMATION

Bank of China (Mauritius) Limited (the “Bank”) was incorporated on 13 January 2016 as a private company and was granted a banking licence on 18 March 2016. On 27 September 2016, the Bank officially launched its operations in the financial services sector, principally commercial banking.

The Bank’s registered office is at 5th Floor, Dias Pier Building, Le Caudan Waterfront, Port Louis, Mauritius.

The financial statements have been approved by the Board of Directors on 23 March 2026

## 2. ACCOUNTING POLICIES

### 2.1. Basis of preparation

The financial statements have been prepared on historical cost basis except for financial assets held at fair value through other comprehensive income (FVOCI). As required by the Bank of Mauritius (BOM) guideline on Public Disclosure of Information, two years of comparative information is included in the financial statements. The financial statements have been prepared on a going concern basis.

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

### 2.2. Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards (“IASB”) as issued by the International Accounting Standards Board and instructions, Guidelines and Guidance notes issued by the Bank of Mauritius.

### 2.3. Presentation of financial statements

The Bank presents its statement of financial position in order of liquidity.

An analysis regarding recovery of financial assets or settlement of financial liabilities within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 27.

Financial assets and financial liabilities are not offset in the statement of financial position.

### 2.4. Significant accounting judgements, estimates and assumptions

The preparation of the Bank’s financial statements requires management to make judgements in the process of applying its accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and accompanying disclosures in the financial statements. Actual results could differ as a result of changes in estimates. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

#### Impairment losses on loans and advances

IFRS 9 requires the Bank to record an allowance for ECLs for all loans and other financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument’s credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.4. Significant accounting judgements, estimates and assumptions (continued)

#### Impairment losses on loans and advances (continued)

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit grading model, which assigns PDs to the individual grades
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs. Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The Bank uses the general approach to calculate the ECL. Please refer to Notes 27 on Risk Management Section (i) Credit risk for more details on the measurement of ECL.

### 2.5. Standards and amendments effective in 2025 relevant to and adopted by the Bank

On 1 January 2025, the Bank has adopted the following International Financial Reporting Standards ("IFRSs") and amendments issued by the International Accounting Standards Board ("IASB"), which were mandatorily effective for the current reporting period.

Amendments to IAS 21	Lack of Exchangeability
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Amendments to IAS 21 elaborated the definitions of exchangeable, that is when an entity is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, an entity needs to estimate the spot exchange rate to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The adoption of the above amendments does not have any impact on the operation results, comprehensive income and financial position of the Bank for the year ended 31 December 2025.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.6 Standards and amendments that are not yet effective in the current reporting period and have not been adopted before their effective dates by the Bank in 2025.

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Bank has not early adopted them:

		Effective for annual period beginning on or after
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date has been deferred indefinitely

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures address diversity in accounting practice by making the requirements on classification and measurement of financial instruments more understandable and consistent. The amendments:

- clarify the date of recognition and derecognition of 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 on the principal amount outstanding criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows; and
- update the disclosures for equity instruments designated at fair value through other comprehensive income.

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements in response to investors' concerns about the comparability and transparency of entities' performance reporting. The key new concepts introduced in this new standard relate to the structure of the statement of profit or loss; required disclosures on management-defined performance measures; and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The adoption of the above standards and amendments will not expect to have any impact on the operating results, comprehensive income and financial position of the Bank.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.7. Summary of material accounting policy information

The Bank applies the following principal accounting policies in the preparation of these financial statements.

#### (a) Foreign currency translation

##### *Functional and presentational currency*

The Bank's financial statements are presented in United States Dollar ("USD"), the Bank's functional currency, which is the currency of the primary economic environment in which the Bank operates. The Bank assesses the primary economic environment in which it operates at reporting date and determine that the majority of its real business (customer deposits, cash and cash equivalents, loans and advances, financial investments, capital, income and expenses) were mainly in USD.

##### *Transactions and balances*

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange at the reporting date. All differences are taken to 'Foreign exchange gains' in the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rates as at the dates of recognition. Non-monetary items measured at fair value in a foreign currency are translated using the spot exchange rates at the date when the fair value was determined.

#### (b) Financial instruments – initial recognition and subsequent measurement

##### (i) Date of recognition

Financial assets and liabilities except loans and advances to customers are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Bank recognises balances due to customers when funds are transferred to the Bank.

##### (ii) Initial measurement of financial instruments

All financial instruments are measured initially at their fair value plus transaction costs. The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments.

##### (iii) Measurement categories of financial assets and liabilities

The Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at amortised cost.

Financial liabilities, other than loan commitments are measured at amortised cost.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.7. Summary of material accounting policy information (Continued)

#### (b) Financial instruments – initial recognition and subsequent measurement (continued)

##### (iii) Measurement categories of financial assets and liabilities (continued)

The Bank only measures Due from banks, Loans and advances to customers and financial investments at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

##### **Business model assessment**

- The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity'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 those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

##### **The SPPI test**

As a second step of its classification process the Bank assesses the contractual terms of the financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.7. Summary of material accounting policy information (Continued)

#### (b) Financial instruments – initial recognition and subsequent measurement (Continued)

##### (iv) The effective interest rate method

The effective interest rate (EIR) 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. The amortised cost of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted amortised cost is calculated based on the original or latest re-estimated EIR and the change is recorded as “Interest and similar income” for financial assets and “Interest and similar expense” for financial liabilities. The accounting policies for the EIR method vary by instruments and are further explained in their respective notes. Effective interest rate is calculated by taking into account any transaction costs, premiums and discounts on the acquisition of the financial asset, as well as any costs & fees that are integral part of the EIR.

##### (v) Financial assets at amortised cost

Financial assets at amortised cost include ‘Cash and cash equivalents’, ‘Due from banks’, ‘Loans and advances to customers’ and ‘Mandatory balances with Central Bank’.

After initial measurement, Financial assets at amortised cost are subsequently measured at amortised cost using the EIR methodology, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. Therefore, the Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of the loan, hence, recognising the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (prepayments, penalty interest and charges).

If expectations are revised, the adjustment is booked as a positive or negative adjustment to the carrying amount in the statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the profit or loss.

##### (vi) Other liabilities

Financial liabilities include due to banks and other liabilities, excluding gratuity on retirement and ECL on off balance sheet items. Financial liabilities other than financial guarantees, are measured at amortised cost.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.7. Summary of material accounting policy information (Continued)

#### (c) Derecognition of financial assets and financial liabilities

##### Derecognition due to substantial modification of terms and conditions

The Bank derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognise a loan to a customer, amongst others, the Bank considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

##### Derecognition other than for substantial modification

#### (i) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

Control is transferred when the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Bank's continuing involvement in the asset. In that case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

#### (ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.7. Summary of material accounting policy information (Continued)

#### (d) Determination of fair value

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:

- 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

Except when disclosed otherwise, the fair values for financial assets and financial liabilities approximate their carrying values.

#### Determination of fair value

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Bank has access to at the measurement date. The Bank considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Bank will classify the instruments as Level 3.
- Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

The Bank periodically reviews its valuation techniques including the adopted methodologies and model calibrations. The Bank has determined the fair value of the collaterals using level 3 inputs. The carrying amount of financial assets and liabilities approximates to their fair value.

#### (e) Impairment of financial assets

The Bank assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset, or a group of financial assets, is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include: indications that the counterparty is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganisation; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### Forward looking information

In its ECL models, the Bank relies on a broad range of forward looking information as economic inputs, such as GDP growth.

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

Given that the collateral obtained is sufficient to cover any future losses, the ECL is not sensitive to the forward looking assumptions.

For accounting policy on allowance for expected credit loss assessment, refer to note 27(i).

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.7. Summary of material accounting policy information (Continued)

#### (e) Impairment of financial assets (continued)

##### Collateral valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

##### Write-offs

Financial assets are written off either partially or in their entirety only when the Bank has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

If the debtor default, the first step, the Bank needs to ask the debtor to repay. If the debtor has failed to perform its obligations and there is a guarantor or collateral under the loan, the Bank may ask the guarantor to repay or to take legal measures to enforce the collateral.

However, only after the Bank has tried all possible measures but still failed to recover the debt entirely, that the Bank may stop pursuing the recovery and apply for writing off the asset.

##### Forborne and modified loans

The Bank sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Bank considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Bank would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Bank's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

When the loan has been renegotiated or modified but not derecognised, the Bank also reassesses whether there has been a significant increase in credit risk. The Bank also considers whether the assets should be classified as Stage 3. Once an asset has been classified as forborne, it will remain forborne for a minimum 24-month probation period.

In order for the loan to be reclassified out of the forborne category, the customer has to meet all of the following criteria:

- All of its facilities have to be considered performing
- The probation period of two years has passed from the date the forborne contract was considered performing
- Regular payments of more than an insignificant amount of principal or interest have been made during at least half of the probation period
- The customer does not have any contract that is more than 30 days past due.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.7. Summary of material accounting policy information (Continued)

#### (f) Financial assets at amortised cost

Principal amounts together with the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced (but only up to the extent of the carrying amount had the impairment not been recognised) by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to profit or loss.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (EIR).

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Bank's internal credit grading system, that considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

#### (g) Financial investment

The Bank classifies financial assets as fair value through other comprehensive income (FVOCI) if both of the following conditions are met:

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

Such financial assets that the Bank holds are subsequently measured at fair value. A gain or loss on a financial asset measured at FVOCI shall be recognised in "Other comprehensive income", except for interests calculated using effective interest method, impairment losses or reversal and foreign exchange gains and losses.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in the other comprehensive income is reclassified from equity to profit or loss. The loss allowance is recognised in profit or loss and reduces the fair value loss otherwise recognised in other comprehensive income.

#### (h) Performance guarantees, financial guarantees, letters of credit and undrawn loan commitments

The Bank issues performance bonds guarantees for its clients. These guarantees do not meet the definition of financial guarantees contract. On initial recognition, the guarantee fee income is amortised over the life of the guarantee contract. At each reporting date, the Bank assesses whether there is an obligation even leading to a present obligation in which case a provision need to be recognised.

Financial guarantees are initially recognised in the financial statements within other liabilities at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement. The premium received is recognised in the income statement in Net fees and commission income on a straight line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded on in the statement of financial position. The nominal values of these instruments together with the corresponding ECL's are disclosed in note 25.

#### (i) Offsetting financial instruments

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

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.7. Summary of material accounting policy information (Continued)

#### (j) Recognition of income and expenses

Revenue is recognised when the Bank satisfies the performance obligation when providing their services.

##### **Recognition of interest income**

###### **The effective interest rate method**

Under IFRS9, interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and financial assets held at fair value through other comprehensive income.

The effective interest rate (EIR) 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. The amortised cost of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted amortised cost is calculated based on the original or latest re-estimated EIR.

###### *Interest and similar income and expense*

For all financial instruments measured at amortised cost (for instance, due from banks), interest income or expense is recorded using the EIR. The calculation takes into account all of the contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Bank calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

When the recorded value of a financial asset or a group of similar financial assets has been reduced by an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

###### *Fee and commission income*

The Bank earns fee and commission income from a diverse range of services it provides to its customers. For those services that are provided over a period of time, fee and commission income are accrued over that period. For other services fee and commission income are recognised when the transactions are completed which is also when the performance obligation of the bank is met. Income received by the bank from interbank transaction fees (comprising mainly of remittance fees and telecom fees) are recognised at a point in time.

Corporate account fees and fees from letter of guarantee are recognised over time.

###### *Fees and commission expenses*

Fees and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.7. Summary of material accounting policy information (Continued)

#### (k) Leases

The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### *Right-of-use assets*

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right of use is depreciated on a straight line basis over the remaining period of the lease agreement (between 3 to 5 years).

The right-of-use assets are subject to impairment in line with the Bank's policy as described in Note 2.7 (n) Impairment of non-financial assets.

##### *Lease liabilities*

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

#### (l) Cash and cash equivalents

Cash and cash equivalents as referred to in the cash flow statement comprise current accounts with other banks on demand or with an original maturity of three months or less. It excludes restricted cash balances maintained at Central Bank for statutory purposes.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.7. Summary of material accounting policy information (Continued)

#### (m) Furniture and equipment

Furniture and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. The expected useful life and residual value are assessed on an annual basis and are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates. Furniture and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are, as follows:

Type of assets	Estimated useful lives
Furniture and fittings	5 years
Computer equipment	3 years
Motor vehicles	6 years

Furniture and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the asset's carrying amount) is recognised in other operating income/expense in profit or loss in the year the asset is derecognised.

#### (n) Impairment of non-financial assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### (o) Statutory reserve

In line with Section 21 of the Banking Act 2004, banks have to maintain a statutory reserve in equity on the statement of financial position, which represents 15% of the net profit transferred.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.7. Summary of material accounting policy information (Continued)

#### (p) Taxes

##### *Current tax*

Income tax payable on taxable profits (current tax) is recognised as an expense in the reporting period in which the profits arise. Withholding taxes are also treated as income taxes. Income tax recoverable on tax allowable losses is recognised as a current tax asset only to the extent that it is regarded as recoverable by offset against taxable profits arising in the current or prior reporting period.

Current tax is measured using tax rates and tax laws that have been enacted at the reporting date. Following the amendments brought by the Finance (Miscellaneous Provisions) Act 2018 of Mauritius, the tax rate applicable for banks has been amended to 5% (and 15% for banks having chargeable income exceeding MUR 1.5bn, subject to a number of conditions) effective from the year of assessment 2020-2021.

##### *Value Added Tax*

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

##### *Fair Share Contribution*

Banks are liable to the Fair Share Contribution (FSC) in respect of income derived from 1 July 2025 to 30 June 2028 at a rate of 5% of its chargeable income. Moreover, Banks will be subject to an additional FSC of 2.5% on their chargeable income arising from transactions with residents, other than from a global business entity.

##### *Special levy on Banks*

The Finance Act 2025, gazetted on 2 August 2025, introduces an amendment to the special levy applicable to banks. Previously, the levy was calculated under a tiered mechanism and was subject to a statutory cap, whereby the total amount payable in any year could not exceed 1.5 times the special levy paid for the year of assessment 2017/2018.

Under the revised regime, the tiered structure and the cap are both abolished. Instead, the Act introduces a single flat rate of 5.5%, applied to leviable income derived from banking transactions with residents customers excluding Global Business Licence holders.

The amendment applies to accounting periods beginning on or after 1 July 2025. As the Company's financial year ending 31 December 2025 began before that date, the revised computation does not apply to the current reporting period. The company will be subject to the new levy regime from 1 January 2026.

