Investec
Specialist Bank

Investec Bank (Mauritius) Limited

Unaudited financial reports for the six months ended 30 September 2011

This document includes salient financial information in accordance with the Bank of Mauritius Guideline on Public Disclosure

Unaudited financial report for the six months ended 30 September 2011

The unaudited financial report for the six months ended 30 September 2011 has been prepared in accordance with the Bank of Mauritius Guideline on Public Disclosure of Information. The annexed unaudited report including the explanatory notes are in conformity with International Financial Reporting Standards (IFRS).

An overview of the bank's performance

The bank posted a profit after tax for the six months ended 30 September 2011 of USD 4.8 million (2010: USD 1.7 million). This was due to the following:

- Net interest income increased by USD 0.4 million to USD 16.5 million for the six months ended 30 September 2011.

- Net fee and commission income increased by USD 0.8 million to USD 1.9 million as a result of an increase in deal activity.

- Net trading loss amounted to USD 5.0 million for the period ended 30 September 2011, arising mainly from swap costs on derivatives, compared to a loss of USD 4.0 million for the same period last year.

- Net gain on financial instruments increased by USD 1.0 million to USD 7.3 million mainly due to the profit realised on sale of CLOs.

- Impairment losses amounted to USD 10.1 million for the period ended 30 September 2011 compared to losses of USD 12.2 million for the same period last year.

- Operating expenses increased by USD 0.8 million mainly due to high IT costs and the strenghtening of the Mauritian Rupee against the US Dollar.

- Income tax expense amounted to USD 0.8 million.

Loans and total advances to customers decreased by 1.5% from USD 558.7 million as at 31 March 2011 to USD 550.4 million as at 30 September 2011 and investment securities increased by USD 118.6 million to USD 146.3 million. External deposits increased by 1% from USD 372.7 million as at 31 March 2011 to USD 376.3 million as at 30 September 2011.

Related party transactions, policies and practices

The bank adheres to the Bank of Mauritius Guideline on Related Party Transactions issued in January 2009. All transactions with a related party are carried out on terms and conditions that were at least as favourable to the bank as the market conditions prevailing for prime clients at that time.

The board has set up a Conduct Review and Risk Policy Committee (CRRPC) which consists of three non-executive directors. The CRRPC meets at least once every quarter and reviews all transactions initiated in the quarter under review. After each meeting the matters reviewed by the CRRPC are reported to the board of directors. The bank reports on the proceedings of the CRRPC during the year to the Bank of Mauritius on a yearly basis.

As at 30 September 2011, the total on and off balance sheet credit exposure to related parties amounted to USD 61.4 million (31 March 2011 - USD 62.4 million) representing 6.7% (31 March 2011 – 7.6 %) of the bank's total exposure. The credit exposure to the six related parties with the highest exposure amounted to USD 58.9 million (31 March 2011 - USD 59.2 million) representing 24.2% (31 March 2011- 23.8%) of the Tier 1 Capital and all the related party transactions were within the regulatory limits as recommended in the abovementioned guideline. During the six months ended 30 September 2011, USD 2.2 million was impaired as a result of a negative mark-to-market adjustment in respect of an investment in loan notes to an associate.

Risk management

In the ordinary course of business operations, the bank is exposed to a number of risks, including credit, market, liquidity, operational, legal and reputation risk. Various committees and forums have been set up to measure, monitor and mitigate these risks.

Prospects

The bank expects to achieve a reasonable growth in operating income, in line with its objectives.

