

Out of the Ordinary®



Specialist Bank and  
Asset Manager

## **Investec Bank (Mauritius) Limited**

Unaudited financial reports for the quarter ended 30 June 2019

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





## Unaudited financial report for the quarter ended 30 June 2019

The unaudited financial report for the quarter ended 30 June 2019 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 group's performance

- Net interest income increased by 5% from US\$11.0 million for the quarter ended 30 June 2018 to US\$11.5 million for the quarter ended 30 June 2019 following a 5.3% increase in the average interest earning assets.
- Net fee and commission income decreased by 12% from US\$1.5 million for the quarter ended 30 June 2018 to US\$1.3 million for the quarter 30 June 2019.
- Investment income stood at US\$0.6 million for the quarter under review as compared to a loss of US\$3.6 million for the quarter ended 30 June 2018 because of larger mark-to-market losses recorded in the comparative period.
- Expected credit loss impairments of US\$0.2 million were provided for during the current quarter against impairments of US\$0.6 million in the comparative period.
- Operating expenses decreased by 5% to US\$3.1 million during the quarter under review.

Profit after tax stood at US\$9.3 million for the quarter ended 30 June 2019 as compared to US\$4.5 million for the quarter ended 30 June 2018.

Loans and advances to customers decreased by 5% to US\$974 million while external deposits decreased by 20% to US\$898 million during the quarter ended 30 June 2019.

The capital adequacy ratio increased from 25.0% to 28.5%. The group remains well capitalised with a capital adequacy ratio well in excess of regulatory requirements.



**Related party transactions, policies and practices**

The bank adheres to the Bank of Mauritius Guideline on Related Party Transactions. 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 conduct review committee which consists of three non-executive directors, approves, reviews and monitors the related party transactions. The committee meets at least once every quarter to review all the related party transactions. After each meeting the matters approved and reviewed by the conduct review committee are reported to the board of directors. The bank reports on the proceedings of the conduct review committee during the year to the Bank of Mauritius on a yearly basis.

At 30 June 2019, the total on- and off-balance sheet credit exposure to related parties amounted to US\$39.6 million (31 March 2019 – US\$39.7 million) representing 2.5% (31 March 2019 – 2.2%) of the bank’s total exposure. The credit exposure to the six related parties with the highest exposure amounted to US\$39.5 million (31 March 2019 – US\$39.5 million) representing 11.4% (31 March 2019 – 11.3%) of Tier 1 Capital.

All 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.

Handwritten signature of David M Lawrence in black ink.

David M Lawrence  
**Chairman**  
**Board of directors**

Handwritten signature of Pierre de Chasteigner du Mée in black ink.

Pierre de Chasteigner du Mée  
**Director**

Handwritten signature of Craig C McKenzie in black ink.