##### *Corporate Climate Responsibility Levy*

In his National Budget on 7 June 2024, the Mauritian Finance Minister announced the introduction of a Corporate Climate Responsibility Levy ("CCRL"), equivalent to 2% of the company's profits, for companies with a yearly turnover of more than MUR 50 million.

Section 41(iii) of the Financial (Miscellaneous Provisions) Act 2024 ("FMPA 2024") gave effect to the CCRL and its effective date is the year of assessment 2024/2025.

The CCRL also applies to any Mauritian tax resident partnership. The CCRL is computed on the taxable profit of the company and is specifically considered to be an income tax under section 41(a)(i)(A) of the FMPA 2024.

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.7. Summary of material accounting policy information (Continued)

#### (p) Taxes (Continued)

##### *Corporate Social Responsibility*

The Corporate Social Responsibility ('CSR') was legislated by the Government of Mauritius in July 2009. In terms of the legislation, the Bank is required to allocate 2% of its chargeable income under Segment A - residents of the preceding financial year to Government approved CSR projects.

The required CSR fund for the period is recognised in tax expense in the statement of comprehensive income.

The net amount of CSR fund payable to the taxation authority is included in current tax liabilities in the statements of financial position.

##### *Deferred tax*

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 3. NET INTEREST INCOME

(Amount in USD)	2025	2024	2023
<b>Interest income calculated using the effective interest method</b>			
Cash and cash equivalents	147,128	272,910	225,392
Due from banks	8,877,671	6,061,617	3,151,356
Financial investments	2,204,821	2,204,195	1,237,417
Loans and advances to customers	5,143,588	6,011,263	6,242,720
<b>Total interest and similar income</b>	<b>16,373,208</b>	<b>14,549,985</b>	<b>10,856,885</b>
<b>Interest expense calculated using the effective interest method</b>			
Deposits from customers	(50,669)	(610,065)	(798,693)
Due to banks	(83,032)	(6,314)	(5,345)
Other	(4,611)	(4,945)	(7,350)
<b>Total interest and similar expense</b>	<b>(138,312)</b>	<b>(621,324)</b>	<b>(811,388)</b>
<b>Net interest income</b>	<b>16,234,896</b>	<b>13,928,661</b>	<b>10,045,497</b>

### 4. NET FEE AND COMMISSION INCOME

(Amount in USD)	2025	2024	2023
<b>Fee and commission income</b>			
Interbank transaction fees	415,963	355,851	439,338
Trade guarantees fees	79,642	171,917	181,930
Trade related fees	9,459	29,482	10,654
Credit related fees	339,591	-	-
Other	41,320	28,303	15,542
<b>Total fee and commission income</b>	<b>885,975</b>	<b>585,553</b>	<b>647,464</b>
Fee income from providing services at a point in time	765,038	437,184	562,828
Fee income from providing services over time	120,937	148,369	84,636
<b>Total fee and commission income</b>	<b>885,975</b>	<b>585,553</b>	<b>647,464</b>
<b>Fee and commission expense</b>			
Interbank transaction fees	(112,455)	(83,897)	(67,084)
<b>Total fee and commission expense</b>	<b>(112,455)</b>	<b>(83,897)</b>	<b>(67,084)</b>
<b>Net fee and commission income/(expense)</b>	<b>773,520</b>	<b>501,656</b>	<b>580,380</b>

'Other' include mainly Corporate account fees of USD 41,320 (2024: USD 27,945 and 2023: USD 15,542) and 'Trade guarantee fees' include fees arising from Letters of guarantees amounting to USD 79,642 (2024: USD 120,424 and 2023: USD 69,094). Credit related fees pertains to income from syndicated loan arrangement and commitment fees paid on undrawn loan at an agreed rate.

### 5. OTHER OPERATING INCOME

(Amount in USD)	2025	2024	2023
Foreign exchange gains	150,590	74,613	382,401
Other income	16,656	-	-
<b>Total</b>	<b>167,246</b>	<b>74,613</b>	<b>382,401</b>

Foreign exchange difference comprises realised and unrealised gain or loss on translation of monetary items. Other income relates to profit on disposal of motor vehicle.

### 6. NET IMPAIRMENT OF FINANCIAL ASSETS

(Amount in USD)	2025	2024	2023
<b>Provision for credit impairment:</b>			
- Cash and cash equivalent	55,906	(45,959)	(1,729)
- Due from banks	9,951	(84,784)	-
- Loan and advances to customers	249,051	322,302	(103,198)
- Credit commitments	(42,806)	4,933	11,993
<b>Net impairment gain/(loss) on financial assets</b>	<b>272,102</b>	<b>196,492</b>	<b>(92,934)</b>

Following repayment of outstanding loan and advances by the major customers during the year, corresponding provisions amounting to USD58,294 out of USD271,598 on loans and advances to customers have been reversed. Refer to note 12(f).

## 7. PERSONNEL EXPENSES

(Amount in USD)	2025	2024	2023
Wages and salaries	1,822,502	1,867,165	1,640,370
Pension cost	90,380	123,475	97,254
Other personnel expenses	689,684	506,619	474,802
<b>Total</b>	<b>2,602,566</b>	<b>2,497,259</b>	<b>2,212,426</b>

The Bank expects to pay USD 33,637 in contributions to its post-employment benefit plans for the year ending 31 December 2026 .

## 8. OTHER OPERATING EXPENSES

(Amount in USD)	2025	2024	2023
Administrative expenses	54,798	40,518	25,679
License fees	65,333	64,848	66,153
Marketing expenses	82,601	15,953	13,508
Miscellaneous expenses	220,484	220,506	142,615
Network special line fees	137,705	140,268	139,536
Professional fees	108,566	74,926	87,470
Rental expenses	6,416	96,423	79,611
<b>Total</b>	<b>675,903</b>	<b>653,442</b>	<b>554,572</b>

Miscellaneous expenses include mainly travelling expenses, utilities and other sundry costs.

The Bank did not make any donation in 2025, 2024 and 2023.

IFRS16 requires lessees to recognise most leases on their statement of financial position as lease liabilities, with the corresponding right-of-use assets. The rental expenses in the above table relates to short term lease where the minimum lease period is 12 months or less. The Bank has taken the short term lease exemption under IFRS 16.

## 9. INCOME TAX

(Amount in USD)	2025	2024	2023
Current income tax	2,081,294	780,767	250,004
(Over) provision in income tax in prior years	(1,886)	(11,420)	-
Deferred income tax	16,492	19,694	(70,701)
<b>Total</b>	<b>2,095,900</b>	<b>789,041</b>	<b>179,303</b>

Current income tax is calculated at the rate of 5% on the profit for the year.

### Analysis of income tax

A reconciliation between the tax expenses and the accounting profit multiplied by the applicable tax rate is as follows:

(Amount in USD)	2025	2024	2023
Profit/(loss) before tax	13,871,032	11,235,431	7,818,792
Theoretical tax (5%)	693,552	561,772	390,940
Corporate social responsibility (CSR)	6,662	6,741	3,128
Corporate climate responsibility (CCR) levy	271,692	224,691	-
Fair share contribution	347,426	-	-
Qualified Domestic Minimum Top-up Tax (QDMTT)	784,522	-	-
Items not deductible for tax purposes	7,006	1,170	1,034
Allowable deduction	(8,919)	-	-
Overseas tax	799	367	(71,060)
Deferred tax not recognised in prior year	-	-	(131,281)
Over provision of deferred tax	-	5,720	-
(Over) provision in income tax in prior years	(1,886)	(11,420)	-
(Over) provision current tax	(4,954)	-	(13,458)
<b>Charges for the year</b>	<b>2,095,900</b>	<b>789,041</b>	<b>179,303</b>

## 9. INCOME TAX (CONTINUED)

Non-deductible expenses relate to expenses which are not allowable for tax purposes, namely customer entertainment expenses and provisions.

Allowable deduction is an expense or amount that is allowable to be subtracted from income to reduce the taxable or payable amount, namely unrealised foreign exchange gain and actual payment of provisions.

The Bank's tax expense as of 31 December 2025 comprises Corporate Tax, Corporate Social Responsibility ("CSR"), Corporate Climate Responsibility ("CCR") Levy, Fair Share Contribution ("FSC") and Deferred Tax.

The Bank's tax expense increased from USD789,041 in FY24 to **USD2,095,900** in FY25, which is split as follows:

### Corporate tax

The corporate tax as of 31 December 2025 has been computed at 5% for chargeable income up and amounted to **USD693,552**.

### CSR

For FY25, the Bank's CSR contributions amounted to **USD6,662** (FY24: USD6,741).

### FSC

For FY25, FSC payable amounted to **USD206,954** (FY24: Nil).

### CCR Levy

For FY25, the Bank's CCR Levy contributions amounted to **USD271,692** (FY24: USD224,691).

### Deferred tax

The deferred tax asset is computed at the effective tax rate (inclusive of 2% CSR for Residents (excluding companies holding a Global Business Licence) & 2% CCR Levy), representing the rate at which the asset will be utilised in future years.

For FY25, the deferred tax credit amounted to **USD16,492** (FY24: USD19,694).

### Qualified Domestic Minimum Top-Up Tax (QDMTT)

In 2025, Mauritius enacted the Qualified Domestic Minimum Top-Up Tax (QDMTT) as part of its alignment with the OECD/G20 BEPS Pillar Two global minimum tax framework. The QDMTT applies for years of assessment beginning on or after 1 July 2025, covering entities with fiscal years ending on or after 1 January 2025.

The QDMTT is designed to ensure that in-scope multinational enterprise ("MNE") groups are subject to an effective minimum tax rate ("ETR") of 15% in Mauritius. Where the jurisdictional ETR falls below the 15% threshold, a domestic top-up tax is imposed on the "excess profits" of the Mauritius constituent entities.

The QDMTT applies to Mauritian resident entities forming part of an MNE group with annual consolidated revenue of at least EUR 750 million in two of the four preceding fiscal years.

As Bank of China (Mauritius) Limited forms part of the global Bank of China Group, whose consolidated revenue exceeds the prescribed Pillar Two threshold, the Bank is considered in-scope for QDMTT purposes for the financial year ended 31 December 2025.

While the Finance Act 2025 provides the overall framework, the detailed administrative and computational guidance—including various GloBE adjustments and carve-out methodologies—has not yet been issued in full by the Mauritius Revenue Authority (MRA). IAS 12 (as amended in My 2023) includes a mandatory temporary exception from recognising deferred tax assets and liabilities arising from Pillar Two Legislation. However, this exception does not apply to current tax.

As a result, the Bank has recognised current tax obligation of **USD784,522** under the QDMTT in the financial statements using the best available information.

## 10. CASH AND CASH EQUIVALENTS

(Amount in USD)	2025	2024	2023
Unrestricted balances with Central Bank	14,852,850	14,938,488	5,013,932
Balances with banks in Mauritius	134,495	342,499	235,224
Balances with banks abroad	11,643,326	17,237,351	7,523,615
<b>Total gross</b>	<b>26,630,671</b>	<b>32,518,338</b>	<b>12,772,771</b>
Less: Allowance for impairment losses <sup>(1)</sup>			
Balances with banks in Mauritius	(206)	(2,305)	(7,912)
Balances with banks abroad	(88)	(52,570)	(1,474)
	(294)	(54,875)	(9,386)
<b>Total</b>	<b>26,630,377</b>	<b>32,463,463</b>	<b>12,763,385</b>

The Bank maintains current account balances and nostro accounts abroad which are available for day-to-day operations. The unrestricted balances with the Central Bank are the available balances over and above the cash reserve ratio (CRR) as at reporting date.

<sup>(1)</sup> The Bank included all cash and cash equivalent balances held in other financial institutions in Stage 1, and measured the impairment losses based on expected credit losses in the next 12 months.

The elements within cash and cash equivalents are classified as current assets.

## 11. DUE FROM BANKS

(Amount in USD)	2025	2024	2023
<b>Loans and advances to banks</b>			
in Mauritius	10,815,705	8,279,890	-
outside Mauritius	226,205,500	156,678,280	62,259,389
<b>Total gross</b>	<b>237,021,205</b>	<b>164,958,170</b>	<b>62,259,389</b>
Less: Allowance for impairment losses <sup>(1)</sup>			
in Mauritius	(40,098)	(22,547)	-
outside Mauritius	(35,259)	(62,074)	-
	(75,357)	(84,621)	-
<b>Total</b>	<b>236,945,848</b>	<b>164,873,549</b>	<b>62,259,389</b>
<b>Remaining term to maturity</b>			
<b>Current</b>			
Within 1 month	206,186,400	146,516,105	32,031,622
Over 1 month and up to 3 months	20,019,100	-	-
Over 6 months and up to 12 months	-	10,162,175	30,227,767
	226,205,500	156,678,280	62,259,389
<b>Non-current</b>			
Over 1 year and up to 5 years	10,815,705	8,279,890	-
<b>Gross loans and advances to banks</b>	<b>237,021,205</b>	<b>164,958,170</b>	<b>62,259,389</b>

<sup>(1)</sup> The due from banks were in Stage 1, and measured the impairment losses based on expected credit losses (ECL) in the next 12 months. Balances outside of Mauritius were primarily placements for short term periods and exclusively to BOC Group entities.

## 12. LOANS AND ADVANCES TO CUSTOMERS

### Analysis of loans and advances to customers by measurement category

(Amount in USD)	2025	2024	2023
<b>Measured at amortised cost</b>			
Wholesale loans	-	7,015,000	-
Syndicated loans	72,318,524	90,731,530	91,047,310
<b>Gross loans and advances to corporate entities outside Mauritius</b>	<b>72,318,524</b>	<b>97,746,530</b>	<b>91,047,310</b>
Less: Allowance for impairment losses			
Wholesale loans	-	(51,696)	-
Syndicated loans	(177,110)	(374,443)	(748,441)
<b>Total allowance for impairment losses</b>	<b>(177,110)</b>	<b>(426,139)</b>	<b>(748,441)</b>
<b>Loans and advances to customers, net</b>	<b>72,141,414</b>	<b>97,320,391</b>	<b>90,298,869</b>

The Bank participated in syndicated agreements and wholesale loans to finance major overseas corporate customers of the Bank of China Group.

Provision for expected credit losses has been calculated on an individual basis on all loans and advances.