David M Lawrence   Pierre de Chasteigner du Mee   Craig C McKenzie

Chairman

Board of Directors

Dated: 11 November 2011

Statement of financial position

USD'000	30 Sept 2011	31 March 2011	30 Sept 2010
Assets			
Cash and balances with central bank	2,152	6,752	5,652
Due from banks	132,628	129,458	317,928
Asset classified as held for sale	4,668	13,208	12,316
Derivative financial instruments	36,560	38,900	44,277
Investment securities	146,333	27,720	37,569
Amount due from holding bank	18,409	24,991	73,849
Amount due from group companies	29,685	24,849	24,234
Loans and advances to customers	550,392	558,736	528,150
Investment in associate	4,915	4,915	4,000
Investment in subsidiaries	15	15	15
Equipment	515	537	592
Deferred tax assets	78	78	162
Other assets	530	589	1,245
Total assets	**926,880**	**830,748**	**1,049,990**
Liabilities			
Deposits by banks	3,595	80,058	81,003
Derivative financial instruments	5,072	12,449	33,341
Amount due to holding bank	76,441	86,001	201,394
Amount due to group companies	16,388	20,600	26,574
Due to customers	376,252	372,685	472,567
Debt securities issued	191,888	-	-
Current tax liabilities	439	495	780
Other liabilities	6,445	8,347	3,666
Total liabilities	**676,520**	**580,635**	**819,325**
Equity			
Stated capital	56,478	56,478	56,478
Retained earnings	160,458	160,265	144,985
Other reserves	33,424	33,370	29,202
Total equity	**250,360**	**250,113**	**230,665**
Total liabilities and equity	**926,880**	**830,748**	**1,049,990**

Income statement

USD'000	Quarter ended 30 Sept 2011	Quarter ended 30 Sept 2010	Six months ended 30 Sept 2011	Six months ended 30 Sept 2010	Year ended 31 March 2011
Interest income	8,904	12,374	19,847	24,530	47,182
Interest expense	(1,883)	(4,129)	(3,292)	(8,407)	(12,474)
Net interest income	**7,021**	**8,245**	**16,555**	**16,123**	**34,708**
Fee and commission income	1,278	803	2,135	1,408	2,808
Fee and commission expense	(168)	(146)	(216)	(250)	(883)
Net fee and commission income	**1,110**	**657**	**1,919**	**1,158**	**1,925**
Net trading (loss)/ income	(5,503)	3,034	(5,006)	(3,950)	(7,945)
Net gain on financial instruments designated at fair value through profit or loss	2,270	7,157	7,293	6,321	16,402
Other operating income	-	35	-	35	-
Other operating loss	-	(286)	-	(286)	(242)
Total operating income	**4,898**	**18,842**	**20,761**	**19,400**	**44,848**
Impairment loss on loans and advances	(2,371)	(437)	(7,901)	(277)	(364)
Impairment loss on asset classified as held-for-sale	(455)	(11,923)	(2,162)	(11,923)	(12,615)
Net operating income	**2,072**	**6,482**	**10,698**	**7,200**	**31,869**
Personnel expenses	(1,182)	(1,015)	(2,338)	(2,167)	(4,554)
Depreciation of equipment	(32)	(36)	(63)	(73)	(133)
Other operating expenses	(1,468)	(1,124)	(2,700)	(2,040)	(4,519)
Total operating expenses	**(2,682)**	**(2,175)**	**(5,101)**	**(4,280)**	**(9,206)**
(Loss) / Profit before income tax	**(610)**	**4,307**	**5,597**	**2,920**	**22,663**
Income tax expense	(359)	(1,175)	(759)	(1,181)	(1,476)
(Loss) / Profit for the period/ year	**(970)**	**3,132**	**4,838**	**1,739**	**21,187**
Transfer to statutory reserve	-	-	-	-	3,178
Transfer to retained earnings	(970)	3,132	4,838	1,739	18,009
Profit attributable to equity holder of the bank	**(970)**	**3,132**	**4,838**	**1,739**	**21,187**

Statement of comprehensive income

USD'000	Half year ended 30 Sept 2011	Half year ended 30 Sept 2010	Year ended 31 March 2011
Profit for the period/ year	**4,838**	**1,739**	**21,187**
Other comprehensive income/(loss)	-	-	-
Total comprehensive income for the period/ year	**4,838**	**1,739**	**21,187**
Attributable to:			
Equity holder of the bank	**4,838**	**1,739**	**21,187**