Craig C McKenzie  
**Chief executive officer/Director**

Dated: 14 August 2019



## Balance sheets

As at US\$'000	Group			Bank		
	30 June 2019	31 March 2019	30 June 2018	30 June 2019	31 March 2019	30 June 2018
<b>Assets</b>						
Cash and balances at central bank	9,985	14,143	15,780	9,985	14,143	15,780
Due from banks	446,451	494,313	262,286	446,451	494,313	262,286
Reverse repurchase agreements	75,700	75,555	75,226	75,700	75,555	75,226
Sovereign debt securities	-	20,575	-	-	20,575	-
Bank debt securities	44,338	88,612	115,864	44,338	88,612	115,864
Other debt securities	24,859	24,978	29,953	24,859	24,978	29,953
Derivative financial instruments	13,528	17,061	17,048	13,528	17,061	17,048
Investment portfolio	4,929	5,445	8,752	4,929	5,445	8,752
Loans and advances to customers	973,530	1,034,269	928,916	973,530	1,034,269	928,916
Interest in associated undertaking	4,635	4,635	4,685	4,635	4,635	4,685
Deferred taxation asset	295	297	438	295	295	437
Other assets	5,399	4,300	7,832	5,165	4,128	7,706
Equipment	335	354	367	334	353	366
Amount due from group companies	1,113	1,010	3,380	1,255	1,016	3,508
Investment in subsidiary	-	-	-	467	467	467
<b>Total assets</b>	<b>1,605,097</b>	<b>1,785,547</b>	<b>1,470,527</b>	<b>1,605,471</b>	<b>1,785,845</b>	<b>1,470,994</b>
<b>Liabilities</b>						
Derivative financial instruments	4,945	1,672	2,035	4,945	1,672	2,035
Repurchase agreements	33,765	76,963	80,371	33,765	76,963	80,371
Customer deposits	898,150	1,036,836	750,240	899,140	1,037,608	750,732
Debt securities in issue	253,670	252,866	255,101	253,670	252,866	255,101
Amount due to group companies	29,098	26,713	30,444	28,969	26,643	30,442
Current taxation liabilities	1,027	573	1,457	958	508	1,457
Other liabilities	7,193	21,836	9,773	7,146	21,731	9,730
<b>Total liabilities</b>	<b>1,227,848</b>	<b>1,417,459</b>	<b>1,129,421</b>	<b>1,228,593</b>	<b>1,417,991</b>	<b>1,129,868</b>
<b>Equity</b>						
Ordinary share capital	56,478	56,478	56,478	56,478	56,478	56,478
Other reserves	73,286	75,109	68,721	73,286	75,109	68,721
Retained income	247,486	236,501	215,907	247,114	236,267	215,927
<b>Shareholder's equity</b>	<b>377,250</b>	<b>368,088</b>	<b>341,106</b>	<b>376,878</b>	<b>367,854</b>	<b>341,126</b>
<b>Total liabilities and equity</b>	<b>1,605,098</b>	<b>1,785,547</b>	<b>1,470,527</b>	<b>1,605,473</b>	<b>1,785,845</b>	<b>1,470,994</b>



## Income statements

For the period/ year ended US\$'000	Group			Bank		
	Quarter 30 June 2019	Year 31 March 2019	Quarter 30 June 2018	Quarter 30 June 2019	Year 31 March 2019	Quarter 30 June 2018
Interest income	20,986	73,546	17,980	20,987	73,549	17,981
Interest expense	(9,466)	(30,773)	(7,019)	(9,471)	(30,784)	(7,021)
<b>Net interest income</b>	<b>11,520</b>	<b>42,773</b>	<b>10,962</b>	<b>11,516</b>	<b>42,765</b>	<b>10,960</b>
Fee income	1,941	7,476	3,739	1,727	6,678	3,494
Fee expense	(606)	(2,157)	(2,229)	(606)	(2,143)	(2,216)
<b>Net fee income</b>	<b>1,335</b>	<b>5,319</b>	<b>1,509</b>	<b>1,121</b>	<b>4,535</b>	<b>1,278</b>
Investment income/ (loss)	612	(1,407)	(3,648)	612	(1,407)	(3,648)
Net trading loss	(498)	(278)	(34)	(500)	(274)	(34)
<b>Total operating income before impairment</b>	<b>12,969</b>	<b>46,407</b>	<b>8,789</b>	<b>12,749</b>	<b>45,619</b>	<b>8,556</b>
Expected credit loss impairment (charges) / reversals	(215)	2,219	(634)	(215)	2,219	(634)
<b>Operating income</b>	<b>12,754</b>	<b>48,626</b>	<b>8,155</b>	<b>12,534</b>	<b>47,838</b>	<b>7,922</b>
Operating costs	(3,090)	(13,307)	(3,241)	(3,014)	(13,028)	(3,175)
<b>Operating profit</b>	<b>9,664</b>	<b>35,319</b>	<b>4,914</b>	<b>9,520</b>	<b>34,810</b>	<b>4,746</b>
Share of profit in associate	72	144	58	72	144	58
<b>Profit before taxation</b>	<b>9,736</b>	<b>35,463</b>	<b>4,972</b>	<b>9,592</b>	<b>34,954</b>	<b>4,804</b>
Taxation	(456)	(1,895)	(450)	(450)	(1,807)	(450)
<b>Profit after taxation</b>	<b>9,280</b>	<b>33,568</b>	<b>4,522</b>	<b>9,142</b>	<b>33,147</b>	<b>4,354</b>
<b>Analysed as follows:</b>						
Transfer to regulatory general risk reserve	1,705	9,869	-	1,705	9,869	-
Transfer to retained earnings	7,575	23,699	4,522	7,437	23,278	4,355
<b>Profit attributable to equity holder of the bank</b>	<b>9,280</b>	<b>33,568</b>	<b>4,522</b>	<b>9,142</b>	<b>33,147</b>	<b>4,355</b>