### (a) Maturity Analysis

(Amount in USD)	2025	2024	2023
<b>Remaining term to maturity</b>			
Over 6 months and up to 1 year	20,110,893	7,015,000	-
Over 1 year and up to 5 years	34,176,149	72,672,420	40,297,251
Over 5 years	18,031,482	18,059,110	50,750,059
<b>Gross loans and advances to customers</b>	<b>72,318,524</b>	<b>97,746,530</b>	<b>91,047,310</b>

### (b) Characteristics of Corporate Loans Risk Classification

The five-tier loan classification is derived depending on the internal rating grade of the clients as per table below:

Internal rating classification	Description	Stage
I. Performing	The borrower is able to honour contracts and there is no reason to doubt that the loan principal and interest cannot be repaid fully and timely.	Stage 1
II. Special mention	Although the borrower is currently capable of repaying loan principal and interest, there are factors that may have an adverse impact on the repayment.	Stage 2
III. Sub-standard	The borrower has obvious problems in its repayment capability and cannot completely rely on its normal operating income to repay the loan principal and interest in full. The Bank may bear certain losses even if executing against guarantee or collateral. As per BOM guideline when a loan is impaired and is past due between 90 and 180 days, it must, as a minimum, be classified as sub-standard.	Stage 3
IV. Doubtful loans	The borrower cannot fully repay loan principal and interest, causing substantial losses to the lender even if executing against guarantee or collateral. As per BOM guideline, when a loan is impaired and is past due for a period exceeding 180 days but less than one year, it must, as a minimum, be classified as doubtful.	
V. Loss loans	The lender cannot recover loan principal and interest or can only recover an insignificant part after taking all possible actions or going through all necessary legal procedures. An impaired credit that is past due in excess of a year, must be classified as loss.	

**12. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)**

(c) Analysis of loans and advances to customers by stage

(Amount in USD)	12-month ECL Stage 1	Lifetime ECL		Total
		Stage 2	Stage 3	
<b>As at 31 December 2025</b>				
Total loan and advances	72,318,524	-	-	72,318,524
Less: Allowance for impairment losses	(177,110)	-	-	(177,110)
<b>Loans and advances to customers, net</b>	<b>72,141,414</b>	<b>-</b>	<b>-</b>	<b>72,141,414</b>
<b>As at 31 December 2024</b>				
Total loan and advances	97,746,530	-	-	97,746,530
Less: Allowance for impairment losses	(426,139)	-	-	(426,139)
<b>Loans and advances to customers, net</b>	<b>97,320,391</b>	<b>-</b>	<b>-</b>	<b>97,320,391</b>
<b>As at 31 December 2023</b>				
Total loan and advances	91,047,310	-	-	91,047,310
Less: Allowance for impairment losses	(748,441)	-	-	(748,441)
<b>Loans and advances to customers, net</b>	<b>90,298,869</b>	<b>-</b>	<b>-</b>	<b>90,298,869</b>

(d) Analysis of changes of gross carrying amounts of loans and advances to customers:

(Amount in USD)	12-month ECL Stage 1	Lifetime ECL		Total
		Stage 2	Stage 3	
<b>Balance at 31 December 2022</b>	92,672,682	-	-	92,672,682
New assets	6,184,006	-	-	6,184,006
Repaid	(7,809,378)	-	-	(7,809,378)
<b>Balance at 31 December 2023</b>	<b>91,047,310</b>	<b>-</b>	<b>-</b>	<b>91,047,310</b>
New assets	37,873,481	-	-	37,873,481
Repaid	(31,174,261)	-	-	(31,174,261)
<b>Balance at 31 December 2024</b>	<b>97,746,530</b>	<b>-</b>	<b>-</b>	<b>97,746,530</b>
New assets	2,890,577	-	-	2,890,577
Repaid	(28,318,583)	-	-	(28,318,583)
<b>Balance at 31 December 2025</b>	<b>72,318,524</b>	<b>-</b>	<b>-</b>	<b>72,318,524</b>

(e) Loans and advances to customers by stage five-tier loan classification and three-staging analysed as follows:

(Amount in USD)	12-month ECL Stage 1	Lifetime ECL		Total
		Stage 2	Stage 3	
<b>As at 31 December 2025</b>				
Performing	72,318,524	-	-	72,318,524
Special -mention	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
<b>Gross loans and advances to customers</b>	<b>72,318,524</b>	<b>-</b>	<b>-</b>	<b>72,318,524</b>
<b>As at 31 December 2024</b>				
Performing	97,746,530	-	-	97,746,530
Special -mention	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
<b>Gross loans and advances to customers</b>	<b>97,746,530</b>	<b>-</b>	<b>-</b>	<b>97,746,530</b>
<b>As at 31 December 2023</b>				
Performing	91,047,310	-	-	91,047,310
Special -mention	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
<b>Gross loans and advances to customers</b>	<b>91,047,310</b>	<b>-</b>	<b>-</b>	<b>91,047,310</b>

## 12. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

### Loan and advances rescheduled

Rescheduling (referring to loans and other assets that have been restructured and renegotiated) is a voluntary or, to a limited extent, court-supervised procedure, through which the Bank and a borrower and/or its guarantor, if any, rescheduled credit terms as a result of deterioration in the borrower's financial condition or of the borrower's inability to make payments when due. The Bank reschedules a non-performing loan (which include loans characterised as sub-standard, doubtful loans and loss loans) only if the borrower has good prospects. In addition, prior to approving the rescheduling of loans, the Bank typically requires additional guarantees, pledges and/or collateral, or the assumption of the loan by a borrower with better repayment ability.

Rescheduled loans are generally subject to a surveillance period of six months. During the surveillance period, rescheduled loans remain as non-performing loans and the Bank monitors the borrower's business operations and loan repayment patterns. After the surveillance period, rescheduled loans may be upgraded to "special-mention" upon review if certain criteria are met. If the rescheduled loans fall overdue or if the borrower is unable to demonstrate its repayment ability, these loans will be reclassified to "doubtful" or below.

The Bank did not have any rescheduled loan during the 2025, 2024 and 2023.

### Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters. The main types of collateral obtained are as follows:

- Bank guarantee / corporate guarantee
- Lien on fixed assets

The fair value of collateral and other credit enhancements received on syndicated loans and advances to corporate customers as at 31 December 2025 is **USD 45.2m** (2024: USD68.3m and 2023: USD68.3m).

## 12. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

### (f) Allowance for credit impairment

(i) Reconciliation of allowance for impairment losses measured at amortised cost:

(Amount in USD)	Stage 1 (12-month ECL)	Stage 2 (lifetime ECL)	Stage 3 (Lifetime ECL - impaired)	Total
<b>As at 31 December 2022</b>	645,243	-	-	645,243
Impairment losses for the year	1,319,337	-	-	1,319,337
Released during the year	(1,216,139)	-	-	(1,216,139)
<b>As at 31 December 2023</b>	748,441	-	-	748,441
Impairment losses for the year	108,040	-	-	108,040
Released during the year	(430,342)	-	-	(430,342)
<b>As at 31 December 2024</b>	<b>426,139</b>	-	-	<b>426,139</b>
Impairment losses for the year	<b>162,431</b>	-	-	<b>162,431</b>
Released during the year	<b>(411,460)</b>	-	-	<b>(411,460)</b>
<b>As at 31 December 2025</b>	<b>177,110</b>	-	-	<b>177,110</b>

Released relates to release of provision upon settlement of credit balance. There has been no write offs in 2025, 2024 and 2023.

(ii) Reconciliation of allowance for impairment losses on loans and advances to customers

(Amount in USD)	2025	2024	2023
Balance at beginning of the year	<b>426,139</b>	748,441	645,243
Provision for credit impairment for the year	<b>162,431</b>	108,040	1,319,337
Released during the year	<b>(411,460)</b>	(430,342)	(1,216,139)
<b>Balance at end of the year</b>	<b>177,110</b>	426,139	748,441

### (g) Allowance for credit impairment by industry sectors

(Amount in USD)	2025		2024		2023	
	ECL Amount	As a % of Gross loan	ECL Amount	As a % of Gross loan	ECL Amount	As a % of Gross loan
Mining	71,392	0.2%	276,554	0.6%	316,785	0.8%
Electricity, gas, steam and AC	72,178	0.3%	110,955	0.3%	93,438	0.5%
Transport	33,540	0.4%	38,630	0.4%	76,398	0.5%
Manufacturing	-	0.0%	-	0.0%	261,820	1.3%
<b>Total</b>	<b>177,110</b>	<b>0.2%</b>	426,139	0.4%	748,441	0.8%

### 13. FINANCIAL INVESTMENTS

(Amount in USD)	2025	2024	2023
<b>Financial assets at fair value through other comprehensive income</b>			
Debt securities issued by US government	50,571,335	42,055,492	40,612,844
<b>Total</b>	<b>50,571,335</b>	<b>42,055,492</b>	<b>40,612,844</b>

The financial investments are debt securities issued by sovereign government. The investments were acquired at a discount, with a principal value of USD 50m maturing within 1 to 5 years. These are generally highly liquid and traded in active markets resulting in a Level 1 classification.

Below is an analysis of the Bank's financial investment

(Amount in USD)	2025	2024	2023
At 01 January	42,055,492	40,612,844	29,543,328
Additions	30,195,627	41,109,974	39,619,349
Interest accrued	252,422	1,741,696	1,237,417
Maturity/disposal	(22,000,000)	(41,500,000)	(30,000,000)
Fair value movement on debt instruments	67,794	90,978	212,750
<b>At 31 December</b>	<b>50,571,335</b>	<b>42,055,492</b>	<b>40,612,844</b>

The Bank did not have any debt instruments measured at FVOCI which were pledged as collateral.

### 14. OTHER ASSETS

(Amount in USD)	2025	2024	2023
Mandatory balances with Central Bank	261,457	404,322	150,872
Advance deposits	66,367	73,280	70,356
Others	76,060	63,278	44,791
<b>Total</b>	<b>403,884</b>	<b>540,880</b>	<b>266,019</b>

The Bank holds mandatory reserve balances with the central bank. Management has applied judgement and concluded that these balances do not meet the definition of 'cash' or 'cash equivalents' under IAS 7. Judgement was applied in interpreting the terms 'demand deposit' and 'short-term cash commitments', which are not explicitly defined in IAS 7. From an operational and regulatory context, the Bank's assessment was based on the following key factors, namely, minimum average balance requirements, access being subject to Central Bank approval and penalties for non-compliance.

These conditions indicate that the balances do not exhibit the characteristics of a typical demand deposit. Furthermore, the balances are maintained for regulatory compliance purposes and are not intended to meet short-term liquidity needs. Accordingly, these balances are classified as other assets in the statement of financial position and excluded from cash and cash equivalents in the statement of cash flows.

The Mandatory balances with the Central Bank relates to the minimum amount of cash that banks must keep at the Central Bank in accordance with the guideline on cash reserve requirement. On average, over a maintenance period of 28 day, the bank is required to maintain minimum cash balances (also known as Cash Reserve Ratio) equivalent to 9.0 per cent of their average rupee and foreign currency deposits in the preceding 28-day period. The Cash Reserve Ratio is subject to review by the Central Bank as and when required. Mandatory reserve deposits are subject to certain restrictions and limitations levelled by the Central Bank of Mauritius. They are not available to finance the Bank's day-to-day operations and therefore, are not considered as part of cash and cash equivalents.

Advance deposits include security deposits for rental of office building and residential properties contracted by the Bank. Others include mainly prepayments, among which the banking licence fee, at reporting date.

All elements under other assets are classified as current assets.

## 15. FURNITURE, EQUIPMENT AND RIGHT-OF-USE ASSETS

(Amount in USD)	Motor vehicles	Furniture & fittings	Computer equipment	Office building	Total
<b>Cost</b>					
As at 31 December 2022	207,085	335,838	775,948	1,211,043	2,529,914
Additions	-	-	1,729	-	1,729
As at 31 December 2023	207,085	335,838	777,677	1,211,043	2,531,643
Additions	-	11,192	9,269	863	21,324
As at 31 December 2024	207,085	347,030	786,946	1,211,906	2,552,967
Additions	-	4,441	79,925	58,782	143,148
Disposal/ write-off	(76,957)	(102,015)	-	-	(178,972)
<b>As at 31 December 2025</b>	<b>130,128</b>	<b>249,456</b>	<b>866,871</b>	<b>1,270,688</b>	<b>2,517,143</b>
<b>Accumulated depreciation</b>					
As at 31 December 2022	164,766	245,550	740,257	346,083	1,496,656
Charge for the year	19,873	38,249	19,528	250,089	327,739
As at 31 December 2023	184,639	283,799	759,785	596,172	1,824,395
Charge for the year	12,826	38,155	11,542	250,952	313,475
As at 31 December 2024	197,465	321,954	771,327	847,124	2,137,870
Charge for the year	9,620	17,525	21,105	248,349	296,599
Disposal/ write-off	(76,957)	(102,013)	-	-	(178,970)
<b>As at 31 December 2025</b>	<b>130,128</b>	<b>237,466</b>	<b>792,432</b>	<b>1,095,473</b>	<b>2,255,499</b>
<b>Net book value</b>					
As at 31 December 2023	22,446	52,039	17,892	614,871	707,248
As at 31 December 2024	9,620	25,076	15,619	364,782	415,097
<b>As at 31 December 2025</b>	<b>-</b>	<b>11,990</b>	<b>74,439</b>	<b>175,215</b>	<b>261,644</b>

Furniture, equipment and right-of-use assets are classified as non-current assets.

The Bank has presented right-of-use assets within 'furniture, equipment and office building. Office building are leases of office space. Addition to office building relates to new space leased amounting to **USD58,782**, which is a non-cash item, for disaster recovery plan (DRP) during the year. There was no restriction on the use of the assets.

The assets of the Bank were not pledged as security for liabilities and no assets were impaired as at 31 December 2025 (2024 & 2023: Nil).

For details on lease obligation and payments, please see note 21.

## 16. INTANGIBLE ASSET

(Amount in USD)	Computer Software	Total
<b>Cost</b>		
As at 31 December 2023	18,051	18,051
As at 31 December 2024	18,051	18,051
<b>As at 31 December 2025</b>	<b>18,051</b>	<b>18,051</b>
<b>Amortisation</b>		
As at 31 December 2022	6,730	6,730
Charge for the year	1,815	1,815
As at 31 December 2023	8,545	8,545
Charge for the year	1,815	1,815
As at 31 December 2024	10,360	10,360
Charge for the year	1,664	1,664
<b>As at 31 December 2025</b>	<b>12,024</b>	<b>12,024</b>
<b>Net book value</b>		
As at 31 December 2023	9,506	9,506
As at 31 December 2024	7,691	7,691
<b>As at 31 December 2025</b>	<b>6,027</b>	<b>6,027</b>

Intangible assets are classified as non-current assets.

Intangible assets are identifiable non-monetary assets without physical substance, which includes computer software.

Computer software is stated at acquisition cost less accumulated amortisation and impairment. These costs are amortised on a straight-line basis over their estimated useful lives of 3 years with the amortisation recognised in the profit or loss statement.