Statement of changes in equity

USD'000	Stated capital	General banking reserve	Statutory reserve	Retained earnings	Total
At 1 April 2010	56,478	573	28,355	143,520	228,926
Movement in reserves 1 April 2010 - 30 September 2010					
Total comprehensive income					
Profit for the period	-	-	-	1,739	1,739
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,739	1,739
Appropriations to other reserves	-	274	-	(274)	-
Ordinary dividends	-	-	-	-	-
Balance at 30 September 2010	**56,478**	**847**	**28,355**	**144,985**	**230,665**
At 1 April 2010	56,478	573	28,355	143,520	228,926
Movement in reserves 1 April 2010 - 31 March 2011					
Total comprehensive income					
Profit for the year	-	-	-	21,187	21,187
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	21,187	21,187
Appropriations to other reserves	-	1,264	3,178	(4,442)	-
Ordinary dividends	-	-	-	-	-
Balance at 31 March 2011	**56,478**	**1,837**	**31,533**	**160,265**	**250,113**
At 1 April 2011	56,478	1,837	31,533	160,265	250,113
Movement in reserves 1 April 2011 - 30 September 2011					
Total comprehensive loss					
Profit for the period	-	-	-	4,838	4,838
Other comprehensive income	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	4,838	4,838
Ordinary dividend paid				(4,591)	(4,591)
Appropriations to other reserves	-	54	-	(54)	-
Balance at 30 September 2011	**56,478**	**1,891**	**31,533**	**160,458**	**250,360**

Cash flow statement

USD'000	30 Sept 2011	30 Sept 2010	31 March 2011
Operating activities			
Profit before tax	5,597	2,920	22,663
Adjustments for:			
Change in operating assets	(117,465)	(26,803)	31,946
Change in operating liabilities	95,946	(38,997)	(262,750)
Non-cash item included in profit before tax	7,839	15,903	4,744
Income tax paid	(816)	(1,364)	(1,868)
Net cash flows (used in) / from operating activities	**(8,899)**	**(48,341)**	**(205,265)**
Investing activities			
Purchase of investment securities	(500)	-	(915)
Proceeds on disposal of investment securities	12,603	-	12,454
Purchase of equipment	(43)	-	(65)
Proceeds on disposal of equipment	-	13	118
Net cash (used in) / from investing activities	**12,060**	**13**	**11,592**
Financing activities			
Dividend paid	(4,591)	-	-
Net cash used in financing activities	**(4,591)**	**-**	**-**
Net (decrease)/ increase in cash and cash equivalents	(1,430)	(48,328)	(193,673)
Cash and cash equivalents at beginning of the period / year	136,210	329,883	329,883
Cash and cash equivalents at end of the period / year	**134,780**	**281,555**	**136,210**

Notes to the unaudited financial accounts for the six months ended 30 September 2011

1. General information

Investec Bank (Mauritius) Limited (the "bank") is a public company incorporated and domiciled in the Republic of Mauritius on 20 April 1990 and established as a wholly-owned subsidiary of Investec Bank Limited ("IBL") in 1997. The bank's principal activity is the provision of banking services. Its registered office is situated on the 6th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis, Mauritius.

2. Significant accounting policies

(a) Statement of compliance

The financial reports for the six months ended 30 September 2011 have been prepared in accordance with Bank of Mauritius Guideline on Public Disclosure of Information and International Financial Reporting Standards (IFRS).

(b) Basis of preparation

The reports are presented in United States Dollar.

The reports have been prepared using the same accounting policies as those applied in the accounts for the financial year ended 31 March 2011.

(c) Functional currency of the bank

The bank's functional currency is USD.

Notes to the unaudited financial accounts for the six months ended 30 September 2011

3. Related party transactions

USD'000	30 Sept 2011	30 Sept 2010	31 March 2011
Net fair value of derivatives held with group companies	**6,914**	(31,120)	(11,541)
Interest income	**341**	818	1,263
Interest expense	**(619)**	(5,427)	(7,740)
Loans and advances	**2,431**	29	3,224
Deposits	**(1,175)**	(878)	(289)
Net amount (due to)/due from group companies	**(44,735)**	(129,885)	(43,553)