## Statements of other comprehensive income

For the period/ year ended US\$'000	Group			Bank		
	Quarter 30 June 2019	Year 31 March 2019	Quarter 30 June 2018	Quarter 30 June 2019	Year 31 March 2019	Quarter 30 June 2018
<b>Profit after taxation</b>	<b>9,280</b>	<b>33,568</b>	<b>4,522</b>	<b>9,142</b>	<b>33,147</b>	<b>4,355</b>
<b>Other comprehensive income:</b>						
<b>Items reclassified to the income statement</b>						
-Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	(37)	37	535	(37)	37	535
-Foreign currency adjustments on translating associated undertaking	(72)	(107)	29	(72)	(107)	29
-Other comprehensive (loss) / income	(10)	(27)	(116)	(10)	(27)	(116)
<b>Total other comprehensive income/ (loss)</b>	<b>(119)</b>	<b>(97)</b>	<b>448</b>	<b>(118)</b>	<b>(97)</b>	<b>448</b>
<b>Total comprehensive income attributable to equity holder of the bank</b>	<b>9,161</b>	<b>33,471</b>	<b>4,970</b>	<b>9,024</b>	<b>33,050</b>	<b>4,803</b>





## Statements of changes in equity

As at	Other reserves					Retained income	Total equity
	Ordinary share capital	Foreign currency reserve	Fair value reserve	Regulatory general risk reserve	Statutory reserve		
<b>US\$'000</b>							
<b>Group</b>							
<b>At 1 April 2019</b>	56,478	(226)	37	18,820	56,478	236,501	368,088
<b>Movement in reserves 1 April 2019 - 30 June 2019</b>							
Profit after taxation	-	-	-	-	-	9,280	9,280
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	(37)	-	-	-	(37)
Foreign currency adjustments on translating associated undertaking	-	(72)	-	-	-	-	(72)
Other comprehensive income	-	-	-	(10)	-	-	(10)
<b>Total comprehensive income / (loss)</b>	-	(72)	(37)	(10)	-	9,280	9,163
Transfer to regulatory general risk reserve	-	-	-	(1,705)	-	1,705	-
<b>At 30 June 2019</b>	<b>56,478</b>	<b>(297)</b>	<b>-</b>	<b>17,105</b>	<b>56,478</b>	<b>247,486</b>	<b>377,250</b>
<b>At 1 April 2018</b>	56,478	(119)	(185)	8,978	56,478	298,346	419,976
IFRS 9 transitional adjustment	-	-	-	-	-	1,741	1,741
<b>Movement in reserves 1 April 2018 - 31 March 2019</b>							
Profit after taxation	-	-	-	-	-	33,568	33,568
Fair value movements on debt instruments at FVOCI assets taken directly to other comprehensive income	-	-	222	-	-	(185)	37
Foreign currency adjustments on translating associated undertakings	-	(107)	-	-	-	-	(107)
Other comprehensive income	-	-	-	(27)	-	-	(27)
<b>Total comprehensive income / (loss)</b>	-	(107)	222	(27)	-	33,383	33,471
Transfer to regulatory general risk reserve	-	-	-	9,869	-	(9,869)	-
Ordinary dividend paid	-	-	-	-	-	(87,100)	(87,100)
<b>At 31 March 2019</b>	<b>56,478</b>	<b>(226)</b>	<b>37</b>	<b>18,820</b>	<b>56,478</b>	<b>236,501</b>	<b>368,088</b>
<b>At 1 April 2018</b>	56,478	(119)	(185)	8,978	56,478	298,346	419,976
<b>Movement in reserves 1 April 2018 - 30 June 2018</b>							