The value of intangible assets is reviewed for impairment at each financial reporting date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The recoverable amount of an intangible asset is the higher of the asset's fair value less costs to sell and value in use.

## 17. DEFERRED TAX ASSET

The movement on the deferred income tax account is as follows:

(Amount in USD)	2025	2024	2023
As at 1 January	51,007	70,701	-
Deferred tax movement	(16,492)	(19,694)	70,701
<b>As at 31 December</b>	<b>34,515</b>	<b>51,007</b>	<b>70,701</b>

The deferred tax assets and liabilities are attributed to the following items:

(Amount in USD)	2025	2024	2023
Accelerated capital allowances	5,867	10,324	(15,069)
Provision for credit impairment	28,648	40,683	(5,765)
Tax losses	-	-	91,535
<b>Net deferred tax assets</b>	<b>34,515</b>	<b>51,007</b>	<b>70,701</b>

The deferred tax charge in profit or loss comprises the following temporary differences:

(Amount in USD)	2025	2024	2023
Accelerated capital allowances	(4,457)	25,393	(15,069)
Provision for credit impairment	(12,035)	46,448	(5,765)
Tax losses	-	(91,535)	91,535
<b>Deferred income tax (Note 9)</b>	<b>(16,492)</b>	<b>(19,694)</b>	<b>70,701</b>

## 18. CUSTOMER DEPOSITS

(Amount in USD)	2025	2024	2023
<b>Corporate customers</b>			
Current accounts	295,869,443	222,015,492	130,979,940
Time deposits with remaining	-	13,705,518	10,149,600
- Within 7 days	-	13,705,518	-
- Over 7 days and up to 1 month	-	-	-
- Over 1 month and up to 6 months	-	-	-
- Over 6 months and up to 12 months	-	-	10,149,600
<b>Total</b>	<b>295,869,443</b>	<b>235,721,010</b>	<b>141,129,540</b>

Customer deposits can be classified as :

Current	295,869,443	235,721,010	141,129,540
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There was no deposit held as collateral against loans and advances to customers at reporting date (2024 and 2023: Nil).

## 19. DUE TO BANKS

(Amount in USD)	2025	2024	2023
Due to banks in Mauritius	2,041,192	1,545,101	717,512
Due to banks abroad	-	680,682	-
<b>Total</b>	<b>2,041,192</b>	<b>2,225,783</b>	<b>717,512</b>

Due to banks in Mauritius are correspondence bank accounts held for Renminbi clearing purposes. Due to banks abroad are borrowing from Group banks for operational purposes.

The elements within due to banks are classified as current liabilities.

## 20. CURRENT TAX LIABILITIES

The tax liabilities payable to were as follows:

(Amount in USD)	2025	2024	2023
Balance at beginning of the year	549,217	321,064	50,372
Reversal of prior years taxes	(2,849)	(11,420)	(50,335)
Income tax expenses	680,795	556,075	321,064
Corporate climate responsibility (CCR) levy	269,334	224,691	-
Fair share contribution (FSC)	347,426	-	-
Qualified Domestic Minimum Top-up Tax (QDMTT)	784,522	-	-
Tax paid during the year	(1,108,629)	(541,193)	(37)
<b>Balance at end of the year</b>	<b>1,519,816</b>	<b>549,217</b>	<b>321,064</b>

## 21. OTHER LIABILITIES

(Amount in USD)	2025	2024	2023
Items in the process of clearance and settlement	18,133,086	33,914,636	9,854,157
Accrued allowances and bonuses	762,259	828,492	798,494
Amount due to holding company (Note 26)	26,352	17,132	15,455
Deferred income	4,602	20,224	10,964
Lease obligation	215,257	387,683	643,316
ECL on off balance sheet items	57,724	14,918	19,851
Gratuity on retirement	36,536	53,235	36,889
Accrued expenses and payables	117,908	90,837	73,187
Others	84,466	37,939	38,436
<b>Total</b>	<b>19,438,190</b>	<b>35,365,096</b>	<b>11,490,749</b>

Items in the process of clearance and settlement relate to fund received from client deposits which has not yet been allocated to the respective client accounts.

ECL pertain to off balance sheet disclosed in Note 25. Others comprise mainly of PAYE, TDS and VAT payable to local tax authorities.

### The movement in the lease obligation is as follows:

(Amount in USD)	2025	2024	2023
<b>Balance at beginning of the year</b>	<b>387,683</b>	<b>643,316</b>	<b>920,612</b>
Additions	58,782	-	-
Accretion of interest	4,611	4,945	7,350
Payments	(235,819)	(260,578)	(284,646)
<b>Balance at end of the year</b>	<b>215,257</b>	<b>387,683</b>	<b>643,316</b>

Lease obligation can be classified as :

Current	175,835	245,709	238,553
Non-current	39,422	141,974	404,763

The Bank had total cash outflows for leases of **USD 235,819** (2024: USD 260,578 and 2023: USD 284,646) which includes **USD 231,208** (2024: USD 255,633 and 2023: USD 277,296) for repayment of principal portion of lease liability and **USD 4,611** (2024: USD 4,945 and 2023: USD 7,350) for interest.

## 22. SHARE CAPITAL

(Amount in USD)	2025	2024	2023
<b>Authorised capital issued and paid</b>			
Ordinary shares	50,000,000	50,000,000	50,000,000
<b>Total</b>	<b>50,000,000</b>	<b>50,000,000</b>	<b>50,000,000</b>

On incorporation, the Bank issued 50 million ordinary shares of USD 1 each which were issued to and fully paid by Bank of China Limited, a state-owned joint stock commercial bank in the People's Republic of China.

## 23. OTHER RESERVES

### Statutory reserve

The Bank set aside statutory reserve in accordance with Section 21 of the Mauritius Banking Act 2004 which requires the Bank to transfer 15% of its net cumulative profit to a statutory reserve until this reserve equals its share capital.

### General banking reserve

The Bank of Mauritius has, on 20 August 2024, released a revised Guideline on Classification, Provisioning and Write Off of Credit Exposures. This guideline supersedes the Guideline for the write-off of non-performing assets and the Guideline on Credit Impairment Measurement and Income Recognition. The revised Guideline is effective as from 30 September 2024. General Provisions for performing exposures represent the incremental regulatory provision required as per revised guideline, whereby provisioning as per IFRS 9 requirements is lower than the minimum portfolio provision. This reserve is non-distributable.

## 24. DIVIDENDS PROPOSED AND PAID

During the year, cash dividends of **USD7,582,987** (USD 0.15 per share) on 50 million ordinary shares were declared on 25 April 2025 and fully paid (2024: Nil, 2023: Nil).

## 25. CAPITAL AND CREDIT COMMITMENTS

### Capital commitment

There was no capital commitment as at 31 December 2025, 2024 and 2023.

### Credit commitment

(Amount in USD)	2025	2024	2023
Letters of guarantee issued	9,758,750	16,529,426	8,388,923
Letters of credit issued	-	-	8,362,319
Undrawn commitments	43,333,333	-	-
	<b>53,092,083</b>	16,529,426	16,751,242
Less: Allowance for impairment losses			
Stage 1: Letters of guarantee / credit issued	(134)	(14,918)	(19,851)
Undrawn commitments	(57,590)	-	-
<b>Total</b>	<b>53,034,359</b>	<b>16,514,508</b>	<b>16,731,391</b>

Letters of guarantee issued by the Bank put obligations on the Bank to make payment depending on the outcome of a future event. As at the reporting date, the Bank has undrawn loan commitments extended to customers under approved credit facilities. Undrawn commitments represent the portion of authorised credit limits that have not yet been utilised by borrowers. The Bank is contractually obligated to provide funding when drawdown conditions are met.

The Bank presents the impairment allowance for credit commitments in "other liabilities – provision". Refer to Note 21.

### Cash collateral

No cash collateral was pledged as security as at end of 2025, 2024 and 2023.

## 26. RELATED PARTY TRANSACTIONS

### Compensation of key management personnel of the Bank

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly. The Bank considers the members of the Board of Directors (and its sub-committees) and the Executive Director to be key management personnel for the purposes of IAS 24 Related Party Disclosures.

The Bank does not operate a share incentive scheme. Accordingly, there were no options granted to executive directors or non-executive members of the Board of Directors.

### Transactions with key management personnel of the Bank

The Bank enters into banking transactions with key management personnel in the normal course of business under the same commercial and market terms, interest and commission rates that apply to non-related parties.

The following table provides the total amount of transactions, which have been entered into with related parties for the relevant financial year:

(Amount in USD)	2025	2024	2023
<b>Executive director</b>			
Total salaries and benefits	<b>419,175</b>	417,221	360,532
<b>Non-executive directors</b>			
Total fees	<b>7,789</b>	7,660	8,182
<b>Remuneration and other benefits</b>	<b>426,964</b>	424,881	368,714

In addition to transactions with key management, the Bank enters into transactions with its holding company and fellow subsidiaries. The Bank considers the holding company to have control over it.

The following table shows the outstanding balances and the corresponding transaction during the year.

(Amount in USD)	Interest from related parties	Interest to related parties	Operating expenses to related parties	Cash and cash equivalent with related parties	Due from banks	Amount owed to related parties
<b>2025</b>						
Parent	<b>3,260</b>	-	<b>(35,713)</b>	<b>4,636,775</b>	-	<b>(26,352)</b>
Fellow subsidiaries	<b>8,163,978</b>	<b>(41,185)</b>	-	<b>4,133,303</b>	<b>226,205,500</b>	-
	<b>8,167,238</b>	<b>(41,185)</b>	<b>(35,713)</b>	<b>8,770,078</b>	<b>226,205,500</b>	<b>(26,352)</b>
<b>2024</b>						
Parent	2,505	-	(18,809)	9,080,674	-	(17,132)
Fellow subsidiaries	6,115,225	(1,864)	-	3,326,793	156,678,280	(680,682)
	6,117,730	(1,864)	(18,809)	12,407,467	156,678,280	(697,814)
<b>2023</b>						
Parent	169,232	-	(14,827)	1,667,696	10,167,430	(15,455)
Fellow subsidiaries	3,062,091	(25)	-	2,878,185	52,096,959	-
	3,231,323	(25)	(14,827)	4,545,881	62,264,389	(15,455)

Amount owed by related parties relate to deposits made with them with maturities of up to 12 months and bearing interest at rates **0.3% to 6.5%** (2024: 0.5% to 7.0% and 2023: 0.7% to 6.06%) and Nostro accounts. The amount owed to related parties is interest free and repayable on demand. Nostro accounts are reported in cash and cash equivalents.

## 27. RISK MANAGEMENT

The Bank's primary risk management objectives are to maximise value for the equity holder while maintaining risk within acceptable parameters, optimising capital allocation and satisfying the requirements of the regulatory authorities, the depositors and other stakeholders for the Bank's prudent and stable development.

The Bank has designed a series of risk management policies and has set up controls to analyse, identify, monitor and report risks by means of relevant and up-to-date information systems. The Bank regularly reviews and revises its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The most significant types of risks to the Bank are credit risk, market risk and liquidity risk. Market risk includes interest rate risk, currency risk and other price risk.

### Financial risk management framework

The Board of Directors is responsible for establishing the overall risk appetite of the Bank and reviewing and approving the risk management objectives and strategies.

Within this framework, the Bank's senior management has the overall responsibility for managing all aspects of risks, including implementing risk management strategies, initiatives and credit policies and approving internal policies, measures and procedures related to risk management.

### Risk Management Committee

The committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The committee is responsible for managing risk decisions and monitoring risk levels.

#### (i) Credit risk

The Bank takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Bank by failing to discharge an obligation. Credit risk is one of the most significant risks for the Bank's business.

The Bank is currently subject to credit risk mainly through its lending activities and in cases where it acts as an intermediary on behalf of customers or other third parties and when it issues guarantees.

Currently the Bank's current credit strategy is to rely on the advantages of the Bank of China Group's globalization and to actively participate in high-quality syndicated loans, as well as seeking for projects in line with Mauritius's national development strategy. The Bank keeps a close connection with leading banks and pays high attention to these customers.

The Bank regularly reviews the credit quality of the counterparty bank to assess for any potential loss and take any corrective action.

### Measurement of ECL

The ECL is a weighted average of credit losses on financial instruments weighted at the risk of default. Credit loss is the difference between all receivable contractual cash flows according to the contract and all cash flows expected to be received by the Bank discounted to present value at the original effective interest rate, i.e. the present value of all cash shortfalls.

## 27. RISK MANAGEMENT (CONTINUED)

### (i) Credit risk (Continued)

#### Measurement of ECL (Continued)

According to the changes of credit risk of financial instruments since the initial recognition, the Bank calculates the ECL by three stages:

- **Stage 1:** The financial instruments without significant increases in credit risk after initial recognition are included in Stage 1 to calculate their impairment allowance at an amount equivalent to the ECL of the financial instruments for the next 12 months;
- **Stage 2:** Financial instruments that have had a significant increase in credit risk since initial recognition are included in Stage 2, with their impairment allowance measured at an amount equivalent to the ECL over the lifetime of the financial instruments;
- **Stage 3:** Financial assets with objective evidence of impairment at the balance sheet date are included in Stage 3, with their impairment allowance measured at the amount equivalent to the ECL for the lifetime of the financial instruments.

The Bank shall measure ECL of a financial instrument in a way that reflects:

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

When measuring ECL, an entity need not necessarily identify every possible scenario. However, the Bank shall consider the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low.

The Bank conducted an assessment of ECL according to forward-looking information and used complex models and assumptions in its expected measurement of credit losses. These models and assumptions relate to the future macroeconomic conditions and borrower's creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). The Bank adopts judgement, assumptions and estimation techniques in order to measure ECL according to the requirements of accounting standards such as:

- Criteria for judging significant increases in credit risk
- Definition of credit-impaired financial asset
- Parameters for measuring ECL
- Forward-looking information
- Modification of contractual cash flows

## 27. RISK MANAGEMENT (CONTINUED)

### (i) Credit risk (Continued)

#### Measurement of ECL (Continued)

#### Criteria for judging significant increases in credit risk

The Bank assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at each balance sheet date. While determining whether the credit risk has significantly increased since initial recognition or not, the Bank takes into account the reasonable and substantiated information that is accessible without exerting unnecessary cost or effort, including qualitative and quantitative analysis based on the historical data of the Bank, external credit risk rating, and forward-looking information. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Bank compares the risk of default of financial instruments on the balance sheet date with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

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

#### Quantitative criteria

- At the reporting date, the increase in remaining lifetime probability of default is considered significant, comparing with the one at initial recognition

#### Qualitative criteria

- Significant adverse change in debtor's operation or financial status
- Be classified into Special Mention category within five-tier loan classification
- Be listed on the watch-list which includes customers not impaired but which show signs of weakness and therefore warrant close monitoring.

