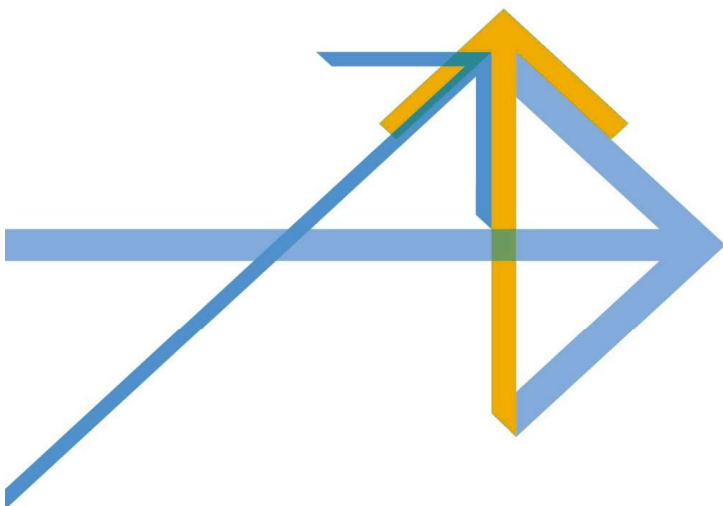
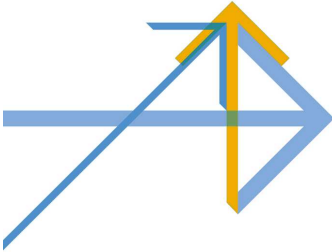


Investec Bank (Mauritius) Limited

Unaudited financial reports for the nine months ended 31 December 2012

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





Unaudited financial report for the nine months ended 31 December 2012

The unaudited financial report for the nine months ended 31 December 2012 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

Net interest income increased by USD 5.0 million to USD 31.0 million for the nine month period ended 31 December 2012 as compared to the nine month period ended 31 December 2011 as a result of the increase in loans and advances to customers and interest earning investments.

Net fee and commission income increased by 19% to USD 2.0 million as compared to USD 1.7 million for the period ended 30 September 2011 as a result of the increase in deal activity.

Net trading income amounted to USD 1.3 million for the period ended 31 December 2012 as compared to a net trading loss of USD 6.2 million incurred mainly on swap costs during the period ended 31 December 2011.

The net gain on the bank's listed and unlisted equity investments amounted to USD 1.0 million for the nine months ended 31 December 2012 as compared to a gain of USD 8.7 million for the nine months ended 31 December 2011. The higher gain in the comparative period was mainly due to the USD 5.7 million profit realised on the sale of debt securities.

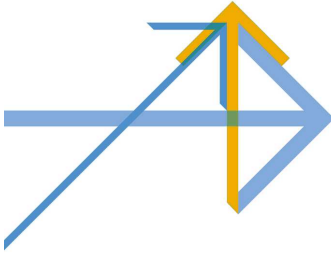
Impairments for the nine months ended 31 December 2012 amounted to USD 0.5 million as compared to USD 10.0 million provided for the nine months period ended 31 December 2011 which related mainly to USD 7.5 million specific provisions on loans and advances to customers and USD 1.7 million on non-current asset held-for-sale.

Operating expenses decreased marginally by 3% to USD 7.3 million for the period ended 31 December 2012 from USD 7.5 million for the period ended 31 December 2011 mainly as a result of the appreciation of the United States Dollars against the Mauritian rupee and the South African Rand.

Profit after tax amounted to USD 27.1 million for the period ended 31 December 2012 as compared to USD 11.6 million for the period ended 31 December 2011 mainly due to the high level of impairment as highlighted above.

Loans and advances to customers increased by 9.3% from USD 724.8 million as at 31 March 2012 to USD 792.1 million as at 31 December 2012 and investment securities increased by 27.5% from USD 153.2 million as at 31 March 2012 to USD 195.3 million as at 31 December 2012. External deposits increased by 71.3% from USD 397.7 million as at 31 March 2012 to USD 681.3 million as at 31 December 2012.

The bank remains well capitalised with a capital adequacy ratio of 26.3% as at 31 December 2012 with tier 1 capital representing 96.7% of total capital.