Profit after taxation	-	-	-	-	-	4,522	4,522
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	535	-	-	-	535
Foreign currency adjustments on translating associated undertaking	-	29	-	-	-	-	29
Other comprehensive income	-	-	-	(116)	-	-	(116)
<b>Total comprehensive income</b>	-	29	535	(116)	-	4,522	4,970
Transfer to regulatory general risk reserve	-	-	-	3,121	-	(3,121)	-
IFRS 9 transitional adjustment	-	-	-	-	-	3,260	3,260
Ordinary dividend paid	-	-	-	-	-	(87,100)	(87,100)
<b>Balance at 30 June 2018</b>	<b>56,478</b>	<b>(90)</b>	<b>350</b>	<b>11,984</b>	<b>56,478</b>	<b>215,907</b>	<b>341,106</b>
<b>Bank</b>							
<b>At 1 April 2019</b>	56,478	(226)	37	18,820	56,478	236,267	367,853
<b>Movement in reserves 1 April 2019 - 30 June 2019</b>							
Profit after taxation	-	-	-	-	-	9,142	9,142
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	(37)	-	-	-	(37)
Foreign currency adjustments on translating associated undertakings	-	(72)	-	-	-	-	(72)
Other comprehensive income	-	-	-	(10)	-	-	(10)
<b>Total comprehensive income / (loss)</b>	-	(72)	(37)	(10)	-	9,142	9,025
Transfer to regulatory general risk reserve	-	-	-	(1,705)	-	1,705	-
Ordinary dividend paid	-	-	-	-	-	-	-
<b>At 30 June 2019</b>	<b>56,478</b>	<b>(297)</b>	<b>-</b>	<b>17,105</b>	<b>56,478</b>	<b>247,114</b>	<b>376,878</b>
<b>At 1 April 2018</b>	56,478	(119)	(185)	8,978	56,478	298,533	420,163
IFRS 9 transitional adjustment	-	-	-	-	-	1,741	1,741
<b>Movement in reserves 1 April 2018 - 31 March 2019</b>							
Profit after taxation	-	-	-	-	-	33,147	33,147
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	222	-	-	(185)	37
Foreign currency adjustments on translating associated undertaking	-	(107)	-	-	-	-	(107)
Other comprehensive income	-	-	-	(27)	-	-	(27)
<b>Total comprehensive (loss) / income</b>	-	(107)	222	(27)	-	32,962	33,050
Transfer to regulatory general risk reserve	-	-	-	9,869	-	(9,869)	-
Ordinary dividends	-	-	-	-	-	(87,100)	(87,100)
<b>At 31 March 2019</b>	<b>56,478</b>	<b>(226)</b>	<b>37</b>	<b>18,820</b>	<b>56,478</b>	<b>236,267</b>	<b>367,854</b>
<b>At 1 April 2018</b>	56,478	(119)	(185)	8,978	56,478	298,533	420,163
IFRS 9 transitional adjustment	-	-	-	-	-	3,260	3,260
<b>Movement in reserves 1 April 2018 - 30 June 2018</b>							
Profit after taxation	-	-	-	-	-	4,355	4,355
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	535	-	-	-	535
Foreign currency adjustments on translating associated undertaking	-	29	-	-	-	-	29
Other comprehensive income	-	-	-	(116)	-	-	(116)
<b>Total comprehensive income</b>	-	29	535	(116)	-	4,355	4,803
Transfer to regulatory general risk reserve	-	-	-	3,121	-	(3,121)	-
Ordinary dividend paid	-	-	-	-	-	(87,100)	(87,100)
<b>Balance at 30 June 2018</b>	<b>56,478</b>	<b>-90</b>	<b>350</b>	<b>11,984</b>	<b>56,478</b>	<b>215,927</b>	<b>341,126</b>



