Investec Bank (Mauritius) Limited

Unaudited financial reports for the six months ended 30 September 2012

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 2012

The unaudited financial report for the six months ended 30 September 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 18.7% to USD 19.7 million for the six month period ended 30 September 2012 as compared to the six month period ended 30 September 2011 as a result of the increase in loans and advances to customers.

Net fee and commission income amounted USD 1.7 million as compared to USD 1.9 million for the period ended 30 September 2011.

The net trading loss decreased by USD 4.0 million to USD 1.0 million for the period ended 30 September 2012 mainly as a result of USD 3 million incurred on swap costs in the period ended 30 September 2011.

The net gain on the bank's listed and unlisted equity investments amounted to USD 2.3 million for the quarter ended 30 September 2012 as compared to a gain of USD 7.3 million for the six months ended 30 September 2011. The higher gain in the comparative period was mainly due to the USD 5.0 million profit realised on the sale of debt securities.

The impairment of loans and advances during the quarter ended 30 September 2012 amounted to USD 21,000 as compared to USD 8.0 million provided for the six months period ended 30 September 2011 which related mainly to USD 7.5 million specific provisions.

Operating expenses decreased slightly by 5% to USD 4.9 million for the period ended 30 September 2012 from USD 5.1 million for the period ended 30 September 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 17.8 million for the period ended 30 September 2012 as compared to USD 4.8 million for the period ended 30 September 2011 mainly due to the high level of impairment as highlighted above.

Loans and advances to customers decreased marginally by 1.0% from USD 724.8 million as at 31 March 2012 to USD 717.3 million as at 30 September 2012 and investment securities increased by 19.1% from USD 153.2 million as at 31 March 2012 to USD 181.2 million as at 30 September 2012. External deposits increased by 27.0% from USD 397.7 million as at 31 March 2012 to USD 499.1 million as at 30 September 2012.

The bank remains well capitalised with a capital adequacy ratio of 27.9% as at 30 September 2012 with tier 1 capital representing 96.4% 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 30 September 2012, the total on and off balance sheet credit exposure to related parties amounted to USD 32.3 million (31 March 2012 - USD 33.0 million) representing 2.7 % (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 32.2 million (31 March 2012 - USD 32.9 million) representing 12.2 % (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 strong 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: 13 November 2012

Statement of financial position

USD'000	30 September 2012	31 March 2012	30 September 2011
Assets			
Cash and balances with central bank	4,566	3,823	2,152
Due from banks	224,481	221,030	132,628
Asset classified as held for sale	-	-	4,668
Derivative financial instruments	29,175	28,837	36,560
Investment securities	181,151	153,198	146,333
Amount due from holding bank	21,979	13,530	18,409
Amount due from group companies	3,115	3,067	29,685
Loans and advances to customers	717,334	724,764	550,392
Investment in associate	4,915	4,915	4,915
Investment in subsidiaries	15	15	15
Equipment	436	485	515
Deferred tax assets	250	250	78
Other assets	6,068	6,988	530
Total assets	**1,193,485**	**1,160,902**	**926,880**
Liabilities			
Deposits by banks	3,029	2,039	3,595
Derivative financial instruments	5,349	5,265	5,072
Amount due to holding bank	156,658	240,460	76,441
Amount due to group companies	13,515	10,647	16,388
Due to customers	499,140	397,730	376,252
Debt securities issued	217,112	219,904	191,888
Current tax liabilities	169	20	439
Other liabilities	9,874	13,725	6,445
Total liabilities	**904,846**	**889,790**	**676,520**
Equity			
Stated capital	56,478	56,478	56,478
Retained earnings	193,907	176,378	160,458
Other reserves	38,254	38,256	33,424
Total equity	**288,639**	**271,112**	**250,360**
Total liabilities and equity	**1,193,485**	**1,160,902**	**926,880**