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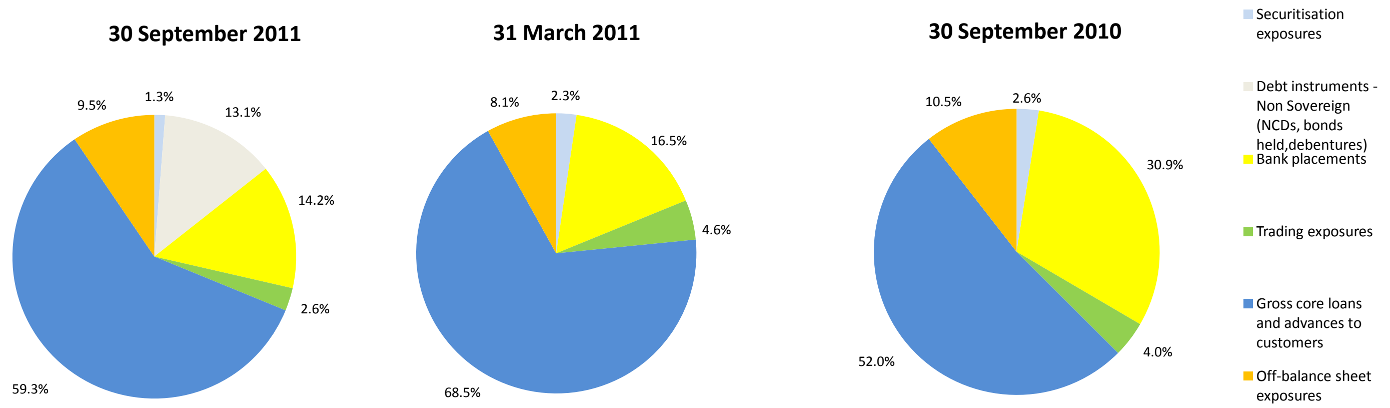
The above mentioned outstanding balances arose from the ordinary course of business. The interest charged to and by related parties are at normal commercial rates. As at 30 September 2011, loans and advances amounting to USD 0.7 million were unsecured . For the six months ended 30 September 2011, the bank has not made any provision for doubtful debts relating to amounts owed by related parties (30 September 2010 and 31 March 2011: Nil).

Credit and counterparty risk information

The table that follows provides an analysis of gross credit and counterparty exposures

	30 Sept 2011 USD'000	31 March 2011 USD'000	30 Sept 2010 USD'000	31 March 2011 vs 30 Sept 2011 % change	Average* USD'000
On-balance sheet exposures	**859,282**	**757,107**	**933,851**	**13.5**	**808,194**
Unrated credit instruments arising from securitisation/principal finance activities	11,663	18,980	25,870	(38.6)	15,321
Debt instruments - Non Sovereign (NCDs, bonds held,debentures)	124,723	-	-	100.0	62,361
Bank placements	134,778	136,208	322,863	(1.1)	135,493
Trading exposures (positive fair value excluding potential future exposures)	24,575	37,990	42,180	(35.3)	31,283
Other credit exposures	224	-	458	-	112
Gross core loans and advances to customers	563,319	563,929	542,480	(0.1)	563,624
Off-balance sheet exposures	**90,149**	**66,799**	**109,903**	**35.0**	**78,474**
Guarantees^	5,672	5,419	25,138	4.7	5,546
Contingent liabilities, committed facilities and other	84,477	61,380	84,765	37.6	72,928
Total gross credit and counterparty exposures pre collateral or other credit enhancements	**949,431**	**823,906**	**1,043,754**	**15.2**	**886,668**

*Where the average is based on a straight line average.
^Excludes guarantees provided to clients which are backed/secured by cash deposits with the bank



Asset quality and impairments

USD'000	30 Sept 2011	31 March 2011	30 Sept 2010
Gross core loans and advances to customers (including held-to-maturity assets)	**563,319**	**563,929**	**542,480**
Total impairments	**(12,927)**	**(5,117)**	**(5,021)**
Portfolio impairments	(5,199)	(4,893)	(4,804)
Specific impairments	(7,728)	(224)	(217)
Net core loans and advances to customers	**550,392**	**558,812**	**537,459**
Average gross core loans and advances to customers	**563,624**	**548,111**	**537,387**
Current loans and advances to customers	532,944	556,051	516,729
Past due and default core loans and advances to customers	30,375	7,878	25,751
Past due loans and advances to customers (1-60 days)	9,807	2,761	18,790
Special mention loans and advances to customers	5,491	-	2,823
Default loans and advances to customers	15,077	5,117	4,138
Gross core loans and advances to customers	**563,319**	**563,929**	**542,480**
Past due and default core loans and advances to customers	**30,375**	**7,878**	**25,751**
Gross core loans and advances to customers that are past due but not impaired	15,298	6,304	23,775
Gross core loans and advances to customers that are impaired	15,077	1,574	1,976
Total income statement charge for impairments against core loans	**(7,901)**	**(364)**	**(277)**
Gross default loans and advances to customers	15,077	5,117	4,138
Specific impairments	(7,728)	(224)	(217)
Portfolio impairments	(5,199)	(4,893)	(4,804)
Defaults net of impairments	**2,151**	**-**	**-**
Collateral and other credit enhancements	7,348	9,406	8,226
Net default loans and advances to customers (limited to zero)	**-**	**-**	**-**
Ratios:			
Total impairments as a % of gross core loans and advances to customers	2.29%	0.91%	0.93%
Specific impairments as a % of gross default loans	51.25%	4.38%	5.24%
Gross defaults as a % of gross core loans and advances to customers	2.68%	0.91%	0.76%
Defaults (net of impairments) as a % of net core loans and advances to customers	0.39%	0.00%	0.00%
Net defaults as a % of gross core loans and advances to customers	0.00%	0.00%	0.00%
Annualised credit loss ratio (i.e income statement impairment charge as a % of average gross loans and advances)	2.80%	0.07%	0.05%