## Cash flow statements

For the period/ year ended US\$'000	Group			Bank		
	Quarter 30 June 2019	Year 31 March 2019	Quarter 30 June 2018	Quarter 30 June 2019	Year 31 March 2019	Quarter 30 June 2018
Profit before tax	9,736	35,463	4,972	9,592	34,954	4,804
Adjustment for non cash items	5,826	(8,929)	5,851	5,826	(8,929)	5,851
<b>Profit before taxation adjusted for non-cash items</b>	<b>15,562</b>	<b>26,534</b>	<b>10,823</b>	<b>15,418</b>	<b>26,025</b>	<b>10,655</b>
Taxation paid	-	(2,201)	-	-	(2,176)	-
Decrease/ (increase) in operating assets	63,622	(70,938)	24,697	63,547	(70,838)	24,627
Increase/ (decrease) in operating liabilities	(147,673)	150,698	(143,432)	(147,455)	151,084	(143,195)
<b>Net cash inflow/ (outflow) from operating activities</b>	<b>(68,488)</b>	<b>104,094</b>	<b>(107,912)</b>	<b>(68,490)</b>	<b>104,094</b>	<b>(107,913)</b>
Purchase of investment securities	20,538	(22,520)	-	20,538	(22,520)	-
Proceeds from disposal of investment securities	45,435	55,257	18,972	45,435	55,257	18,972
Acquisition of equipment	(3)	(65)	-	(3)	(65)	-
<b>Net cash inflow from investing activities</b>	<b>65,970</b>	<b>32,672</b>	<b>18,972</b>	<b>65,970</b>	<b>32,672</b>	<b>18,972</b>
<b>Cash flow from financing activities</b>						
Repurchase agreement	(49,125)	(18,400)	(18,400)	(49,125)	(18,400)	(18,400)
Dividend paid	0	(87,100)	(87,100)	-	(87,100)	(87,100)
<b>Net cash outflow from financing activities</b>	<b>(49,125)</b>	<b>(105,500)</b>	<b>(105,500)</b>	<b>(49,125)</b>	<b>(105,500)</b>	<b>(105,500)</b>
<b>Effects of exchange rates on cash and cash equivalents</b>	<b>(169)</b>	<b>4,138</b>	<b>(2,161)</b>	<b>(169)</b>	<b>4,138</b>	<b>(2,161)</b>
Net decrease in cash and cash equivalents	(51,813)	35,404	(196,601)	(51,814)	35,404	(196,601)
Cash and cash equivalents at beginning of the period/year	502,649	467,245	467,245	502,649	467,245	816,070
<b>Cash and cash equivalents at end of the period/year</b>	<b>450,836</b>	<b>502,649</b>	<b>270,644</b>	<b>450,835</b>	<b>502,649</b>	<b>619,470</b>
<b>Cash and cash equivalents is defined as including:</b>						
Cash in hand	5	5	4	5	5	4
Cash and balances at central bank (unrestricted balance)	4,377	8,320	8,354	4,377	8,320	8,354
Due from banks	446,435	494,313	262,286	446,435	494,313	262,286
Expected credit loss on cash and cash equivalents	15	11	-	15	11	-
<b>Cash and cash equivalents at end of the period/year</b>	<b>450,832</b>	<b>502,649</b>	<b>270,644</b>	<b>450,832</b>	<b>502,649</b>	<b>270,644</b>



## Notes to the unaudited financial accounts for the quarter ended 30 June 2019

### 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 quarter ended 30 June 2019 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 2019.

#### (c) Functional currency of the group and the bank

The group's and the bank's functional currency is USD.





## Notes to the unaudited financial accounts for the quarter ended 30 June 2019

### 3. Related party transactions

As at US\$'000	Group			Bank		
	30 June 2019	31 March 2019	30 June 2018	30 June 2019	31 March 2019	30 June 2018
Interest income	1,027	12,491	419	1,027	12,416	418
Interest expense	(2,907)	(13,546)	(2,578)	(2,902)	(13,549)	(2,578)
Net fair value of derivatives held with group companies	8,584	15,390	15,016	8,584	15,390	15,016
Reverse repurchase agreements	25,708	25,560	25,174	25,708	25,560	25,174
Loans and advances	6,952	6,909	7,897	4,434	4,585	7,897
Deposits	(10,277)	(8,385)	(12,263)	(10,277)	(9,157)	(12,263)
Amount due from holding bank	114,062	92,379	17,152	114,062	92,378	17,152
Amount due from other group companies	-	-	3,380	138	6	3,508
Amount due to holding bank	(22,403)	(21,212)	(24,712)	(22,403)	(21,212)	(24,712)
Amount due to other group companies	(6,695)	(5,431)	(5,732)	(6,566)	(5,431)	(5,730)
Debt securities in issue	(253,670)	(252,866)	255,101	(253,670)	(252,866)	255,101