Statement of comprehensive income

USD'000	Quarter ended 30 September 2012	Quarter ended 30 September 2011	Six months ended 30 September 2012	Six months ended 30 September 2011	Year ended 31 March 2012
Interest income	14,078	8,904	27,302	19,847	43,791
Interest expense	(3,865)	(1,883)	(7,655)	(3,292)	(9,676)
Net interest income	**10,213**	**7,021**	**19,647**	**16,555**	**34,115**
Fee and commission income	463	1,278	1,823	2,135	2,758
Fee and commission expense	(72)	(168)	(170)	(216)	(1,054)
Net fee and commission income	**391**	**1,110**	**1,653**	**1,919**	**1,704**
Net trading gain/(loss)	525	(5,503)	(953)	(5,006)	(5,825)
Net gain on financial instruments designated at fair value through profit or loss	2,526	2,270	2,340	7,293	15,687
Other operating income	-	-	-	-	19
Total operating income	**13,655**	**4,898**	**22,687**	**20,761**	**45,700**
Impairment reversal/(loss) on loans and advances	47	(2,371)	(21)	(7,901)	(7,970)
Impairment loss on non-current asset held-for-sale	-	(455)	-	(2,162)	(1,433)
Net operating income	**13,702**	**2,072**	**22,666**	**10,698**	**36,297**
Personnel expenses	(972)	(1,182)	(2,022)	(2,338)	(4,759)
Depreciation of equipment	(32)	(32)	(66)	(63)	(127)
Other operating expenses	(1,360)	(1,468)	(2,759)	(2,700)	(5,191)
Total operating expenses	**(2,364)**	**(2,682)**	**(4,847)**	**(5,101)**	**(10,077)**
Profit before income tax	**11,338**	**(610)**	**17,819**	**5,597**	**26,220**
Income tax expense	(142)	(359)	(292)	(759)	(630)
Profit/(Loss) for the period/year	**11,196**	**(970)**	**17,527**	**4,838**	**25,590**
Transfer to statutory reserve	-	-	-	-	3,838
Transfer to retained earnings	11,196	(970)	17,527	4,838	21,752
Total comprehensive income attributable to equity holder of the bank	**11,196**	**(970)**	**17,527**	**4,838**	**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 - 30 September 2011					
Total comprehensive income	-	-	-	4,838	4,838
Appropriations to other reserves	-	54	-	(54)	-
Ordinary dividends	-	-	-	(4,591)	(4,591)
Balance at 30 September 2011	**56,478**	**1,891**	**31,533**	**160,458**	**250,360**
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 - 30 September 2012					
Total comprehensive income	-	-	-	17,527	17,527
Appropriations to other reserves	-	(2)	-	2	-
Balance at 30 September 2012	**56,478**	**2,883**	**35,371**	**193,907**	**288,639**

Cash flow statement

USD'000	30 September 2012	31 March 2012	30 September 2011
Operating activities			
Profit before tax	17,819	26,220	5,597
Adjustments for:			
Change in operating assets	5,901	(282,128)	(117,465)
Change in operating liabilities	14,908	96,910	95,946
Non-cash item included in profit before income tax	(1,301)	(2,403)	7,839
Income tax paid	(143)	(1,277)	(816)
Net cash flows generated / (used in) from operating activities	**37,184**	**(162,678)**	**(8,899)**
Investing activities			
Purchase of investment securities	(32,972)	-	(500)
Proceeds on disposal of investment securities	-	14,550	12,603
Purchase of equipment	(17)	(80)	(43)
Proceeds on disposal of equipment	-	23	-
Net cash flows (used in) / generated from investing activities	**(32,989)**	**14,493**	**12,060**
Financing activities			
Dividends paid	-	(4,591)	(4,591)
Issue of preference shares	-	221,365	-
Net cash flows generated from / (used in) financing activities	**-**	**216,774**	**(4,591)**
Net increase/ (decrease) in cash and cash equivalents	4,195	68,589	(1,430)
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	**208,994**	**204,799**	**134,780**

Notes to the unaudited financial accounts for the six months ended 30 September 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 six months ended 30 September 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 six months ended 30 September 2012

3. Related party transactions

USD'000	30 September 2012	31 March 2012	30 September 2011
Net fair value of derivatives held with group companies	**(2,662)**	(3,462)	6,914
Interest income	**281**	656	341
Interest expense	**(2,504)**	(5,047)	(619)
Loans and advances	**1,143**	1,479	2,431
Deposits	**(4,671)**	(1,176)	(1,175)
Net amount due to group companies	**(145,079)**	(234,510)	(44,735)