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 31 December 2012, the total on and off balance sheet credit exposure to related parties amounted to USD 33.6 million (31 March 2012 - USD 33.0 million) representing 2.5 % (31 March 2012 – 2.9 %) of the bank’s total exposure. The credit exposure to the six related parties with the highest exposure amounted to USD 33.5 million (31 March 2012 - USD 32.9 million) representing 12.8 % (31 March 2012- 12.3 %) of the Tier 1 Capital and all the related party transactions were within the regulatory limits as recommended in the abovementioned guideline.

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 reasonable growth in assets over the next quarter which is expected to translate into higher operating income as compared to the last quarter.

David M Lawrence

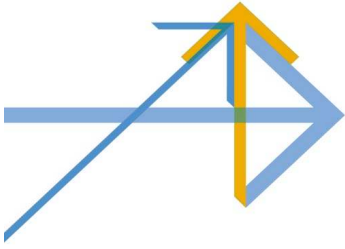
Pierre de Chasteigner du Mee

Craig C McKenzie

Chairman

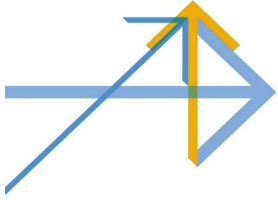
Board of Directors

Dated: 14 February 2013



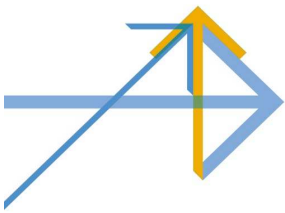
Statement of financial position

USD'000	31 December 2012	31 March 2012	31 December 2011
Assets			
Cash and balances with central bank	4,562	3,823	3,522
Due from banks	275,474	221,030	158,525
Asset classified as held for sale	-	-	1,879
Derivative financial instruments	30,904	28,837	27,481
Investment securities	195,257	153,198	144,968
Amount due from holding bank	17,025	13,530	32,449
Amount due from group companies	3,098	3,067	3,825
Loans and advances to customers	792,091	724,764	582,544
Investment in associate	4,915	4,915	4,915
Investment in subsidiaries	15	15	15
Equipment	411	485	476
Deferred tax assets	250	250	78
Other assets	13,730	6,988	2,156
Total assets	1,337,732	1,160,902	962,833
Liabilities			
Deposits by banks	3,800	2,039	1,875
Securities sold under repurchase agreement with bank	64,472	-	-
Derivative financial instruments	6,262	5,265	7,943
Amount due to holding bank	40,572	240,460	76,784
Amount due to group companies	13,947	10,647	13,256
Due to customers	681,291	397,730	384,749
Debt securities issued	218,161	219,904	215,655
Current tax liabilities	169	20	439
Other liabilities	10,818	13,725	5,044
Total liabilities	1,039,492	889,790	705,745
Equity			
Stated capital	56,478	56,478	56,478
Retained earnings	203,480	176,378	167,118
Other reserves	38,282	38,256	33,492
Total equity	298,240	271,112	257,088
Total liabilities and equity	1,337,732	1,160,902	962,833



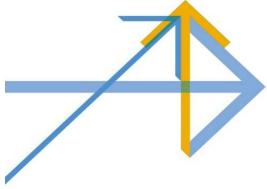
Statement of comprehensive income

USD'000	Quarter ended		Nine months ended		Year ended
	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 March 2012
Interest income	15,063	10,671	42,365	32,006	43,791
Interest expense	(3,739)	(2,790)	(11,394)	(6,082)	(9,676)
Net interest income	11,324	7,881	30,971	25,924	34,115
Fee and commission income	441	1,298	2,264	1,945	2,758
Fee and commission expense	(113)	(58)	(282)	(274)	(1,054)
Net fee and commission income	328	1,240	1,982	1,671	1,704
Net trading income/(loss)	2,277	(1,242)	1,324	(6,248)	(5,825)
Net (loss)/gain on financial instruments designated at fair value through profit or loss	(1,365)	1,384	975	8,677	15,687
Other operating income	-	8	-	8	19
Total operating income	12,564	9,271	35,252	30,033	45,700
Impairment loss on loans and advances	(523)	(398)	(544)	(8,299)	(7,970)
Impairment reversal / (loss) on non-current asset held-for-sale	-	504	-	(1,658)	(1,433)
Net operating income	12,041	9,377	34,708	20,076	36,297
Personnel expenses	(1,092)	(1,226)	(3,114)	(3,564)	(4,759)
Depreciation of equipment	(30)	(35)	(96)	(98)	(127)
Other operating expenses	(1,303)	(1,126)	(4,062)	(3,826)	(5,191)
Total operating expenses	(2,426)	(2,387)	(7,273)	(7,488)	(10,077)
Profit before income tax	9,615	6,990	27,435	12,588	26,220
Income tax expense	(15)	(265)	(307)	(1,024)	(630)
Profit for the period/year	9,600	6,725	27,128	11,565	25,590
Transfer to statutory reserve	-	-	-	-	3,838
Transfer to retained earnings	9,600	6,725	27,128	11,565	21,752
Total comprehensive income attributable to equity holder of the bank	9,600	6,725	27,128	11,565	25,590