#### Backstop criteria

- The debtor's contractual payments (including principal and interest) are more than 30 days past due

#### Definition of credit-impaired financial asset

The standard adopted by the Bank to determine whether a credit impairment occurs under IFRS 9 is consistent with the internal credit risk management objectives of the relevant financial instrument, taking into account quantitative and qualitative criteria. When the Bank assesses whether the credit impairment of debtor occurred, the following factors are mainly considered:

- Significant financial difficulty of the issuer or the debtor;
- Debtors are in breach of contract, such as defaulting on interest or becoming overdue on interest or principal payments overdue;
- The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditor would not otherwise consider;
- It is becoming probable that the debtor will enter bankruptcy or other financial restructuring;
- The disappearance of an active market for that financial asset because of financial difficulties;
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses;
- The debtor leaves any of the principal, advances, interest or investments in corporate bonds of the Bank overdue for more than 90 days.

The credit impairment on a financial asset may be caused by the combined effect of multiple events and may not be necessarily due to a single event. Refer to note 12 for more information.

## 27. RISK MANAGEMENT (CONTINUED)

### (i) Credit risk (Continued)

#### Parameters of ECL measurement

According to whether there is a significant increase in credit risk and whether there is an impairment of assets, the Bank measures the impairment loss for different assets with ECL of 12 months or the entire lifetime respectively. The key measuring parameters of ECL include probability of default (PD), loss given default (LGD) and exposure at default (EAD). Based on the current New Basel Capital Accord used in risk management and the requirements of IFRS 9, the Bank takes into account the quantitative analysis of historical statistics (such as ratings of counterparties, manners of guarantees and types of collaterals, repayments, etc.) and forward-looking information in order to establish the model of PD, LGD and EAD.

Relative definitions are listed as follows:

- PD refers to the possibility that the debtor will not be able to fulfil its obligations of repayment over the next 12 months or throughout the entire remaining lifetime. The Bank's PD is adjusted based on the results of the Internal Rating-Based Approach under the New Basel Capital Accord, taking into account the forward-looking information and deducting the prudential adjustment to reflect the debtor's point-in-time (PIT) PD under the current macroeconomic environment;
- LGD refers to the Bank's expectation of the extent of the loss resulting from the default exposure. Depending on the type of counterparty, the method and priority of the recourse, and the type of collaterals, the LGD varies;
- EAD is the outstanding amount of the loan at the time of the default in the next 12 months for stage 1 loans or throughout the entire remaining lifetime for stages 2 and 3.

#### Forward-looking information

The assessment of a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Bank identifies the key economic indicators that affect the credit risk and ECL of various business types.

The impact of these economic indicators on the PD and the LGD varies according to different types of business. The Bank applied experts' judgement in this process, according to the result of experts' judgement, the Bank predicts these economic indicators on a quarterly basis and determines the impact of these economic indicators on the PD and the LGD.

In addition to providing a baseline economic scenario, the Bank combines statistical analysis with experts' judgement to determine the weight of other possible scenarios. The Bank measures the weighted average ECL of 12 months (Stage 1) or life time (Stage 2 and Stage 3). The weighted average credit loss above is calculated by multiplying the ECL for each scenario by the weight of the corresponding scenario.

## 27. RISK MANAGEMENT (CONTINUED)

### (i) Credit risk (continued)

#### Modification of contractual cash flows

A restructure of a contract between the Bank and a counterparty may result in a change to the contractual cash flows without resulting in the derecognition of the financial assets. Such restructuring activities include extended payment term arrangements, repayment schedule modifications and changes to the interest settlement method. The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset and the book value of the financial asset is recalculated and the related gain or loss is included in current profit and loss. The recalculated book value of the financial asset is determined based on the present value of the contractual cash flows following the renegotiation or modification, as calculated using the original effective interest rate of the financial asset.

The Bank monitors the subsequent performance of restructured loan facilities. 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 to Stage 1. As at end of 2025, 2024 and 2023, there was no restructured loan.

#### Maximum credit exposure

The maximum exposure to credit risk at the reporting date without taking account of any collateral held and other credit enhancements is as follows:

(Amount in USD)	Notes	2025	2024	2023
<b>Fund-based exposures</b>				
Cash and cash equivalents	10	26,630,671	32,518,338	12,772,771
Due from banks	11	237,021,205	164,958,170	62,259,389
Financial investment	13	50,571,335	42,055,492	40,612,844
Loans and advances to customers	12	72,318,524	97,746,530	91,047,310
Other assets - Mandatory balance with central bank	14	261,457	404,322	150,872
		<b>386,803,192</b>	337,682,852	206,843,186
<b>Off-balance sheet exposures</b>				
Letters of guarantee issued	24	9,758,750	16,529,426	8,388,923
Letters of credit issued	24	-	-	8,362,319
Undrawn commitment	24	43,333,333	-	-
		<b>53,092,083</b>	16,529,426	16,751,242
<b>Total</b>		<b>439,895,275</b>	354,212,278	223,594,428

## 27. RISK MANAGEMENT (CONTINUED)

### (i) Credit risk (continued)

#### Credit concentration of risk by industry sectors

Industry	2025		2024		2023	
	Amount (USD)	% of total	Amount (USD)	% of total	Amount (USD)	% of total
* Mining	38,142,376	52.7%	45,199,846	46.2%	38,255,909	42.0%
Electricity, gas, steam and AC supply	25,216,928	34.9%	41,547,736	42.5%	19,711,182	21.6%
Air transport	8,959,220	12.4%	10,998,948	11.3%	12,966,963	14.2%
Manufacturing	-	0.0%	-	0.0%	20,113,256	22.1%
<b>Gross loans and advances to customers</b>	<b>72,318,524</b>	<b>100.0%</b>	<b>97,746,530</b>	<b>100.0%</b>	<b>91,047,310</b>	<b>100.0%</b>

\* The mining sector as defined by the BOC Group includes the Oil and Gas sector. All the exposures of the Bank in the mining sector are actually oil and gas exposures.

#### Credit concentration of risk by geographical distribution

Region	2025		2024		2023	
	Amount (USD)	% of total	Amount (USD)	% of total	Amount (USD)	% of total
Africa and Middle-east	43,248,410	59.8%	43,081,680	44.1%	18,071,914	19.8%
Asia	20,110,894	27.8%	27,140,736	27.8%	40,297,251	44.3%
Europe	-	0.0%	16,525,166	16.9%	19,711,182	21.7%
Caribbean	8,959,220	12.4%	10,998,948	11.3%	12,966,963	14.2%
<b>Gross loans and advances to customers</b>	<b>72,318,524</b>	<b>100.0%</b>	<b>97,746,530</b>	<b>100.0%</b>	<b>91,047,310</b>	<b>100.0%</b>

#### Allowances for credit impairment by asset class

(Amount in USD)	Cash and cash equivalents	Due from banks	Loan and advances to customers	Commitments	Total
<b>Balance as at 31 December 2022</b>	8,038	-	645,243	31,844	685,125
Impairment losses raised during the year	356,387	-	1,319,337	-	1,675,724
Release during the year	(354,653)	-	(1,216,139)	(11,993)	(1,582,785)
Foreign exchange/other movements	(386)	-	-	-	(386)
<b>Balance as at 31 December 2023</b>	9,386	-	748,441	19,851	777,678
Impairment losses raised during the year	581,549	84,784	108,040	-	774,373
Release during the year	(535,590)	-	(430,342)	(4,933)	(970,865)
Foreign exchange/other movements	(470)	(163)	-	-	(633)
<b>Balance as at 31 December 2024</b>	<b>54,875</b>	<b>84,621</b>	<b>426,139</b>	<b>14,918</b>	<b>580,553</b>
Impairment losses raised during the year	253,246	40,313	162,431	57,590	513,580
Release during the year	(309,152)	(50,264)	(411,460)	(14,784)	(785,660)
Foreign exchange/other movements	1,325	687	-	-	2,012
<b>Balance as at 31 December 2025</b>	<b>294</b>	<b>75,357</b>	<b>177,110</b>	<b>57,724</b>	<b>310,485</b>

## 27. RISK MANAGEMENT (CONTINUED)

### (i) Credit risk (continued)

#### Credit quality by class of financial assets

The table below shows the credit quality by class of asset for all financial assets exposed to credit risk. The amounts presented are gross of impairment allowances:

(Amount in USD)	Stage 1	Stage 2	Stage 3	Total
<b>31 December 2025</b>				
Cash and cash equivalents	26,630,671	-	-	26,630,671
Due from banks	237,021,205	-	-	237,021,205
Loans and advances to customers	72,318,524	-	-	72,318,524
Financial investment	50,571,335	-	-	50,571,335
Other assets	327,824	-	-	327,824
<b>Total</b>	<b>386,869,559</b>	<b>-</b>	<b>-</b>	<b>386,869,559</b>
<b>31 December 2024</b>				
Cash and cash equivalents	32,518,338	-	-	32,518,338
Due from banks	164,958,170	-	-	164,958,170
Loans and advances to customers	97,746,530	-	-	97,746,530
Financial investment	42,055,492	-	-	42,055,492
Other assets	477,602	-	-	477,602
<b>Total</b>	<b>337,756,132</b>	<b>-</b>	<b>-</b>	<b>337,756,132</b>
<b>31 December 2023</b>				
Cash and cash equivalents	12,772,771	-	-	12,772,771
Due from banks	62,259,389	-	-	62,259,389
Loans and advances to customers	40,612,844	-	-	40,612,844
Financial investment	91,047,310	-	-	91,047,310
Other assets	221,228	-	-	221,228
<b>Total</b>	<b>206,913,542</b>	<b>-</b>	<b>-</b>	<b>206,913,542</b>

Other assets exclude prepayments and accrued income.

The Bank holds collaterals in the form of corporate guarantees for loans and advances to customers. During the year, the Bank did not take possession of any collateral (2024/2023: Nil).

The effect of climate risk on credit risk was assessed, and the impact in the current year was determined to not be material at 31 December 2025.

### (ii) Liquidity Risk

The liquidity risk is the risk that the Bank fails to timely acquire adequate funds at a reasonable cost to deal with repayment of debts at maturity, performs other payment obligations and meets other fund needs for normal business operation.

#### Liquidity risk management policy and process

The Bank continues to develop and improve its liquidity risk management system with the aim of effectively identifying, measuring, monitoring and controlling liquidity risk to ensure that liquidity demand is met in a timely manner and at a reasonable cost.

Assets available to meet all of the liabilities and to cover outstanding loan commitments include "Current accounts with other banks", "Balances with banks abroad", "Balances with Central Bank", "Due from Banks", "Loans and advances to customers" and "Financial investment". In the normal course of business, a proportion of short-term loans contractually repayable will be extended and a portion of short term customer deposits will not be withdrawn upon maturity. The Bank would also be able to meet unexpected net cash outflow by accessing additional funding from the BOC Group.

## 27. RISK MANAGEMENT (CONTINUED)

### (ii) Liquidity Risk (continued)

#### Maturity analysis of assets and liabilities

The table below summarises the maturity profile of the Bank's financial assets and financial liabilities at reporting date based on discounted contractual repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Bank expects that many customers will not request repayment on the earliest date the Bank could be required to pay and the table does not reflect the expected cash flows indicated by the Bank's deposit retention policy.

In case the Bank encounter any liquidity problems, the Parent will provide support to ensure that the Bank will maintain a sound position at all times and that it will, as and when required, make necessary arrangements to provide adequate funds to the satisfaction of the Regulator.

31 December 2025 (in USD)	Total carrying value	Current					Non-current	
		On Demand	Within 1 month	Within 1 and 3 months	Between 3 and 6 months	Between 6 and 12 months	1-5 years	Over 5 years
<b>ASSETS</b>								
Cash and cash equivalents	26,630,377	26,630,377	-	-	-	-	-	-
Due from banks	236,945,848	-	206,151,141	20,019,100	-	-	10,775,607	-
Loans and advances to customers	72,141,414	-	-	-	-	20,067,137	34,070,427	18,003,850
Financial investment	50,571,335	-	-	20,343,182	-	30,228,153	-	-
Other assets	327,824	261,457	5,886	1,082	2,283	57,116	-	-
<b>Total assets</b>	<b>386,616,798</b>	<b>26,891,834</b>	<b>206,157,027</b>	<b>40,363,364</b>	<b>2,283</b>	<b>50,352,406</b>	<b>44,846,034</b>	<b>18,003,850</b>
<b>LIABILITIES</b>								
Customer deposits	295,869,443	295,869,443	-	-	-	-	-	-
Due to banks	2,041,192	2,041,192	-	-	-	-	-	-
Other liabilities	19,343,930	15,676	15,866,027	2,507,222	65,418	666,673	222,914	-
<b>Total liabilities</b>	<b>317,254,565</b>	<b>297,926,311</b>	<b>15,866,027</b>	<b>2,507,222</b>	<b>65,418</b>	<b>666,673</b>	<b>222,914</b>	<b>-</b>
<b>Net liquidity gap</b>	<b>69,362,233</b>	<b>(271,034,477)</b>	<b>190,291,000</b>	<b>37,856,142</b>	<b>(63,135)</b>	<b>49,685,733</b>	<b>44,623,120</b>	<b>18,003,850</b>

Other assets exclude prepayments and accrued income.