Terms and conditions of transactions with related parties

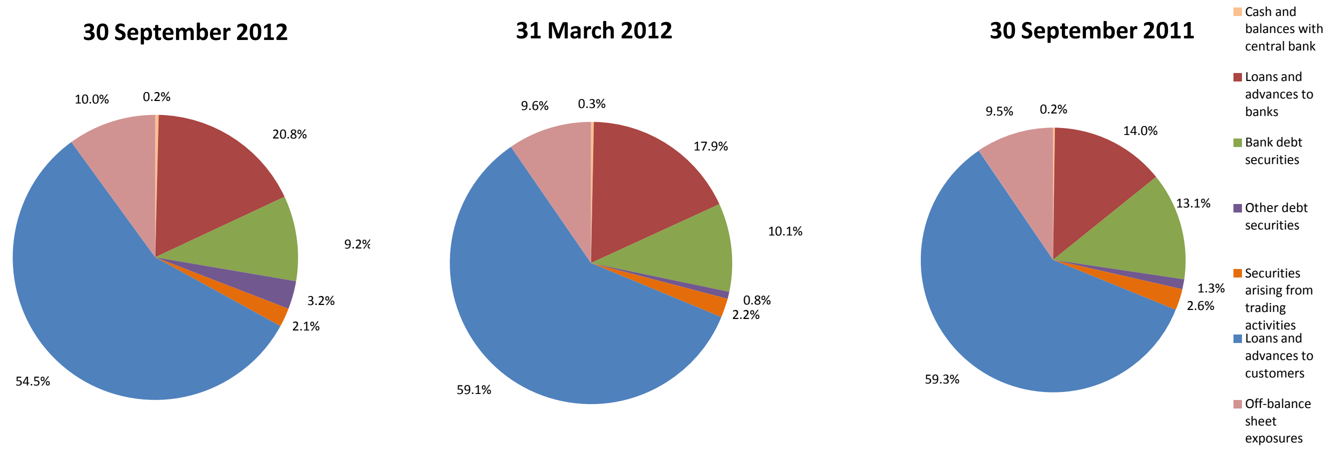
The above mentioned outstanding balances arose from the ordinary course of business. The interest charged to and by related parties are at normal commercial rates. Loans and advances to related parties as at 30 September 2012 were secured. For the half year ended 30 September 2012, the bank has not made any impairment relating to amounts owed by related parties (31 March 2012: USD 1.4million and 30 September 2011: USD 2.2million).

Credit and counterparty risk information

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

	30 September 2012 USD'000	31 March 2012 USD'000	30 September 2011 USD'000	31 March 2012 vs 30 September 2012 % change	Average* USD'000
On-balance sheet exposures	**1,144,007**	**1,119,246**	**859,282**	**2.2**	**1,131,626**
Cash and balances with central bank	4,562	3,820	2,150	19.4	4,191
Loans and advances to banks	224,481	221,030	132,628	1.6	222,756
Bank debt securities	122,711	125,218	124,723	(2.0)	123,964
Other debt securities	40,862	9,998	11,663	308.7	25,430
Securities arising from trading activities	26,676	27,038	24,575	(1.3)	26,857
Other credit exposures	-	-	224	-	-
Loans and advances to customers	724,715	732,142	563,319	(1.0)	728,428
Off-balance sheet exposures	**127,474**	**118,902**	**90,149**	**7.2**	**123,188**
Guarantees^	33,829	27,543	5,672	>100	30,686
Contingent liabilities, committed facilities and other	93,645	91,359	84,477	2.5	92,502
Total gross credit and counterparty exposures pre collateral or other credit enhancements	**1,271,481**	**1,238,148**	**949,431**	**2.7**	**1,254,814**