Capital structure

USD '000	30 Sept 2011	31 March 2011	30 Sept 2010
Regulatory capital			
Tier 1			
Stated capital	56,478	56,478	56,478
Retained income	155,673	160,265	143,520
Statutory reserves	31,533	31,533	28,354
Other reserves		-	
Total Tier 1	**243,684**	**248,276**	**228,352**
Less: deductions	(7)	(7)	(7)
	243,677	**248,269**	**228,345**
Tier 2			
Aggregate amount	7,090	6,731	5,652
Less: deductions	(7)	(7)	(7)
	7,083	**6,724**	**5,645**
Total capital	**250,760**	**254,993**	**233,990**
Capital requirements	**73,203**	**63,377**	**65,432**
Credit risk - prescribed standardised exposure classes	65,101	54,358	56,003
Corporates	38,711	32,847	30,993
Secured on real estate property	13,962	14,255	11,544
Short term claims on institutions and corporates	3,495	1,780	6,249
Retail	31	22	11
Institutions	8,515	5,333	7,006
Other exposure classes	386	121	200
Securitisation exposures	-		-
Equity risk - standardised approach	2,653	3,262	3,324
Listed equities	46	66	64
Unlisted equities	2,607	3,196	3,260
Aggregate net open foreign exchange position	337	645	131
Operational risk - standardised approach	5,112	5,112	5,974

Capital adequacy

USD '000	30 Sept 2011	31 March 2011	30 Sept 2010
Primary capital (Tier 1)	243,684	248,276	228,352
less:deductions	(7)	(7)	(7)
	243,677	248,269	228,345
Tier 2 capital	7,090	6,731	5,652
less: deductions	(7)	(7)	(7)
	7,083	6,724	5,645
Total capital	**250,760**	**254,993**	**233,990**
Risk-weighted assets (banking and trading)	**732,029**	**633,772**	**654,316**
Credit risk - prescribed standardised exposure classes	651,013	543,581	560,029
Corporates	387,114	328,470	309,928
Secured on real estate property	139,618	142,554	115,444
Short term claims on institutions and corporates	34,952	17,801	62,494
Retail	311	221	107
Institutions	85,155	53,325	70,055
Other exposure classes	3,864	1,210	2,001
Equity risk - standardised approach	26,526	32,622	33,236
Listed equities	460	661	635
Unlisted equities	26,066	31,961	32,601
Aggregate net open foreign exchange position	3,367	6,445	1,309
Operational risk - standardised approach	51,123	51,124	59,742
Capital adequacy ratio	**34.3%**	**40.2%**	**35.8%**
Tier 1 ratio	33.3%	39.2%	34.9%
Capital adequacy ratio - pre operational risk	**36.8%**	**43.8%**	**39.4%**
Tier 1 ratio - pre operational risk	35.8%	42.6%	38.4%

Balance Sheet risk management

The tables that follows show our liquidity mismatch. The tables reflect that loans and advances to customers are largely financed by stable funding sources.

With respect to the contractual liquidity mismatch:
No assumptions are made, and we record all asset and liabilities with the underlying contractual maturity as determined by the cash flow profile for each deal.

As an integral part of the broader liquidity generation strategy, we maintain a liquidity buffer in the form of unencumbered cash, and near cash as a buffer against both expected and unexpected cash flows.