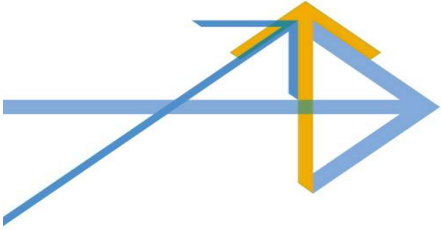
Statement of changes in equity

USD'000	Stated capital	General banking reserve	Statutory reserve	Retained earnings	Total
At 1 April 2011	56,478	1,837	31,533	160,265	250,113
Movement in reserves 1 April 2011 - 31 December 2011					
Total comprehensive income	-	-	-	11,565	11,565
Appropriations to other reserves	-	122	-	(122)	-
Ordinary dividends	-	-	-	(4,591)	(4,591)
Balance at 31 December 2011	56,478	1,959	31,533	167,117	257,088
At 1 April 2011	56,478	1,837	31,533	160,265	250,113
Movement in reserves 1 April 2011 - 31 March 2012					
Total comprehensive income	-	-	-	25,590	25,590
Appropriations to other reserves	-	1,048	3,838	(4,886)	-
Ordinary dividends	-	-	-	(4,591)	(4,591)
Balance at 31 March 2012	56,478	2,885	35,371	176,378	271,112
At 1 April 2012	56,478	2,885	35,371	176,378	271,112
Movement in reserves 1 April 2012 - 31 December 2012					
Total comprehensive income	-	-	-	27,128	27,128
Appropriations to other reserves	-	26	-	(26)	-
Balance at 31 December 2012	56,478	2,911	35,371	203,480	298,240



Cash flow statement

USD'000	31 December 2012	31 March 2012	31 December 2011
Operating activities			
Profit before tax	27,435	26,220	12,588
Adjustments for:			
Change in operating assets	(51,255)	(282,128)	(125,943)
Change in operating liabilities	85,080	96,910	(90,489)
Non-cash item included in profit before income tax	(1,659)	(2,403)	7,622
Income tax paid	(158)	(1,277)	(1,080)
Net cash flows generated / (used in) from operating activities	59,443	(162,678)	(197,302)
Investing activities			
Purchase of investment securities	(48,657)	-	(500)
Proceeds on disposal of investment securities	-	14,550	12,604
Purchase of equipment	(22)	(80)	(44)
Proceeds on disposal of equipment	-	23	14
Net cash flows (used in) / generated from investing activities	(48,678)	14,493	12,074
Financing activities			
Dividends paid	-	(4,591)	(4,590)
Securities sold under repurchase agreement with bank	64,472	-	-
Issue of preference shares	-	221,365	215,655
Net cash flows generated from / (used in) financing activities	64,472	216,774	211,065
Net increase/ (decrease) in cash and cash equivalents	75,237	68,589	25,837
Cash and cash equivalents at beginning of the period / year	204,799	136,210	136,210
Cash and cash equivalents at end of the period / year	280,036	204,799	162,047



Notes to the unaudited financial accounts for the nine months ended 31 December 2012

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 nine months ended 31 December 2012 have been prepared in accordance with Bank of Mauritius Guideline on Public Disclosure of Information and International Financial Reporting Standards (IFRS).

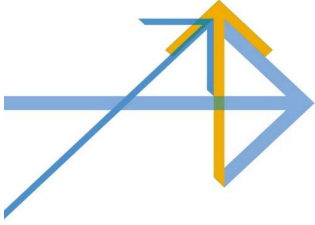
(b) Basis of preparation

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 2012.

(c) Functional currency of the bank

The bank's functional currency is USD.