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For the year ended 31 December 2025

27. RISK MANAGEMENT (CONTINUED)

(ii) Liquidity Risk (continued)

Maturity analysis of assets and liabilities (continued)

31 December 2024 (in USD)	Total carrying value	Current					Non-current	
		On Demand	Within 1 month	Within 1 and 3 months	Between 3 and 6 months	Between 6 and 12 months	1-5 years	Over 5 years
<b>ASSETS</b>								
Cash and cash equivalents	32,463,463	32,463,463	-	-	-	-	-	-
Due from banks	164,873,549	-	146,493,008	-	-	10,123,198	8,257,343	-
Loans and advances to customers	97,320,391	-	-	-	-	7,015,000	72,413,215	17,892,176
Financial investment	42,055,492	-	-	9,940,894	-	11,712,061	20,402,537	-
Other assets	477,602	404,322	-	7,948	1,405	7,964	55,963	-
<b>Total assets</b>	<b>337,190,497</b>	<b>32,867,785</b>	<b>146,493,008</b>	<b>9,948,842</b>	<b>1,405</b>	<b>28,858,223</b>	<b>101,129,058</b>	<b>17,892,176</b>
<b>LIABILITIES</b>								
Customer deposits	235,721,010	222,015,492	13,705,518	-	-	-	-	-
Due to banks	2,225,783	1,545,101	680,682	-	-	-	-	-
Other liabilities	35,296,943	141	34,016,594	91,809	66,782	971,449	150,168	-
<b>Total liabilities</b>	<b>273,243,736</b>	<b>223,560,734</b>	<b>48,402,794</b>	<b>91,809</b>	<b>66,782</b>	<b>971,449</b>	<b>150,168</b>	<b>-</b>
<b>Net liquidity gap</b>	<b>63,946,761</b>	<b>(190,692,949)</b>	<b>98,090,214</b>	<b>9,857,033</b>	<b>(65,377)</b>	<b>27,886,774</b>	<b>100,978,890</b>	<b>17,892,176</b>

31 December 2023 (in USD)	Total carrying value	Current					Non-current	
		On Demand	Within 1 month	Within 1 and 3 months	Between 3 and 6 months	Between 6 and 12 months	1-5 years	Over 5 years
<b>ASSETS</b>								
Cash and cash equivalents	12,763,385	12,763,385	-	-	-	-	-	-
Due from banks	62,259,389	-	32,031,622	-	-	30,227,767	-	-
Loans and advances to customers	90,298,869	-	-	-	-	-	39,950,310	50,348,559
Financial investment	40,612,844	-	-	19,771,977	-	20,840,867	-	-
Other assets	221,228	150,872	-	-	1,023	13,370	55,963	-
<b>Total assets</b>	<b>206,155,715</b>	<b>12,914,257</b>	<b>32,031,622</b>	<b>19,771,977</b>	<b>1,023</b>	<b>51,082,004</b>	<b>40,006,273</b>	<b>50,348,559</b>
<b>LIABILITIES</b>								
Customer deposits	141,129,540	130,979,940	-	-	-	10,149,600	-	-
Due to banks	717,512	717,512	-	-	-	-	-	-
Other liabilities	11,470,898	9,854,157	83,834	87,771	98,769	935,570	373,908	36,889
<b>Total liabilities</b>	<b>153,317,950</b>	<b>141,551,609</b>	<b>83,834</b>	<b>87,771</b>	<b>98,769</b>	<b>11,085,170</b>	<b>373,908</b>	<b>36,889</b>
<b>Net liquidity gap</b>	<b>52,837,765</b>	<b>(128,637,352)</b>	<b>31,947,788</b>	<b>19,684,206</b>	<b>(97,746)</b>	<b>39,996,834</b>	<b>39,632,365</b>	<b>50,311,670</b>

**27. RISK MANAGEMENT (CONTINUED)**

**(ii) Liquidity Risk (continued)**

**Undiscounted cash flows by contractual maturities**

The tables below present the cash flows of the Bank's financial assets and financial liabilities that will be settled on a net basis and on a gross basis by the remaining contractual maturities at the financial reporting date. The amounts disclosed in the tables are the contractual undiscounted cash flows. The Bank also manages its inherent short-term liquidity risk based on expected undiscounted cash flows.

31 December 2025 (in USD)	On Demand	Within 1 month	Within 1 and 3 months	Between 3 and 6 months	Between 6 and 12 months	1-5 years	Over 5 years	Total
<b>ASSETS</b>								
Cash and cash equivalents	26,630,377	-	-	-	-	-	-	26,630,377
Due from banks	-	206,188,604	20,306,779	140,797	290,981	11,618,248	-	238,545,409
Loans and advances to customers	-	218,488	682,886	3,079,944	23,731,210	47,565,274	9,697,372	84,975,174
Financial investment	-	-	20,462,500	600,000	30,600,000	-	-	51,662,500
Other assets	261,457	5,886	1,082	2,283	57,116	-	-	327,824
<b>Total assets</b>	<b>26,891,834</b>	<b>206,412,978</b>	<b>41,453,247</b>	<b>3,823,024</b>	<b>54,679,307</b>	<b>59,183,522</b>	<b>9,697,372</b>	<b>402,141,284</b>
<b>LIABILITIES</b>								
Customer deposits	295,869,443	-	-	-	-	-	-	295,869,443
Due to banks	2,041,192	-	-	-	-	-	-	2,041,192
Other liabilities	15,676	15,866,027	2,507,222	65,418	666,673	222,914	-	19,343,930
<b>Total liabilities</b>	<b>297,926,311</b>	<b>15,866,027</b>	<b>2,507,222</b>	<b>65,418</b>	<b>666,673</b>	<b>222,914</b>	<b>-</b>	<b>317,254,565</b>

31 December 2024 (in USD)	On Demand	Within 1 month	Within 1 and 3 months	Between 3 and 6 months	Between 6 and 12 months	1-5 years	Over 5 years	Total
<b>ASSETS</b>								
Cash and cash equivalents	32,463,463	-	-	-	-	-	-	32,463,463
Due from banks	-	146,580,445	-	-	10,504,544	-	-	157,084,989
Loans and advances to customers	-	228,650	1,091,643	2,451,312	11,486,398	99,030,832	12,721,398	127,010,233
Financial investment	-	-	10,000,000	462,500	12,462,500	20,462,500	-	43,387,500
Other assets	404,322	-	7,948	1,405	7,964	55,963	-	477,602
<b>Total assets</b>	<b>32,867,785</b>	<b>146,809,095</b>	<b>11,099,591</b>	<b>2,915,217</b>	<b>34,461,406</b>	<b>119,549,295</b>	<b>12,721,398</b>	<b>360,423,787</b>
<b>LIABILITIES</b>								
Customer deposits	222,015,492	13,705,518	-	-	-	-	-	235,721,010
Due to banks	1,545,101	680,682	-	-	-	-	-	2,225,783
Other liabilities	141	34,016,594	91,809	66,782	971,449	150,168	-	35,296,943
<b>Total liabilities</b>	<b>223,560,734</b>	<b>48,402,794</b>	<b>91,809</b>	<b>66,782</b>	<b>971,449</b>	<b>150,168</b>	<b>-</b>	<b>273,243,736</b>

31 December 2023 (in USD)	On Demand	Within 1 month	Within 1 and 3 months	Between 3 and 6 months	Between 6 and 12 months	1-5 years	Over 5 years	Total
<b>ASSETS</b>								
Cash and cash equivalents	12,763,385	-	-	-	-	-	-	12,763,385
Due from banks	-	32,059,131	-	-	31,827,028	-	-	63,886,159
Loans and advances to customers	-	244,167	1,496,058	2,416,027	4,071,984	69,518,026	36,727,886	114,474,148
Financial investment	-	-	20,000,000	-	21,500,000	-	-	41,500,000
Other assets	150,872	-	-	1,023	13,370	55,963	-	221,228
<b>Total assets</b>	<b>12,914,257</b>	<b>32,303,298</b>	<b>21,496,058</b>	<b>2,417,050</b>	<b>57,412,382</b>	<b>69,573,989</b>	<b>36,727,886</b>	<b>232,844,920</b>
<b>LIABILITIES</b>								
Customer deposits	130,979,940	-	-	-	10,149,600	-	-	141,129,540
Due to banks	717,512	-	-	-	-	-	-	717,512
Other liabilities	9,854,157	83,834	87,771	98,769	935,570	373,908	36,889	11,470,898
<b>Total liabilities</b>	<b>141,551,609</b>	<b>83,834</b>	<b>87,771</b>	<b>98,769</b>	<b>11,085,170</b>	<b>373,908</b>	<b>36,889</b>	<b>153,317,950</b>

## 27. RISK MANAGEMENT (CONTINUED)

### (ii) Liquidity Risk (continued)

The table below shows the contractual expiry by maturity of the Bank's commitments.

(Amount in USD)	Less than 3 months	3 to 12 months	1 to five years	Above 5 years	Total
<b>31 December 2025</b>					
Credit commitments	4,433,695	1,089,943	47,568,445	-	53,092,083
<b>Total</b>	<b>4,433,695</b>	<b>1,089,943</b>	<b>47,568,445</b>	<b>-</b>	<b>53,092,083</b>
<b>31 December 2024</b>					
Credit commitments	86,277	9,032,315	7,410,834	-	16,529,426
<b>Total</b>	<b>86,277</b>	<b>9,032,315</b>	<b>7,410,834</b>	<b>-</b>	<b>16,529,426</b>
<b>31 December 2023</b>					
Credit commitments	4,930,878	8,508,382	3,311,982	-	16,751,242
<b>Total</b>	<b>4,930,878</b>	<b>8,508,382</b>	<b>3,311,982</b>	<b>-</b>	<b>16,751,242</b>

Refer to note 25. Capital and Credit Commitments for more details

### (iii) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

The Bank classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately.

#### (a) Interest rate risk

The non-trading portfolio is exposed to interest rate risk arising from mismatches in repricing periods and inconsistent adjustments between the benchmark interest rates of assets and liabilities. The Bank takes on exposure to interest rate risk and fluctuations in market interest rates will impact the Bank's financial position.

#### *Sensitivity analysis on net interest income*

The Bank performs sensitivity analysis by measuring the impact of a change in interest rates on the profit or loss and equity. This analysis assumes that interest rates change in parallel while the structure of assets and liabilities remains unchanged, and does not take changes in customer behaviour, basis risk or any prepayment options on debt securities into consideration. The Bank calculates the change in the profit or loss and equity during the year mainly through the analysis of interest rate repricing gaps, and made timely adjustment to the structure of assets and liabilities based on changes in the market situation, and controlled the fluctuation of net interest income within an acceptable level.

The Bank has assets and liabilities primarily in USD, EUR, CNY, MUR and ZAR. The US Dollar being the primary component with over 90% weighting on the overall balance sheet.

The following table illustrates the potential impact of a  $\pm 50$  basis point (bp) movement in the USD interest rate on the interest income of the Bank, based on the loans and advances to customers and banks held at 31 December that are subject to variable interest rate. The actual situation may be different from the assumptions used and it is possible that actual outcomes could differ from the estimated impact on the profit or loss and equity of the Bank.

(Amount in USD)	2025	2024	2023
50bp increase in interest rates	420,671	488,968	455,236
50bp decrease in interest rates	(420,671)	(488,968)	(455,236)

## 27. RISK MANAGEMENT (CONTINUED)

### (iii) Market risk (Continued)

#### (a) Interest rate risk (Continued)

##### Gap analysis

The tables below summarises the Bank's exposure to interest rate risks. It includes the Bank's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

31 December 2025 (in USD)	Total carrying value	Interest bearing			Non-interest bearing
		Within 3 months	Between 3 and 12 months	More than 1 year	
<b>ASSETS</b>					
Cash and cash equivalents	26,630,377	26,496,003	-	-	134,374
Due from banks	236,945,848	236,945,848	-	-	-
Loans and advances to customers	72,141,414	28,992,815	43,148,599	-	-
Financial investment	50,571,335	20,343,182	30,228,153	-	-
Other assets	327,824	261,457	-	-	66,367
<b>Total assets</b>	<b>386,616,798</b>	<b>313,039,305</b>	<b>73,376,752</b>	<b>-</b>	<b>200,741</b>
<b>LIABILITIES</b>					
Customer deposits	295,869,443	-	-	-	295,869,443
Due to banks	2,041,192	2,041,192	-	-	-
Other liabilities	19,343,930	-	-	-	19,343,930
<b>Total liabilities</b>	<b>317,254,565</b>	<b>2,041,192</b>	<b>-</b>	<b>-</b>	<b>315,213,373</b>
<b>Total interest repricing gap</b>	<b>69,362,233</b>	<b>310,998,113</b>	<b>73,376,752</b>	<b>-</b>	<b>(315,012,632)</b>

31 December 2024 (in USD)	Total carrying value	Interest bearing			Non-interest bearing
		Within 3 months	Between 3 and 12 months	More than 1 year	
<b>ASSETS</b>					
Cash and cash equivalents	32,463,463	32,123,269	-	-	340,194
Due from banks	164,873,549	146,493,008	18,380,541	-	-
Loans and advances to	97,320,391	47,499,224	49,821,167	-	-
Financial investment	42,055,492	9,940,904	11,712,085	20,402,503	-
Other assets	477,602	404,322	-	-	73,280
<b>Total assets</b>	<b>337,190,497</b>	<b>236,460,727</b>	<b>79,913,793</b>	<b>20,402,503</b>	<b>413,474</b>
<b>LIABILITIES</b>					
Customer deposits	235,721,010	13,705,518	-	-	222,015,492
Due to banks	2,225,783	2,225,783	-	-	-
Other liabilities	35,296,943	-	-	-	35,296,943
<b>Total liabilities</b>	<b>273,243,736</b>	<b>15,931,301</b>	<b>-</b>	<b>-</b>	<b>257,312,435</b>
<b>Total interest repricing gap</b>	<b>63,946,761</b>	<b>220,529,426</b>	<b>79,913,793</b>	<b>20,402,503</b>	<b>(256,898,961)</b>

## 27. RISK MANAGEMENT (CONTINUED)

### (iii) Market risk (Continued)

#### (a) Interest rate risk (Continued)

##### Gap analysis

31 December 2023 (in USD)	Total carrying value	Interest bearing		Non-interest bearing
		Within 3 months	Between 3 and 12 months	
<b>ASSETS</b>				
Cash and cash equivalents	12,763,385	12,536,073	-	227,312
Due from banks	62,259,389	32,031,622	30,227,767	-
Loans and advances to customers	90,298,869	72,458,608	17,840,261	-
Financial investment	40,612,844	19,771,977	20,840,867	-
Other assets	221,228	150,872	-	70,356
<b>Total assets</b>	<b>206,155,715</b>	<b>136,949,152</b>	<b>68,908,895</b>	<b>297,668</b>
<b>LIABILITIES</b>				
Customer deposits	141,129,540	-	10,149,600	130,979,940
Due to banks	717,512	-	-	717,512
Other liabilities	11,470,898	-	-	11,470,898
<b>Total liabilities</b>	<b>153,317,950</b>	<b>-</b>	<b>10,149,600</b>	<b>143,168,350</b>
<b>Total interest repricing gap</b>	<b>52,837,765</b>	<b>136,949,152</b>	<b>58,759,295</b>	<b>(142,870,682)</b>

#### (b) Foreign currency risk

The Bank is exposed to currency risk through fluctuations in foreign currency exchange rates on its foreign currency positions. The Bank endeavours to manage its sources and uses of foreign currencies to minimise potential mismatches in accordance with management directives.

The following table summarises the Bank's exposure to foreign currency exchange rate risk.