With respect to the behavioural liquidity mismatch:

The new funding we would require under normal business circumstances is shown in the "behavioural mismatch". To this end, behavioural profiling is applied to liabilities with an indeterminable maturity, as the contractual repayments of many customer accounts are on demand or at short notice but expected cash flows vary significantly from contractual maturity. An internal analysis model is used, based on statistical research of the historical series of products, which models the point of probable maturity. In addition, re-investment behaviour, with profile and attrition based on history, is applied to term deposits in the normal course of business.

Contractual Liquidity

At 30 Sept 2011 **USD'million**	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Cash and short-term funds - banks	15	105	15	-	-	-	-	135
Investment/trading assets and statutory liquids*	13	-	2	-	-	2	161	178
Securitised assets	-	-	-	-	-	-	-	-
Advances	-	6	90	13	78	295	68	550
Other assets	-	-	-	1	-	-	-	1
Assets	**28**	**111**	**107**	**14**	**78**	**297**	**229**	**864**
Deposits - banks	-	(4)	-	-	-	-	-	(4)
Deposits - non-banks	(125)	(27)	(166)	(29)	(13)	(16)	-	(376)
Investment/trading liabilities	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	(7)	-	-	-	(7)
Liabilities	**(125)**	**(31)**	**(166)**	**(36)**	**(13)**	**(16)**	**-**	**(387)**
Intercompany loans	12	13	(38)	10	(2)	(41)	(191)	(237)
Shareholders' funds	**-**	**-**	**-**	**-**	**-**	**-**	**(250)**	(250)
Balance sheet	**(85)**	**93**	**(97)**	**(12)**	**63**	**240**	**(212)**	**(10)**
Off balance sheet	**-**	**11**	**-**	**-**	**-**	**(1)**	**-**	10
Contractual liquidity gap	**(85)**	**104**	**(97)**	**(12)**	**63**	**239**	**(212)**	**-**
Cumulative liquidity gap	**(85)**	**19**	**(78)**	**(90)**	**(27)**	**212**	**-**	**-**

At 31 March 2011 **USD'million**	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Cash and short-term funds - banks	41	-	18	70	-	-	-	129
Investment/trading assets*	27	-	-	-	-	-	58	85
Securitised assets	-	-	-	-	-	-	-	-
Advances	-	11	179	24	62	213	70	559
Other assets	-	-	-	1	-	-	-	1
Assets	**68**	**11**	**197**	**95**	**62**	**213**	**128**	**774**
Deposits - banks	-	-	-	(80)	-	-	-	(80)
Deposits - non-banks	(118)	(210)	(6)	(3)	(30)	(5)	(1)	(373)
Investment/trading liabilities	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	(8)	-	-	-	(8)
Liabilities	**(118)**	**(210)**	**(6)**	**(91)**	**(30)**	**(5)**	**(1)**	**(461)**
Intercompany loans	19	(47)	(2)	12	3	(42)	-	(57)
Shareholders' funds	**-**	**-**	**-**	**-**	**-**	**-**	**(250)**	**(250)**
Balance sheet	**(31)**	**(246)**	**189**	**16**	**35**	**166**	**(123)**	**6**
Off-balance sheet	-	(4)	-	-	-	(2)	-	(6)
Contractual liquidity gap	**(31)**	**(250)**	**189**	**16**	**35**	**164**	**(123)**	**-**
Cumulative liquidity gap	**(31)**	**(281)**	**(92)**	**(76)**	**(41)**	**123**	**-**	

At 30 Sept 2010 **USD'million**	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Cash and short-term funds - banks	86	69	90	73	-	-	-	318
Investment/trading assets and statutory liquids*	13	-	-	-	30	6	29	78
Advances	1	10	86	60	118	197	56	528
Other assets	-	-	-	2	-	-	-	2
Assets	**100**	**79**	**176**	**135**	**148**	**203**	**85**	**926**
Deposits - banks	-	(1)	-	-	(80)	-	-	(81)
Deposits - non-banks	(160)	(263)	(19)	(9)	(1)	(18)	(3)	(473)
Other liabilities	-	-	-	(4)	-	-	-	(4)
Liabilities	**(160)**	**(264)**	**(19)**	**(13)**	**(81)**	**(18)**	**(3)**	**(558)**
Intercompany loans	(29)	4	(25)	(29)	3	(42)	-	(118)
Shareholders' funds	**-**	**-**	**-**	**-**	**-**	**-**	**(231)**	(231)
Balance sheet	**(89)**	**(181)**	**132**	**93**	**70**	**143**	**(148)**	**20**
Off balance sheet	**-**	**-**	**(18)**	**-**	**-**	**(2)**	**-**	(20)
Contractual liquidity gap	**(89)**	**(181)**	**114**	**93**	**70**	**141**	**(148)**	**(0)**
Cumulative liquidity gap	**(89)**	**(270)**	**(156)**	**(63)**	**7**	**148**	**-**	**-**