#### 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. As at 30 June 2019, loans and advances amounting to US\$ 108K were unsecured (31 March 2019: US\$ 184K and 30 June 2018: US\$ 170K). For the quarter ended 30 June 2019, the bank has not made any write-off relating to amounts owed by related parties (31 March 2019: Nil and 30 June 2018: Nil).



### Credit and counterparty risk information

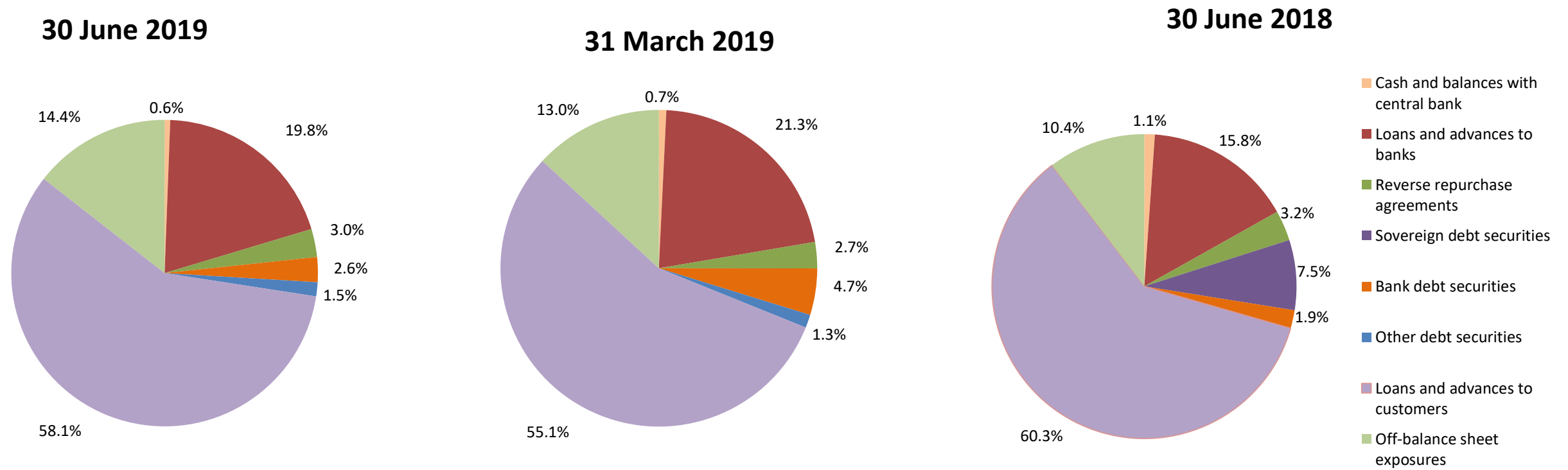
The table that follows provides an analysis of gross credit and counterparty exposures

#### Group and Bank

US\$'000	30 June 2019	31 March 2019	30 June 2018	30 June 2019 vs 31 March 2019 % change	Average*
<b>On-balance sheet exposures</b>	<b>1,443,559</b>	<b>1,642,607</b>	<b>1,393,799</b>	<b>3.6</b>	<b>1,543,084</b>
Balances at central bank	9,980	14,138	15,775	(29.4)	12,059
Loans and advances to banks	333,522	402,956	245,134	(17.2)	368,239
Reverse repurchase agreements	50,010	50,033	50,051	< 100	50,022
Investment securities - sovereign debt securities	-	20,575	115,864	< 100	10,288
Investment securities - bank debt securities	44,377	88,672	29,953	(50.0)	66,525
Investment securities - other debt securities	24,965	25,085	-	(0.5)	25,025
Loans and advances to customers	980,705	1,041,148	937,022	(5.8)	1,010,926
<b>Off-balance sheet exposures</b>	<b>243,781</b>	<b>245,388</b>	<b>161,313</b>	<b>51.1</b>	<b>244,584</b>
Guarantees <sup>^</sup>	3,069	6,095	13,261	(49.6)	4,582
Committed facilities	240,711	239,293	148,052	0.6	240,002
<b>Total gross credit and counterparty exposures pre-collateral or other credit enhancements</b>	<b>1,687,341</b>	<b>1,887,995</b>	<b>1,555,112</b>	<b>(10.6)</b>	<b>1,787,668</b>

\*Where the average is based on a straight line average for period 1 April 2018 to 30 June 2019.