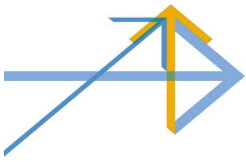
Notes to the unaudited financial accounts for the nine months ended 31 December 2012

3. Related party transactions

USD'000	31 December 2012	31 March 2012	31 December 2011
Net fair value of derivatives held with group companies	(4,855)	(3,462)	(4,543)
Interest income	477	656	531
Interest expense	(3,430)	(5,047)	(880)
Loans and advances	1,148	1,479	1,700
Deposits	(5,012)	(1,176)	(2,214)
Net amount due to group companies	(34,396)	(234,510)	(53,766)

Terms and conditions of transactions with related parties

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. Loans and advances to related parties as at 31 December 2012 were secured. For the nine months ended 31 December 2012, the bank has not made any impairment relating to amounts owed by related parties (31 March 2012: USD 1.4million and 31 December 2011: USD 1.7million).



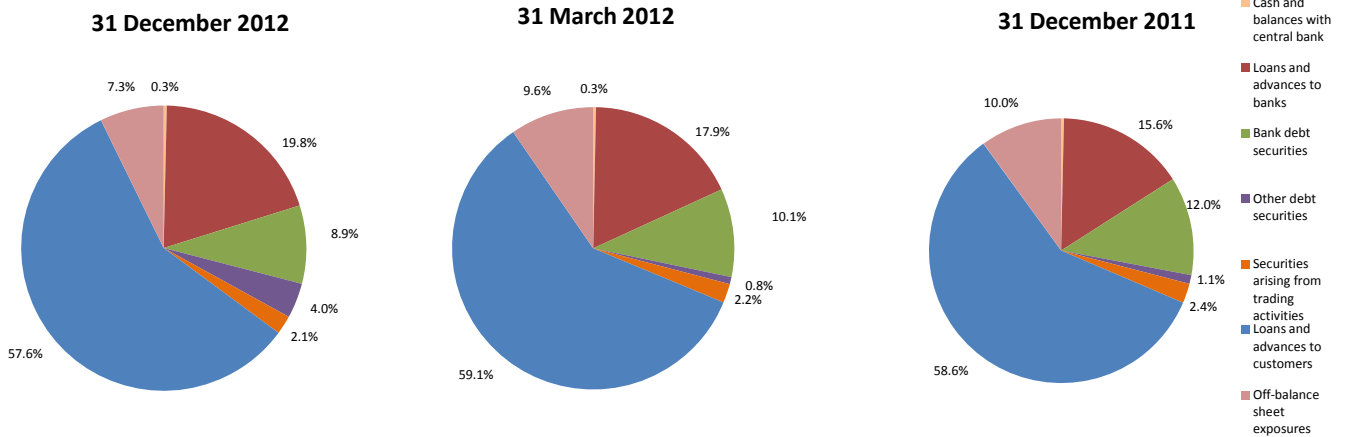
Credit and counterparty risk information

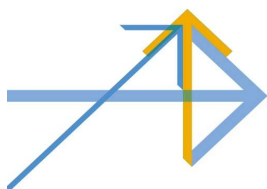
The table that follows provides an analysis of gross credit and counterparty exposures

	31 December 2012 USD'000	31 March 2012 USD'000	31 December 2011 USD'000	31 December 2012 vs 31 March 2012 % change	Average* USD'000
On-balance sheet exposures	1,288,153	1,119,246	915,977	15.1	1,203,700
Cash and balances with central bank	4,560	3,820	3,520	19.4	4,190
Loans and advances to banks	275,474	221,030	158,525	24.6	248,252
Bank debt securities	123,368	125,218	122,391	(1.5)	124,293
Other debt securities	55,266	9,998	11,082	>100%	32,632
Securities arising from trading activities	29,498	27,038	24,370	9.1	28,268
Other credit exposures	-	-	221	-	-
Loans and advances to customers	799,988	732,142	595,868	9.3	766,065
Off-balance sheet exposures	101,152	118,902	101,617	(14.9)	110,027
Guarantees [^]	27,590	27,543	21,725	0.2	27,566
Contingent liabilities, committed facilities and other	73,563	91,359	79,892	(19.5)	82,461
Total gross credit and counterparty exposures pre collateral or other credit enhancements	1,389,307	1,238,148	1,017,594	12.2	1,313,727