*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 September 2012	31 March 2012	30 September 2011
Gross core loans and advances to customers	**724,715**	**732,142**	**563,319**
Total impairments	**(7,381)**	**(7,378)**	**(12,927)**
Portfolio impairments	(7,148)	(7,158)	(5,199)
Specific impairments	(233)	(220)	(7,728)
Net core loans and advances to customers	**717,334**	**724,764**	**550,392**
Average gross core loans and advances to customers	**728,428**	**648,036**	**563,624**
Current loans and advances to customers	707,843	705,769	532,944
Past due loans and advances to customers (1-60 days)	11,019	24,153	9,807
Special mention loans and advances to customers	499	196	5,491
Default loans and advances to customers	5,354	2,024	15,077
Gross core loans and advances to customers	**724,715**	**732,142**	**563,319**
Current loans and advances to customers	707,843	705,769	532,944
Gross core loans and advances to customers that are past due but not impaired	15,478	24,956	15,298
Gross core loans and advances to customers that are impaired	1,394	1,417	15,077
Gross core loans and advances to customers	**724,715**	**732,142**	**563,319**
Total income statement charge for impairments on loans and advances	**(21)**	**(7,970)**	**(7,901)**
Gross default loans and advances to customers	5,354	2,024	15,077
Specific impairments	(233)	(220)	(7,728)
Portfolio impairments	(7,148)	(7,158)	(5,199)
Defaults net of impairments	**(2,027)**	**(5,354)**	**2,151**
Collateral and other credit enhancements	8,544	2,716	7,348
Net default loans and advances to customers (limited to zero)	**-**	**-**	**-**
Ratios:			
Total impairments as a % of gross core loans and advances to customers	1.02%	1.01%	2.29%
Total impairments as a % of gross default loans	>100%	>100%	85.73%
Gross defaults as a % of gross core loans and advances to customers	0.74%	0.28%	2.68%
Defaults (net of impairments) as a % of net core loans and advances to customers	(0.28%)	(0.74%)	0.39%
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)	0.01%	1.23%	2.80%

Capital structure

USD '000	30 September 2012	31 March 2012	30 September 2011
Regulatory capital			
Tier 1			
Stated capital	56,478	56,478	56,478
Retained income	173,050	176,378	155,673
Statutory reserves	35,372	35,371	31,533
Total tier 1	**264,900**	**268,227**	**243,684**
Less: deductions	(257)	(7)	(7)
	264,643	**268,220**	**243,677**
Tier 2			
General banking reserve	2,883	2,885	938
Portfolio provision	7,148	7,158	7,341
Aggregate amount	**10,031**	**10,043**	**7,090**
Less: deductions	(7)	(7)	(7)
	10,024	**10,036**	**7,083**
Total capital	**274,666**	**278,256**	**250,760**
Capital requirements	**98,383**	**97,315**	**73,203**
Credit risk - prescribed standardised exposure classes	88,189	86,992	65,101
Corporates	35,070	35,682	38,711
Secured on real estate property	37,543	36,501	13,962
Short-term claims on institutions and corporates	4,692	4,374	3,495
Retail	22	17	31
Institutions	9,883	9,842	8,515
Other exposure classes	977	576	386
Equity risk - standardised approach	3,486	3,290	2,653
Listed equities	18	38	46
Unlisted equities	3,468	3,252	2,607
Aggregate net open foreign exchange position	146	471	337
Operational risk - standardised approach	6,562	6,562	5,112

Capital adequacy

USD '000	30 September 2012	31 March 2012	30 September 2011
Primary capital (tier 1)	264,900	268,227	243,684
less:deductions	(257)	(7)	(7)
	264,643	**268,220**	**243,677**
Tier 2 capital	7,148	10,043	7,090
less: deductions	(257)	(7)	(7)
	6,891	**10,036**	**7,083**
Total capital	**271,534**	**278,256**	**250,760**
Risk-weighted assets (banking and trading)	**983,827**	**973,135**	**732,029**
Credit risk - prescribed standardised exposure classes	881,893	869,916	651,013
Corporates	350,703	356,820	387,114
Secured on real estate property	375,432	365,008	139,618
Short-term claims on institutions and corporates	46,925	43,736	34,952
Retail	224	168	311
Institutions	98,835	98,419	85,155
Other exposure classes	9,774	5,765	3,864
Equity risk - standardised approach	34,860	32,895	26,526
Listed equities	181	376	460
Unlisted equities	34,679	32,519	26,066
Aggregate net open foreign exchange position	1,459	4,709	3,367
Operational risk - standardised approach	65,615	65,615	51,123
Capital adequacy ratio	**27.9%**	**28.6%**	**34.3%**
Tier 1 ratio	26.9%	27.6%	33.3%
Capital adequacy ratio - pre operational risk	**29.9%**	**30.7%**	**36.8%**
Tier 1 ratio - pre operational risk	28.8%	29.6%	35.8%