31 December 2025 (in USD)	Total carrying value	Currency Breakdown				
		USD	MUR	EUR	CNY	Others
<b>ASSETS</b>						
Cash and cash equivalents	26,630,377	22,218,918	82,304	577,001	3,439,445	312,709
Due from banks	236,945,848	211,104,660	-	2,934,620	-	22,906,568
Loans and advances to customers	72,141,414	72,141,414	-	-	-	-
Financial investment	50,571,335	50,571,335	-	-	-	-
Other assets	327,824	315,808	12,016	-	-	-
<b>Total assets</b>	<b>386,616,798</b>	<b>356,352,135</b>	<b>94,320</b>	<b>3,511,621</b>	<b>3,439,445</b>	<b>23,219,277</b>
<b>LIABILITIES</b>						
Customer deposits	295,869,443	268,785,552	34,177	3,307,735	605,827	23,136,152
Due to banks	2,041,192	4,939	-	-	2,036,253	-
Other liabilities	19,343,930	18,369,524	220,609	311	753,458	28
<b>Total liabilities</b>	<b>317,254,565</b>	<b>287,160,015</b>	<b>254,786</b>	<b>3,308,046</b>	<b>3,395,538</b>	<b>23,136,180</b>
<b>Net on-balance sheet position</b>	<b>69,362,233</b>	<b>69,192,120</b>	<b>(160,466)</b>	<b>203,575</b>	<b>43,907</b>	<b>83,097</b>
<b>Net off-balance sheet position</b>	<b>53,034,359</b>	<b>43,285,407</b>	<b>9,748,952</b>	<b>-</b>	<b>-</b>	<b>-</b>

**27. RISK MANAGEMENT (CONTINUED)**

**(iii) Market risk (Continued)**

**(b) Foreign currency risk (Continued)**

31 December 2024 (in USD)	Total carrying value	Currency Breakdown				
		USD	MUR	EUR	CNY	Others
<b>ASSETS</b>						
Cash and cash equivalents	32,463,463	27,596,350	127,268	3,498,256	1,023,055	218,534
Due from banks	164,873,549	152,467,660	-	-	2,313,814	10,092,075
Loans and advances to customers	97,320,391	97,320,391	-	-	-	-
Financial investment	42,055,492	42,055,492	-	-	-	-
Other assets	477,602	458,452	19,150	-	-	-
<b>Total assets</b>	<b>337,190,497</b>	<b>319,898,345</b>	<b>146,418</b>	<b>3,498,256</b>	<b>3,336,869</b>	<b>10,310,609</b>
<b>LIABILITIES</b>						
Customer deposits	235,721,010	225,167,488	102,470	3,386,995	938,430	6,125,627
Due to banks	2,225,783	-	-	-	2,225,783	-
Other liabilities	35,296,943	31,019,491	146,360	259	9,485	4,121,348
<b>Total liabilities</b>	<b>273,243,736</b>	<b>256,186,979</b>	<b>248,830</b>	<b>3,387,254</b>	<b>3,173,698</b>	<b>10,246,975</b>
<b>Net on-balance sheet position</b>	<b>63,946,761</b>	<b>63,711,366</b>	<b>(102,412)</b>	<b>111,002</b>	<b>163,171</b>	<b>63,634</b>
<b>Net off-balance sheet position</b>	<b>16,514,508</b>	<b>346,540</b>	<b>16,167,968</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 December 2023 (in USD)	Total carrying value	Currency Breakdown				
		USD	MUR	EUR	CNY	Others
<b>ASSETS</b>						
Cash and cash equivalents	12,763,385	8,173,096	200,537	2,927,171	1,443,310	19,271
Due from banks	62,259,389	62,259,389	-	-	-	-
Loans and advances to customers	90,298,869	90,298,869	-	-	-	-
Financial investment	40,612,844	40,612,844	-	-	-	-
Other assets	221,228	115,731	105,497	-	-	-
<b>Total assets</b>	<b>206,155,715</b>	<b>201,459,929</b>	<b>306,034</b>	<b>2,927,171</b>	<b>1,443,310</b>	<b>19,271</b>
<b>LIABILITIES</b>						
Customer deposits	141,129,540	137,628,728	88,861	2,857,996	553,955	-
Due to banks	717,512	-	-	-	717,512	-
Other liabilities	11,470,898	11,278,189	167,355	193	25,136	25
<b>Total liabilities</b>	<b>153,317,950</b>	<b>148,906,917</b>	<b>256,216</b>	<b>2,858,189</b>	<b>1,296,603</b>	<b>25</b>
<b>Net on-balance sheet position</b>	<b>52,837,765</b>	<b>52,553,012</b>	<b>49,818</b>	<b>68,982</b>	<b>146,707</b>	<b>19,246</b>
<b>Net off-balance sheet position</b>	<b>16,731,391</b>	<b>16,731,391</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 28. CAPITAL

The Bank maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the Bank of Mauritius.

The adequacy of the Bank's capital is monitored using, among other measures, the requirements specified in the Banking Act 2004 and related guidelines which are aligned to Basel II and Basel III. The Bank uses the Basel II Standardised Approach to manage its credit and market risk exposures, with the Basic Indicator Approach for operational risk.

As for determination of its capital, the Bank adheres to the Bank of Mauritius Guideline on Scope of Application of Basel III and Eligible Capital, which is effective as from July 2014.

The Bank has complied in full with its externally imposed capital requirements over the reporting period.

### Capital management

The Bank follows the principles below with regard to capital management:

- **Adequate capital and sustainable development**

Maintain the high quality and adequacy of capital as to meet regulation requirements, support business growth, and advance the sustainable development of the scale, quality and performance of the business.

- **Allocation optimisation and benefit augmentation**

Allocate capital properly by prioritising the asset businesses with low capital occupancy and high comprehensive income, to steadily improve the efficiency and return of capital, achieving the reciprocal matchup and dynamic equilibrium among risks, assets and returns.

- **Refined management and capital level improvement.**

Optimise the capital management system by sufficiently identifying, calculating, monitoring, mitigating, and controlling various types of risks; Incorporate capital restraints into the whole process of product pricing, resource allocation, structural adjustments, performance evaluation, etc., ensuring that the capital employed is commensurate with the related risks and the level of risk management.

## 28. CAPITAL (CONTINUED)

### Regulatory capital

The table below summarises the Bank's capital position based on Common Equity Tier 1 capital and Total capital ratio.

(Amount in USD)	2025	2024	2023
<b>Common equity tier 1 (CET1) capital</b>			
Share capital	50,000,000	50,000,000	50,000,000
Accumulated profits	12,379,928	10,388,428	2,805,441
Accumulated other comprehensive income and other disclosed reserves	4,015,655	2,181,591	523,655
Regulatory deduction for:			
Intangible assets	(6,027)	(7,691)	(9,506)
Deferred tax assets	(34,515)	(51,007)	(70,701)
Transitional arrangement for IFRS 9 ECL provisions	-	75,679	281,515
<b>CET 1 / Tier 1 capital (T1)</b>	<b>66,355,041</b>	<b>62,587,000</b>	<b>53,530,404</b>
Tier 2 capital			
Provisions or loan-loss reserves	1,730,820	1,608,960	496,736
<b>Tier 2 capital (T2)</b>	<b>1,730,820</b>	<b>1,608,960</b>	<b>496,736</b>
<b>Total capital base (TC = T1 + T2)</b>	<b>68,085,861</b>	<b>64,195,960</b>	<b>54,027,140</b>
<b>Risk-weighted assets</b>			
Total on-balance sheet risk-weighted credit exposures	105,406,902	116,960,177	105,123,032
Total non-market-related off-balance sheet risk-weighted credit exposures	22,613,737	1,707,032	1,485,406
Risk weighted assets for operational risk	21,344,435	15,729,691	9,713,536
Aggregated net open foreign exchange position	330,297	336,040	234,584
<b>Total risk-weighted assets</b>	<b>149,695,371</b>	<b>134,732,940</b>	<b>116,556,558</b>
<b>Capital adequacy ratio</b>	<b>45.5%</b>	<b>47.6%</b>	<b>46.4%</b>
Regulatory limit - Minimum Total CAR	12.5%	12.5%	12.5%
<b>CET 1 capital</b>	<b>44.3%</b>	<b>46.5%</b>	<b>45.9%</b>
Regulatory limit - Minimum CET1 CAR	6.5%	6.5%	6.5%
<b>Tier 1 capital ratio</b>	<b>44.3%</b>	<b>46.5%</b>	<b>45.9%</b>
Regulatory limit - Minimum Tier1 CAR	8.0%	8.0%	8.0%

## 29 (a) Gratuity on retirement

### Pension benefits

The Bank operates a defined contribution (DC) pension plan. The contribution payable to a 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. The total expenses are recognised in the statement of profit or loss as an expense as they fall due. The Bank's liability is limited to the contributions made.

### Gratuity on retirement

The Bank also recognised a liability to employees who are entitled to statutory benefits prescribed under part IX of the Workers' Right Act 2019 (WRA). The latter provides for a lump sum at retirement or death, whichever occurs earlier, based on final salary and years of service. The net present value of the gratuity payable has been calculated by a qualified actuary and provided for. Gratuity on retirement is disclosed in Note 21.

(Amount in USD)	2025	2024	2023
Benefit Liability	<b>36,536</b>	53,235	36,889

Movement in (Liability)	2025	2024	2023
At 01-Jan	<b>53,235</b>	36,889	24,648
Expense during the year	<b>(16,699)</b>	16,346	12,241
<b>At 31-Dec</b>	<b>36,536</b>	53,235	36,889

The principal assumptions used in determining pension for the Bank are shown below:

	2025	2024	2023
Discount rates	<b>5.70%</b>	5.10%	5.00%
Future salary increases	<b>4.00%</b>	4.00%	4.00%

Sensitivity analysis on the gratuity on the retirement obligation at end of period :

	2025	2024	2023
Decrease in the gratuity on the retirement obligation due to 1% increase in Discount Rate	<b>14,300</b>	13,842	9,689
Increase in the gratuity on the retirement obligation due to 1% increase in Future long-term Salary assumption	<b>14,377</b>	13,857	11,475

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 Bank is exposed to the following actuarial risks:

**Longevity Risk** – The liabilities will increase if:

- (1) the experience is less favourable than the standard mortality tables; and
- (2) there is an improvement in mortality and the buy-out rate is reviewed.

**Interest rate risk** – If the yields on Government Bonds and Treasury Bills decrease, the liabilities would be calculated using a lower discount rate and the provision required to be set aside for the benefits would therefore increase.

**Salary risk** - If salary increases are higher than assumed in our basis, the liabilities would increase giving rise to actuarial losses.

**Mortality** – higher than expected death will expose the company to having to effect payouts that were not expected.

**Withdrawal risk** – lower than expected withdrawal will expose the employer to the risk that more employees make it to retirement to claim their benefits while the provisions assume that fewer employees will remain in employment.

**Liquidity risk** – this risk arises if the employer's actual net cashflows are not sufficient to pay for the employee benefits when they become due.

**Investment risk** – lower returns on the DC scheme will reduce the expected pension which in turn will reduce the allowable gratuity offset. The net result will be an increase in the residual liability.

## 29 (b) Segmental Reporting

### Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Segment income, segment expenses and segment performance include transfers between business segments and between geographical segments.

For management purposes, the bank is organised into one main operating segment, which is the conduct of its banking activities. All significant operating decisions are based upon analysis of the bank as one segment. The financial result from the segment is equivalent to the financial statements of the bank as a whole.

- i) The Bank prepares its financial statements in line with the requirements of the Bank of Mauritius Guideline on Public Disclosure of Information - 'Disclosure of information by Resident / Non Resident' - which requires disclosure of resident/ non-resident to the following items:
- 1 Statement of financial position
  - 2 Sectorwise Distribution of Loans and Advances
  - 3 Deposits from Customers
  - 4 Operating Income

Residents means institutional units and/or individuals who have engaged in economic activities and transactions on a significant scale in the territory of the Republic of Mauritius for one year or more, or intend to do so. They include banks, non-bank deposit taking institutions, other financial corporations, central government, state and local government, public nonfinancial corporations, other non-financial corporations, households and non-profit institutions serving households (NPISH).

Non-residents means affiliated foreign financial corporations, including associated companies, fellow subsidiaries and parents, unaffiliated foreign financial corporations, including unrelated overseas correspondents, foreign governments, non-financial corporations, households and NPISHs having their main economic centre of interest in a country other than Mauritius, as well as foreign embassies and consulates in Mauritius, and offices of international organisations located in Mauritius.

The disclosure requirements of information by Resident/Non-Resident, as per the amendments to section 38 of the Guideline on Public Information, into effect on 31 December 2024 and is applicable for annual financial statements ending on or after 31 December 2024.

- ii) For the computation of certain taxes, the Bank is required to split its income and expenditure into two segments: Segment A and Segment B. Segment B activities essentially directed to the provision of international financial services that give rise to foreign source income. Segment A activity relates to all banking business other than Segment B activity.
- The management of the Bank has estimated that it is fair and reasonable to apportion the expenditure incurred by the Bank but which is not directly attributable to its income derived from Mauritius or its foreign source income based on the proportion of total operation income.

### 30. EVENTS AFTER THE REPORTING DATE

#### (i) Geopolitical tensions in the Middle East

Subsequent to the reporting date, geopolitical tensions in the Middle East escalated following the outbreak of armed conflict involving Iran. The situation remains uncertain and continues to evolve.

The Bank has assessed the implications of these developments in accordance with IAS 10 Events after the Reporting Period. As the conflict arose after the reporting date, it has been classified as a non-adjusting event and, accordingly, no adjustments have been made to the amounts recognised in these financial statements.

The Bank has material exposures within the Middle East region, specifically in Dubai (notably Air transport) and Saudi Arabia (notably Oil and gas). The collaterals pledged are covered by insurance policies for air transport in Dubai. As for Saudi Arabia, the exposures are ultimately owned by the Saudi Arabia Government. The ongoing conflict is assessed to have the potential to adversely impact global economic uncertainty, characterised by increased volatility in financial markets, fluctuations in foreign exchange and interest rates, and instability in key commodity prices, particularly oil and gas. Furthermore, the situation may give rise to disruptions in international trade flows and cross-border payment activities.

Management continues to monitor the situation closely and has considered the potential indirect impacts on the Bank's credit risk, liquidity position, market risk exposures, and capital adequacy. Based on information available at the date of approval of these financial statements, management is unable to reliably estimate the financial impact, if any, arising from these events. However, no material adverse effect on the Bank's financial position or going concern has been identified to date.