*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	31 December 2012	31 March 2012	31 December 2011
Gross core loans and advances to customers	799,988	732,142	595,868
Total impairments	(7,897)	(7,378)	(13,324)
Portfolio impairments	(7,309)	(7,158)	(5,582)
Specific impairments	(588)	(220)	(7,742)
Net core loans and advances to customers	792,091	724,764	582,544
Average gross core loans and advances to customers	766,065	648,036	579,899
Current loans and advances to customers	769,731	705,769	515,203
Past due and default core loans and advances to customers	30,257	26,373	80,665
Past due loans and advances to customers (1-60 days)	9,561	24,153	64,462
Special mention loans and advances to customers	8,761	196	-
Default loans and advances to customers	11,935	2,024	16,203
Gross core loans and advances to customers	799,988	732,142	595,868
Current loans and advances to customers	769,731	705,769	515,203
Gross core loans and advances to customers that are past due but not impaired	25,659	24,956	65,547
Gross core loans and advances to customers that are impaired	4,598	1,417	15,118
Gross core loans and advances to customers	799,988	732,142	595,868
Total income statement charge for impairments on loans and advances	(544)	(7,970)	(8,299)
Gross default loans and advances to customers	11,935	2,024	16,203
Specific impairments	(588)	(220)	(7,742)
Portfolio impairments	(7,309)	(7,158)	(5,582)
Defaults net of impairments	4,039	(5,354)	2,879
Collateral and other credit enhancements	6,801	2,716	9,413
Net default loans and advances to customers (limited to zero)	-	-	-
Ratios:			
Total impairments as a % of gross core loans and advances to customers	0.99%	1.01%	2.24%
Total impairments as a % of gross default loans	66.16%	>100%	82.23%
Gross defaults as a % of gross core loans and advances to customers	1.49%	0.28%	2.72%
Defaults (net of impairments) as a % of net core loans and advances to customers	0.51%	(0.74%)	0.49%
Net defaults as a % of gross core loans and advances to customers	-	-	-
Annualised credit loss ratio (i.e. income statement impairment charge as a % of average gross loans and advances)	0.09%	1.23%	1.91%

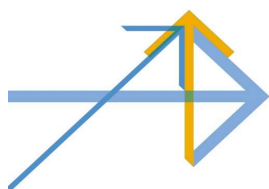


Capital structure

USD '000	31 December 2012	31 March 2012	31 December 2011
Regulatory capital			
Tier 1			
Stated capital	56,478	56,478	56,478
Retained income	170,933	176,378	154,795
Statutory reserves	35,371	35,371	31,533
Total tier 1	262,782	268,227	242,806
Less: deductions	(257)	(7)	(7)
	262,525	268,220	242,799
Tier 2			
Aggregate amount	10,219	10,043	7,541
Less: deductions	(7)	(7)	(7)
	10,212	10,036	7,534
Total capital	272,737	278,256	250,333
Capital requirements	103,522	97,315	76,788
Credit risk - prescribed standardised exposure classes	93,262	86,992	68,651
Corporates	37,623	35,682	36,532
Secured on real estate property	39,704	36,501	18,066
Short-term claims on institutions and corporates	6,123	4,374	3,917
Retail	16	17	31
Institutions	8,758	9,842	9,561
Other exposure classes	1,039	576	544
Equity risk - standardised approach	3,375	3,290	2,750
Listed equities	14	38	91
Unlisted equities	3,361	3,252	2,659
Aggregate net open foreign exchange position	323	471	274
Operational risk - standardised approach	6,562	6,562	5,112

Capital adequacy

USD '000	31 December 2012	31 March 2012	31 December 2011
Primary capital (tier 1)	262,782	268,227	242,806
less:deductions	(257)	(7)	(7)
	262,525	268,220	242,799
Tier 2 capital	10,219	10,043	7,541
less: deductions	(7)	(7)	(7)
	10,212	10,036	7,534
Total capital	272,737	278,256	250,333
Risk-weighted assets (banking and trading)	1,035,222	973,135	767,870
Credit risk - prescribed standardised exposure classes	932,621	869,916	686,513
Corporates	376,228	356,820	365,323
Secured on real estate property	397,037	365,008	180,664
Short-term claims on institutions and corporates	61,229	43,736	39,171
Retail	162	168	306
Institutions	87,578	98,419	95,606
Other exposure classes	10,387	5,765	5,443
Equity risk - standardised approach	33,753	32,895	27,494
Listed equities	143	376	905
Unlisted equities	33,610	32,519	26,589
Aggregate net open foreign exchange position	3,233	4,709	2,740
Operational risk - standardised approach	65,615	65,615	51,123
Capital adequacy ratio	26.3%	28.6%	32.6%
Tier 1 ratio	25.4%	27.6%	31.6%



