

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 ensure the stability and soundness of the financial system of the country. It achieves this objective through delivering on its core functions, notably including effective supervision and regulation of banks, ensuring the orderly functioning of money and foreign exchange markets, and management of reliable clearing, payment and settlement facilities. The Bank collaborates with several domestic, regional and international bodies to promote financial stability.

The Report reviews international and domestic macro-financial developments and examines potential risks to the stability of the financial system. It provides a focus on banking sector developments and vulnerabilities that may affect its 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 on the soundness of the Mauritian financial system.