### 31. SEGMENTAL REPORTING

#### (a) Statement of financial position

(Amount in USD)	2025			2024			2023		
	Total	Resident	Non-Resident	Total	Resident	Non-Resident	Total	Resident	Non-Resident
<b>ASSETS</b>									
Cash and cash equivalents	26,630,377	14,987,224	11,643,153	32,463,463	15,278,682	17,184,781	12,763,385	5,241,244	7,522,141
Due from banks	236,945,848	10,775,607	226,170,241	164,873,549	8,257,343	156,616,206	62,259,389	-	62,259,389
Financial investment	50,571,335	-	50,571,335	42,055,492	-	42,055,492	40,612,844	-	40,612,844
Loans and advances to customers	72,141,414	-	72,141,414	97,320,391	-	97,320,391	90,298,869	-	90,298,869
Other assets	403,884	392,292	11,592	540,880	538,116	2,764	266,019	265,955	64
Furniture and equipment	261,644	261,644	-	415,097	415,097	-	707,248	707,248	-
Deferred income tax assets	34,515	34,515	-	51,007	51,007	-	70,701	70,701	-
Intangible asset	6,027	6,027	-	7,691	7,691	-	9,506	-	9,506
<b>Total assets</b>	<b>386,995,044</b>	<b>26,457,309</b>	<b>360,537,735</b>	<b>337,727,570</b>	<b>24,547,936</b>	<b>313,179,634</b>	<b>206,987,961</b>	<b>6,285,148</b>	<b>200,702,813</b>
<b>LIABILITIES</b>									
Customer deposits	295,869,443	112,214,101	183,655,342	235,721,010	92,716,785	143,004,225	141,129,540	64,135,281	76,994,259
Due to banks	2,041,192	2,041,192	-	2,225,783	680,682	1,545,101	717,512	717,512	-
Current tax liabilities	1,519,816	1,519,816	-	549,217	549,217	-	321,064	321,064	-
Other liabilities	19,438,190	3,650,201	15,787,989	35,365,096	8,134,519	27,230,577	11,490,749	1,631,687	9,859,062
<b>Total liabilities</b>	<b>318,868,641</b>	<b>119,425,310</b>	<b>199,443,331</b>	<b>273,861,106</b>	<b>102,081,203</b>	<b>171,779,903</b>	<b>153,658,865</b>	<b>66,805,544</b>	<b>86,853,321</b>
<b>EQUITY</b>									
Share capital	50,000,000	-	50,000,000	50,000,000	-	50,000,000	50,000,000	-	50,000,000
Statutory reserve	3,828,306	-	3,828,306	2,062,036	-	2,062,036	495,078	-	495,078
General banking reserve	1,730,820	-	1,730,820	1,296,445	-	1,296,445	-	-	-
Other comprehensive reserve	187,349	-	187,349	119,555	-	119,555	28,577	-	28,577
Undistributed profits/(losses)	12,379,928	-	12,379,928	10,388,428	-	10,388,428	2,805,441	-	2,805,441
<b>Total equity</b>	<b>68,126,403</b>	<b>-</b>	<b>68,126,403</b>	<b>63,866,464</b>	<b>-</b>	<b>63,866,464</b>	<b>53,329,096</b>	<b>-</b>	<b>53,329,096</b>
<b>Total equity and liabilities</b>	<b>386,995,044</b>	<b>119,425,310</b>	<b>267,569,734</b>	<b>337,727,570</b>	<b>102,081,203</b>	<b>235,646,367</b>	<b>206,987,961</b>	<b>66,805,544</b>	<b>140,182,417</b>

### 31. SEGMENTAL REPORTING (continued)

#### (b) Sectorwise Distribution of Loans and Advances

(Amount in USD)	2025			2024			2023		
	Total	Resident	Non-Resident	Total	Resident	Non-Resident	Total	Resident	Non-Resident
<b>Other Non-Financial Corporations</b>									
Mining and quarrying	38,142,376	-	38,142,376	45,199,846	-	45,199,846	38,255,909	-	38,255,909
Manufacturing	-	-	-	-	-	-	20,113,256	-	20,113,256
Electricity, gas, steam and air conditioning supply	25,216,928	-	25,216,928	41,547,736	-	41,547,736	19,711,182	-	19,711,182
Transportation and storage	8,959,220	-	8,959,220	10,998,948	-	10,998,948	12,966,963	-	12,966,963
<b>Total</b>	<b>72,318,524</b>	<b>-</b>	<b>72,318,524</b>	<b>97,746,530</b>	<b>-</b>	<b>97,746,530</b>	<b>91,047,310</b>	<b>-</b>	<b>91,047,310</b>

#### (c) Deposits from Customers

(Amount in USD)	2025			2024			2023		
	Total	Resident	Non-Resident	Total	Resident	Non-Resident	Total	Resident	Non-Resident
<b>Corporate Customers</b>									
- Current Accounts	295,869,443	112,214,101	183,655,342	222,015,492	79,011,267	143,004,225	130,979,940	53,985,681	76,994,259
- Time Deposits	-	-	-	13,705,518	13,705,518	-	10,149,600	10,149,600	-
<b>Total</b>	<b>295,869,443</b>	<b>112,214,101</b>	<b>183,655,342</b>	<b>235,721,010</b>	<b>92,716,785</b>	<b>143,004,225</b>	<b>141,129,540</b>	<b>64,135,281</b>	<b>76,994,259</b>

#### (d) Operating Income

(Amount in USD)	2025			2024			2023		
	Total	Resident	Non-Resident	Total	Resident	Non-Resident	Total	Resident	Non-Resident
Interest Income	16,373,208	738,832	15,634,376	14,549,985	370,592	14,179,393	10,856,885	1,002	10,855,883
Interest Expense	(138,312)	(97,127)	(41,185)	(621,324)	(640,988)	19,664	(811,388)	(811,363)	(25)
<b>Net Interest Income</b>	<b>16,234,896</b>	<b>641,705</b>	<b>15,593,191</b>	<b>13,928,661</b>	<b>(270,396)</b>	<b>14,199,057</b>	<b>10,045,497</b>	<b>(810,361)</b>	<b>10,855,858</b>
Fee and commission income	885,975	66,070	819,905	585,553	96,105	489,448	647,464	120,594	526,870
Fee and commission expense	(112,455)	(34,606)	(77,849)	(83,897)	(19,750)	(64,147)	(67,084)	(18,515)	(48,569)
<b>Net fee and commission Income</b>	<b>773,520</b>	<b>31,464</b>	<b>742,056</b>	<b>501,656</b>	<b>76,355</b>	<b>425,301</b>	<b>580,380</b>	<b>102,079</b>	<b>478,301</b>
Foreign exchange gains	150,590	71,323	79,267	74,613	(4,360)	78,973	382,401	(32,284)	414,685
Other	16,656	16,656	-	-	-	-	-	-	-
<b>Other Income</b>	<b>167,246</b>	<b>87,979</b>	<b>79,267</b>	<b>74,613</b>	<b>(4,360)</b>	<b>78,973</b>	<b>382,401</b>	<b>(32,284)</b>	<b>414,685</b>
<b>Total Operating Income</b>	<b>17,175,662</b>	<b>761,148</b>	<b>16,414,514</b>	<b>14,504,930</b>	<b>(198,401)</b>	<b>14,703,331</b>	<b>11,008,278</b>	<b>(740,566)</b>	<b>11,748,844</b>

31. SEGMENTAL REPORTING (continued)

(e) Statement of profit or loss and other comprehensive income

(Amount in USD)	2025			2024			2023		
	Total	Segment A	Segment B	Total	Segment A	Segment B	Total	Segment A	Segment B
Interest income	16,373,208	736,636	15,636,572	14,549,985	355,864	14,194,121	10,856,885	93,761	10,763,124
Interest expense	(138,312)	(14,095)	(124,217)	(621,324)	(9,397)	(611,927)	(811,388)	(10,838)	(800,550)
<b>Net interest income</b>	<b>16,234,896</b>	<b>722,541</b>	<b>15,512,355</b>	<b>13,928,661</b>	<b>346,467</b>	<b>13,582,194</b>	<b>10,045,497</b>	<b>82,923</b>	<b>9,962,574</b>
Fee and commission income	885,975	15,550	870,425	585,553	57,816	527,737	647,464	72,526	574,938
Fee and commission expense	(112,455)	(34,606)	(77,849)	(83,897)	(19,750)	(64,147)	(67,084)	(18,515)	(48,569)
<b>Net fee and commission income</b>	<b>773,520</b>	<b>(19,056)</b>	<b>792,576</b>	<b>501,656</b>	<b>38,066</b>	<b>463,590</b>	<b>580,380</b>	<b>54,011</b>	<b>526,369</b>
Foreign exchange difference	150,590	71,317	79,273	74,613	(4,359)	78,972	382,401	(32,285)	414,686
Other	16,656	16,656	-	-	-	-	-	-	-
<b>Other operating income</b>	<b>167,246</b>	<b>87,973</b>	<b>79,273</b>	<b>74,613</b>	<b>(4,359)</b>	<b>78,972</b>	<b>382,401</b>	<b>(32,285)</b>	<b>414,686</b>
<b>Total operating income</b>	<b>17,175,662</b>	<b>791,458</b>	<b>16,384,204</b>	<b>14,504,930</b>	<b>380,174</b>	<b>14,124,756</b>	<b>11,008,278</b>	<b>104,649</b>	<b>10,903,629</b>
Impairment gain/(loss) on financial assets	272,102	57,288	214,814	196,492	37,731	158,761	(92,934)	11,118	(104,052)
Personnel expenses	(2,602,566)	(119,927)	(2,482,639)	(2,497,259)	(74,918)	(2,422,341)	(2,212,426)	(44,249)	(2,168,177)
Depreciation and amortisation	(298,263)	(13,744)	(284,519)	(315,290)	(9,459)	(305,831)	(329,554)	(6,591)	(322,963)
Other operating expenses	(675,903)	(31,146)	(644,757)	(653,442)	(19,603)	(633,839)	(554,572)	(11,091)	(543,481)
<b>Total operating expenses</b>	<b>(3,576,732)</b>	<b>(164,817)</b>	<b>(3,411,915)</b>	<b>(3,465,991)</b>	<b>(103,980)</b>	<b>(3,362,011)</b>	<b>(3,096,552)</b>	<b>(61,931)</b>	<b>(3,034,621)</b>
Profit/(loss) before income tax	13,871,032	683,929	13,187,103	11,235,431	313,925	10,921,506	7,818,792	53,836	7,764,956
Income tax expense	(2,095,900)	(96,579)	(1,999,321)	(789,041)	(23,671)	(765,370)	(179,303)	(5,379)	(173,924)
<b>Profit/(loss) for the year</b>	<b>11,775,132</b>	<b>587,350</b>	<b>11,187,782</b>	<b>10,446,390</b>	<b>290,254</b>	<b>10,156,136</b>	<b>7,639,489</b>	<b>48,457</b>	<b>7,591,032</b>
Other comprehensive income for the year/period	67,794	-	67,794	90,978	-	90,978	212,750	-	212,750
<b>Total comprehensive income for the year</b>	<b>11,842,926</b>	<b>587,350</b>	<b>11,255,576</b>	<b>10,537,368</b>	<b>290,254</b>	<b>10,247,114</b>	<b>7,852,239</b>	<b>48,457</b>	<b>7,803,782</b>

**31. SEGMENTAL REPORTING (continued)**

**(f) Statement of financial position**

(Amount in USD)	2025			2024			2023		
	Total	Segment A	Segment B	Total	Segment A	Segment B	Total	Segment A	Segment B
<b>ASSETS</b>									
Cash and cash equivalents	26,630,377	14,987,224	11,643,153	32,463,463	15,278,682	17,184,781	12,763,385	5,241,244	7,522,141
Due from banks	236,945,848	10,775,607	226,170,241	164,873,549	8,257,343	156,616,206	62,259,389	-	62,259,389
Financial investment	50,571,335	-	50,571,335	42,055,492	-	42,055,492	40,612,844	-	40,612,844
Loans and advances to customers	72,141,414	-	72,141,414	97,320,391	-	97,320,391	90,298,869	-	90,298,869
Other assets	403,884	392,292	11,592	540,880	538,116	2,764	266,019	265,955	64
Furniture and equipment	261,644	-	261,644	415,097	-	415,097	707,248	-	707,248
Deferred income tax assets	34,515	-	34,515	51,007	-	51,007	70,701	-	70,701
Intangible asset	6,027	-	6,027	7,691	-	7,691	9,506	-	9,506
<b>Total assets</b>	<b>386,995,044</b>	<b>26,155,123</b>	<b>360,839,921</b>	<b>337,727,570</b>	<b>24,074,141</b>	<b>313,653,429</b>	<b>206,987,961</b>	<b>5,507,199</b>	<b>201,480,762</b>
<b>LIABILITIES</b>									
Customer deposits	295,869,443	925,627	294,943,816	235,721,010	1,314,345	234,406,665	141,129,540	879,678	140,249,862
Due to banks	2,041,192	2,041,192	-	2,225,783	1,545,101	680,682	717,512	717,512	-
Current tax liabilities	1,519,816	96,579	1,423,237	549,217	23,671	525,546	321,064	5,379	315,685
Other liabilities	19,438,190	1,851,247	17,586,943	35,365,096	1,419,258	33,945,838	11,490,749	1,631,687	9,859,062
<b>Total liabilities</b>	<b>318,868,641</b>	<b>4,914,645</b>	<b>313,953,996</b>	<b>273,861,106</b>	<b>4,302,375</b>	<b>269,558,731</b>	<b>153,658,865</b>	<b>3,234,256</b>	<b>150,424,609</b>
<b>EQUITY</b>									
Share capital	50,000,000	-	50,000,000	50,000,000	-	50,000,000	50,000,000	-	50,000,000
Statutory reserve	3,828,306	-	3,828,306	2,062,036	-	2,062,036	495,078	-	495,078
General banking reserve	1,730,820	-	1,730,820	1,296,445	-	1,296,445	-	-	-
Other comprehensive reserve	187,349	-	187,349	119,555	-	119,555	28,577	-	28,577
Undistributed profits	12,379,928	-	12,379,928	10,388,428	-	10,388,428	2,805,441	-	2,805,441
<b>Total equity</b>	<b>68,126,403</b>	<b>-</b>	<b>68,126,403</b>	<b>63,866,464</b>	<b>-</b>	<b>63,866,464</b>	<b>53,329,096</b>	<b>-</b>	<b>53,329,096</b>
<b>Total equity and liabilities</b>	<b>386,995,044</b>	<b>4,914,645</b>	<b>382,080,399</b>	<b>337,727,570</b>	<b>4,302,375</b>	<b>333,425,195</b>	<b>206,987,961</b>	<b>3,234,256</b>	<b>203,753,705</b>