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 31 December 2012 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	181	69	30	-	-	-	-	280
Investment/trading assets and statutory liquids*	-	-	-	-	-	-	228	228
Advances	13	2	20	83	63	578	33	792
Other assets	-	-	-	14	-	-	-	14
Assets	194	71	50	97	63	578	261	1,314
Deposits - banks	-	(4)	-	-	-	-	-	(4)
Deposits - non-banks	(337)	(193)	(75)	(2)	(35)	(39)	-	(681)
Repurchase agreements with banks	(3)	-	-	-	-	-	(61)	(64)
Other liabilities	-	-	(4)	(7)	-	-	-	(11)
Liabilities	(340)	(197)	(79)	(9)	(35)	(39)	(61)	(760)
Intercompany loans	11	(3)	(6)	-	-	(35)	(220)	(253)
Shareholders' funds	-	-	-	-	-	-	(298)	(298)
Balance sheet	(135)	(129)	(35)	88	28	504	(318)	3
Off balance sheet	-	(1)	(3)	-	1	-	-	(3)
Contractual liquidity gap	(135)	(130)	(38)	88	29	504	(318)	-
Cumulative liquidity gap	(135)	(265)	(303)	(215)	(186)	318	-	-

At 31 March 2012 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	192	-	-	13	20	-	-	225
Investment/trading assets*	-	-	-	-	-	6	177	183
Advances	3	4	30	58	57	526	47	725
Other assets	-	-	-	7	-	-	-	7
Assets	195	4	30	78	77	532	224	1,140
Deposits - banks	-	(2)	-	-	-	-	-	(2)
Deposits - non-banks	(172)	(101)	(52)	(12)	(25)	(36)	-	(398)
Other liabilities	-	-	-	(10)	-	(4)	-	(14)
Liabilities	(172)	(103)	(52)	(22)	(25)	(40)	-	(414)
Intercompany loans	(18)	(67)	(2)	(1)	(112)	(35)	(219)	(454)
Shareholders' funds	-	-	-	-	-	-	(271)	(271)
Balance sheet	5	(166)	(24)	55	(60)	457	(266)	1
Off-balance sheet	-	-	-	-	-	(1)	-	(1)
Contractual liquidity gap	5	(166)	(24)	55	(60)	456	(266)	-
Cumulative liquidity gap	5	(161)	(185)	(130)	(190)	266	-	-

At 31 December 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	19	131	-	-	13	-	-	163
Investment/trading assets and statutory liquids*	11	-	-	-	1	2	159	173
Advances	2	1	74	37	95	320	54	583
Other assets	-	-	-	2	-	-	-	2
Assets	32	132	74	39	109	322	213	921
Deposits - banks	-	(2)	-	-	-	-	-	(2)
Deposits - non-banks	(142)	(31)	(156)	(8)	(13)	(35)	-	(385)
Other liabilities	-	-	-	(5)	-	-	-	(5)
Liabilities	(142)	(33)	(156)	(13)	(13)	(35)	-	(392)
Intercompany loans	28	(1)	(38)	(1)	(2)	(40)	(216)	(270)
Shareholders' funds	-	-	-	-	-	-	(257)	(257)
Balance sheet	(82)	98	(120)	25	94	247	(260)	2
Off balance sheet	-	(2)	-	-	-	-	-	(2)
Contractual liquidity gap	(82)	96	(120)	25	94	247	(260)	-
Cumulative liquidity gap	(82)	14	(106)	(81)	13	260	-	-

Contractual liquidity adjustments

At 31 December 2012 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	-	-	-	-	-	-	-	-
At 31 March 2012 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	-	-	-	-	-	-	-	-
At 31 December 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	(11)	-	-	-	-	-	11	-