Contractual liquidity adjustments

At 30 Sept 2011 USD'million	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
*Investments/trading assets	(13)	-	-	-	-	-	13	-

At 31 March 2011 USD'million	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
*Investments/trading assets	(7)	-	-	-	-	-	7	-

At 30 Sept 2010 USD'million	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
*Investments/trading assets	(20)	-	-	-	3	-	17	-

Behavioural liquidity

At 30 Sept 2011 USD'million	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Behavioural Liquidity Gap	**7**	**124**	**(12)**	**(9)**	**65**	**183**	**(358)**	**-**
Cumulative	7	130	118	109	174	358	-	

At 31 March 2011 USD'million	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Behavioural Liquidity Gap	**63**	**(16)**	**67**	**15**	**22**	**172**	**(323)**	**-**
Cumulative	63	47	114	129	151	323	-	-

At 30 Sept 2010 USD'million	Demand	Up to 1 month	1 - 3 months	3 - 6 months	6 months to 1 year	1 to 5 years	> 5 years	Total
Behavioural Liquidity Gap	**32**	**40**	**37**	**35**	**89**	**125**	**(358)**	**-**
Cumulative	32	72	109	144	233	358	-	

Repricing - All Currencies

Non-trading interest rate risk description

Non-trading interest rate risk is the impact on net interest earnings and sensitivity to economic value, as a result of unexpected, adverse movements in interest rates arising from the execution of our core business strategies and the delivery of products and services to our customers.

Sources of banking-related risk exposures include the potential adverse effect of volatility and changes in interest rate levels, the shape of the yield curves, basic risk spreads and optionality inherent in certain products. These affect the interest rate margin realised between lending income and borrowing costs, when applied to our rate sensitive asset and liability portfolios, which has a direct effect on future net interest income and the economic value of equity. The mix of interest rate repricing characteristics is influenced by the underlying financial needs of customers.

Interest rate sensitivity gap

The table below shows our non-trading interest rate mismatch. These exposures affected the interest rate margin realised between lending income and borrowing costs assuming no management intervention.

At 30 Sept 2011 USD'million	Not > 3 months	> 3 months but < 6 months	> 6 months but < 1 year	> 1 year but < 5 years	> 5 years	Non rate	Total non-trading
Cash and short-term funds - banks	135	-	-	-	-	-	135
Investment/trading assets and statutory liquids	10	12	1	-	112	43	178
Advances	524	6	6	19	-	(5)	550
Other assets	-	-	-	-	-	1	1
Assets	**669**	**18**	**7**	**19**	**112**	**39**	**864**
Deposits - banks	(4)	-	-	-	-	-	(4)
Deposits - non-banks	(319)	(29)	(13)	(15)	-	-	(376)
Other liabilities	-	-	-	-	-	(7)	(7)
Liabilities	**(323)**	**(29)**	**(13)**	**(15)**	**-**	**(7)**	**(387)**
Intercompany loans	(121)	(5)	-	-	(111)	-	(237)
Shareholders' funds	**-**	**-**	**-**	**-**	**-**	**(250)**	**(250)**
Balance sheet	**225**	**(16)**	**(6)**	**4**	**1**	**(218)**	**(10)**
Off balance sheet	24	(1)	(2)	(11)	-	-	10
Repricing gap	**249**	**(17)**	**(8)**	**(7)**	**1**	**(218)**	**-**
Cumulative repricing gap	249	232	224	217	218	-	