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 September 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	134	75	20	-	-	-	-	229
Investment/trading assets and statutory liquids*	-	-	-	-	-	2	209	211
Advances	9	5	24	33	99	522	25	717
Other assets	-	-	-	7	-	-	-	7
Assets	**143**	**80**	**44**	**40**	**99**	**524**	**234**	**1,164**
Deposits - banks	-	(3)	-	-	-	-	-	(3)
Deposits - non-banks	(203)	(139)	(64)	(27)	(8)	(58)	-	(499)
Other liabilities	-	-	(4)	(6)	-	-	-	(10)
Liabilities	**(203)**	**(142)**	**(68)**	**(33)**	**(8)**	**(58)**	**-**	**(512)**
Intercompany loans	16	(4)	(37)	(85)	-	(35)	(218)	(363)
Shareholders' funds	-	-	-	-	-	-	(288)	(288)
Balance sheet	**(44)**	**(66)**	**(61)**	**(78)**	**91**	**431**	**(272)**	**1**
Off balance sheet	-	2	-	(2)	-	(1)	-	(1)
Contractual liquidity gap	**(44)**	**(64)**	**(61)**	**(80)**	**91**	**430**	**(272)**	**-**
Cumulative liquidity gap	(44)	(108)	(169)	(249)	(158)	272	-	-

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 30 September 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
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)
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	-	-

Contractual liquidity adjustments

At 30 September 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 30 September 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)	-	-	-	-	-	16	3

Behavioural liquidity

At 30 September 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	**123**	**36**	**(24)**	**(83)**	**91**	**324**	**(467)**	**-**
Cumulative	123	159	135	52	143	467	-	

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 30 September 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	-	-

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 30 September 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	229	-	-	-	-	-	229
Investment/trading assets and statutory liquids	38	-	-	-	112	61	211
Advances	641	28	37	11	-	-	717
Other assets	-	-	-	-	-	7	7
Assets	**908**	**28**	**37**	**11**	**112**	**68**	**1,164**
Deposits - banks	(3)	-	-	-	-	-	(3)
Deposits - non-banks	(406)	(27)	(10)	(56)	-	-	(499)
Other liabilities	-	-	-	-	-	(10)	(10)
Liabilities	**(409)**	**(27)**	**(10)**	**(56)**	**-**	**(10)**	**(512)**
Intercompany loans	(247)	(5)	(2)	-	(109)	-	(363)
Shareholders' funds	-	-	-	-	-	(288)	**(288)**
Balance sheet	**252**	**(4)**	**25**	**(45)**	**3**	**(230)**	**1**
Off balance sheet	-	-	-	(1)	-	-	(1)
Repricing gap	**252**	**(4)**	**25**	**(46)**	**3**	**(230)**	**-**
Cumulative repricing gap	252	248	273	227	230	-	-

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)**	**-**	**(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 30 September 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**	**-**	

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 September 2012						
200bp Down	(0.39)	0.04	0.79	0.34	0.01	**1.27**
200bp Up	0.49	(0.13)	(2.85)	(0.43)	(0.08)	**(3.64)**
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)**
30 September 2011						
200bp Down	(0.42)	(0.01)	3.16	0.64	(0.05)	**1.23**
200bp Up	0.48	0.05	(4.00)	(0.74)	0.05	**(1.92)**

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
30 September 2012						
Long/(short) position	488	33	2	396	(1,459)	**1,459**
31 March 2012						
Long/(short) position	1,383	2,435	-	891	(356)	**4,709**
30 September 2011						
Long/(short) position	2,043	656	(2)	668	(2,724)	**3,367**