Behavioural liquidity

At 31 December 2012 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	144	17	(33)	89	51	341	(609)	-
Cumulative	144	161	128	217	268	609	-	-
At 31 March 2012 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	147	(32)	(17)	(6)	(46)	375	(421)	-
Cumulative	147	115	98	92	46	421	-	-
At 31 December 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	25	102	(52)	16	95	211	(397)	-
Cumulative	25	127	75	91	186	397	-	-

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 tables below show 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 31 December 2012 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	280	-	-	-	-	-	280
Investment/trading assets and statutory liquids	46	-	-	(1)	111	72	228
Advances	725	52	4	11	-	-	792
Other assets	-	-	-	-	-	14	14
Assets	1,051	52	4	10	111	86	1,314
Deposits - banks	(4)	-	-	-	-	-	(4)
Deposits - non-banks	(605)	(2)	(38)	(36)	-	-	(681)
Repurchase agreements with banks	(64)	-	-	-	-	-	(64)
Other liabilities	-	-	-	-	-	(11)	(11)
Liabilities	(673)	(2)	(38)	(36)	-	(11)	(760)
Intercompany loans	(140)	-	(2)	-	(111)	-	(253)
Shareholders' funds	-	-	-	-	-	(298)	(298)
Balance sheet	238	50	(36)	(26)	-	(223)	3
Off balance sheet	(38)	-	20	15	-	-	(3)
Repricing gap	200	50	(16)	(11)	-	(223)	-
Cumulative repricing gap	200	250	234	223	223	-	-

At 31 March 2012 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	225	-	-	-	-	-	225
Investment/trading assets and statutory liquids	13	-	3	-	111	56	183
Advances	669	6	9	41	-	-	725
Other assets	-	-	-	-	-	7	7
Assets	907	6	12	41	111	63	1,140
Deposits - banks	(2)	-	-	-	-	-	(2)
Deposits - non-banks	(324)	(12)	(26)	(36)	-	-	(398)
Other liabilities	-	-	-	-	-	(14)	(14)
Liabilities	(326)	(12)	(26)	(36)	(11)	(14)	(414)
Intercompany loans	(336)	(5)	(2)	-	(111)	-	(454)
Shareholders' funds	-	-	-	-	-	(271)	(271)
Balance sheet	245	(11)	(16)	5	-	(222)	1
Off-balance sheet	(7)	(1)	(7)	14	-	-	(1)
Repricing gap	238	(12)	(23)	19	-	(222)	-
Cumulative repricing gap	238	226	203	222	222	-	-

At 31 December 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	163	-	-	-	-	-	163
Investment/trading assets and statutory liquids	13	-	2	-	111	47	173
Advances	506	56	5	16	-	-	583
Other assets	-	-	-	-	-	2	2
Assets	682	56	7	16	111	49	921
Deposits - banks	(2)	-	-	-	-	-	(2)
Deposits - non-banks	(329)	(8)	(13)	(35)	-	-	(385)
Other liabilities	-	-	-	-	-	(5)	(5)
Liabilities	(331)	(8)	(13)	(35)	-	(5)	(392)
Intercompany loans	(159)	-	(1)	-	(110)	-	(270)
Shareholders' funds	-	-	-	-	-	(257)	(257)
Balance sheet	192	48	(7)	(19)	1	(213)	2
Off balance sheet	(7)	(1)	(2)	8	-	-	(2)
Repricing gap	185	47	(9)	(11)	1	(213)	-
Cumulative repricing gap	185	232	223	212	213	-	-

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.

As at 'million	Sensitivity to the following interest rates (expressed in original currencies)					All (USD)
	ZAR	GBP	USD	EUR	AUD	
31 December 2012						
200bp Down	(0.55)	0.06	0.75	0.33	(0.78)	0.41
200bp Up	0.62	(0.20)	(2.84)	(0.49)	0.75	(2.97)
31 March 2012						
200bp Down	(1.18)	0.03	3.09	0.57	0.01	3.77
200bp Up	1.26	(0.03)	(4.81)	(0.42)	(0.01)	(5.27)
31 December 2011						
200bp Down	(0.57)	0.01	3.01	0.62	(0.08)	3.66
200bp Up	0.62	0.01	(4.33)	(0.53)	0.08	(4.84)

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 exchange position
31 December 2012						
Long/(short) position	291	957	1	49	1,935	3,233
31 March 2012						
Long/(short) position	1,383	2,435	-	891	(356)	4,709
31 December 2011						
Long/(short) position	1,438	398	1	865	(2,740)	2,740