At 31 March 2011 USD'million	Not > 3 months	> 3 months but < 6 months	> 6 months but < 1 year	> 1 year but < 5 years	> 5 years	Non rate	Total non-trading
Cash and short-term funds - banks	58	71	-	-	-	-	129
Investment/trading assets and statutory liquids	21	-	12	-	-	52	85
Securitised assets	-	-	-	-	-	-	-
Advances	533	4	3	15	4	-	559
Other assets	-	-	-	-	-	1	1
Assets	**612**	**75**	**15**	**15**	**4**	**53**	**774**
Deposits - banks	(80)	-	-	-	-	-	(80)
Deposits - non-banks	(335)	(3)	(29)	(5)	(1)	-	(373)
Investment/trading liabilities	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	(8)	(8)
Liabilities	**(415)**	**(3)**	**(29)**	**(5)**	**(1)**	**(8)**	**(461)**
Intercompany loans	(52)	(5)	-	-	-	-	(57)
Shareholders' funds	**-**	**-**	**-**	**-**	**-**	**(250)**	**(250)**
Balance sheet	**145**	**67**	**(14)**	**10**	**3**	**(205)**	**6**
Off-balance sheet	9	(1)	(3)	(11)	-	-	(6)
Repricing gap	**154**	**66**	**(17)**	**(1)**	**3**	**(205)**	**-**
Cumulative repricing gap	154	220	203	202	205	-	

At 30 Sept 2010 USD'million	Not > 3 months	> 3 months but < 6 months	> 6 months but < 1 year	> 1 year but < 5 years	> 5 years	Non rate	Total non-trading
Cash and short-term funds - banks	221	97	-	-	-	-	318
Investment/trading assets and statutory liquids	6	2	-	-	-	70	78
Advances	484	2	19	16	7	-	528
Other assets	-	-	-	-	-	2	2
Assets	**711**	**101**	**19**	**16**	**7**	**72**	**926**
Deposits - banks	(81)	-	-	-	-	-	(81)
Deposits - non-banks	(443)	(9)	(1)	(18)	(2)	-	(473)
Other liabilities	-	-	-	-	-	(4)	(4)
Liabilities	**(524)**	**(9)**	**(1)**	**(18)**	**(2)**	**(4)**	**(558)**
Intercompany loans	(42)	(67)	(9)	-	-	-	(118)
Shareholders' funds	-	-	-	-	-	(231)	**(231)**
Balance sheet	**145**	**25**	**9**	**(2)**	**6**	**(163)**	**20**
Off balance sheet	2	(1)	(2)	(19)	-	-	(20)
Repricing gap	**147**	**24**	**7**	**(21)**	**6**	**(163)**	**-**
Cumulative repricing gap	**147**	**171**	**178**	**158**	**164**	**-**	

Economic value sensitivity

Our preference for monitoring and measuring non-trading interest rate risk is economic value sensitivity. The table below reflects our economic value sensitivity to a 2% parallel shift in interest rates assuming no management intervention, i.e. the numbers represent the change in our net asset value should such a hypothetical scenario arise the effect of the change in net asset value is on the income statement only - there is no effect on other comprehensive income.

	Sensitivity to the following interest rates (expressed in original currencies)					
As at 'million	**ZAR**	**GBP**	**USD**	**EUR**	**AUD**	**All (USD)**
30 Sept 2011						
200bp Down	(0.42)	(0.01)	3.16	0.64	(0.05)	**3.89**
200bp Up	0.48	0.05	(4.00)	(0.74)	0.05	**(4.82)**
31 March 2011						
200bp Down	(0.75)	(0.02)	1.58	0.33	(0.10)	**1.78**
200bp Up	0.82	0.05	(2.02)	(0.30)	0.10	**(2.13)**
30 Sept 2010						
200bp Down	(3.96)	0.04	1.58	0.31	(0.44)	**1.08**
200bp Up	4.00	(0.07)	(2.27)	(0.42)	0.44	**(1.95)**

Foreign exchange risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency other than the financial currency. Foreign currency risk does not arise from financial instruments that are non-monetary or from financial instruments that are denominated in the functional currency.

The bank computes its net open foreign position in accordance with the Bank of Mauritius guideline for calculation and reporting of foreign exchange exposures by taking the higher of the absolute values of all net short and net long positions. The bank monitors the net open position on a daily basis.

Open position (USD'000)	**EUR**	**GBP**	**JPY**	**MUR**	**other currencies**	**Aggregate Net Open foreign exhange position**
at 30 September 2011						
Long/(short) position	2,043	656	(2)	668	(2,724)	**3,367**
at 31 March 2011						
Long/(short) position	(1,527)	19	(1)	769	(4,917)	**(6,445)**
at 30 September 2010						
Long/(short) position	807	438	-	1,309	(550)	**2,554**