Preface

Financial stability is the resilience of the financial system to respond to adverse shocks, while continuing to function smoothly and supporting the ability of households and firms to use their financial assets with confidence. A stable financial system contributes towards broader economic growth and rising living standards of all people. The Bank of Mauritius has the mandate to promote the stability and soundness of the financial system of the country. It achieves this objective through delivering on its core functions, notably:

- conducting effective supervision and regulation of banks;
- ensuring the orderly functioning of money and foreign exchange markets; and
- fostering the development of reliable clearing, payment and settlement systems.

The Bank collaborates with several domestic, regional and international bodies with a view to promoting stability of the domestic financial sector.

The Bank publishes the Financial Stability Report twice a year, as required by the Bank of Mauritius Act 2004. The Bank releases the Report in February and August. The Report reviews international and domestic macro-financial developments and assesses potential risks to the stability of the domestic financial system. It focuses on banking and non-banking sector developments, and vulnerabilities that may affect the financial sector's overall soundness. It also highlights measures taken by the Bank and other regulatory authorities to mitigate financial risks. Through this Report, the Bank seeks to enhance awareness of the soundness of the Mauritian financial system.