<sup>^</sup>Excludes guarantees provided to clients which are backed/secured by cash deposits with the bank.





## Asset quality and impairments

### Group and Bank

US\$'000	30 June 2019	31 March 2019	30 June 2018
<b>Gross core loans and advances to customers</b>	<b>980,705</b>	<b>1,041,148</b>	<b>937,022</b>
Stage 1	905,570	976,572	907,702
Stage 2	64,640	26,505	14,617
Stage 3	10,495	38,071	14,703
<b>Expected credit loss on loans and advances to customers</b>	<b>(7,175)</b>	<b>(6,879)</b>	<b>(8,106)</b>
Stage 1	(2,297)	(2,411)	(2,461)
Stage 2	(612)	(571)	(2,143)
Stage 3	(4,266)	(3,897)	(3,502)
<b>Net core loans and advances to customers</b>	<b>973,530</b>	<b>1,034,269</b>	<b>928,916</b>
<b>Average gross core loans and advances to customers</b>	<b>1,010,926</b>	<b>1,002,917</b>	<b>950,854</b>
Current loans and advances to customers	873,957	973,716	872,801
Past due loans and advances to customers (1-60 days)	45,461	2,206	34,904
Special mention loans and advances to customers	50,778	52,720	16,426
Default loans and advances to customers	10,509	12,506	12,891
<b>Gross core loans and advances to customers</b>	<b>980,706</b>	<b>1,041,148</b>	<b>937,022</b>
Current loans and advances to customers	873,957	1,026,035	875,081
Gross core loans and advances to customers that are past due but not impaired	96,239	4,857	49,050
Gross core loans and advances to customers that are impaired	10,509	10,256	12,891
<b>Gross core loans and advances to customers</b>	<b>980,705</b>	<b>1,041,148</b>	<b>937,022</b>
<b>Total income statement expected credit loss impairments on core loans and advances</b>	<b>(215)</b>	<b>2,219</b>	<b>(634)</b>
Gross default loans and advances to customers	10,509	12,506	12,891
Expected credit loss	(7,175)	(6,879)	(8,106)
<b>Defaults net of impairments</b>	<b>3,334</b>	<b>5,627</b>	<b>4,785</b>
Collateral and other credit enhancements	15,769	32,714	9,812
<b>Net default loans and advances to customers (limited to zero)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ratios:</b>			
Total impairments as a % of gross core loans and advances to customers	0.73%	0.66%	0.87%
Total impairments as a % of gross default loans	68.28%	55.01%	62.88%
Gross defaults as a % of gross core loans and advances to customers	1.07%	1.20%	1.38%
Defaults (net of impairments) as a % of net core loans and advances to customers	0.34%	0.54%	0.52%
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 core loans and advances)	0.08%	(0.22%)	0.27%



## Capital structure

As at	Group			Bank		
	30 June 2019	31 March 2019	30 June 2018	30 June 2019	31 March 2019	30 June 2018
<b>US\$'000</b>						
<b>Common equity tier 1 capital: instruments and reserves</b>						
Ordinary shares	56,478	56,478	56,478	56,478	56,478	56,478
Retained earnings	234,174	236,501	209,066	233,940	236,267	209,253
Accumulated other comprehensive income and other disclosed reserves (excluding revaluation surpluses on land and building assets)	56,181	56,289	56,389	56,181	56,290	56,389
<b>Common equity tier 1 capital before regulatory adjustments</b>	<b>346,833</b>	<b>349,268</b>	<b>321,933</b>	<b>346,599</b>	<b>349,035</b>	<b>322,120</b>
<b>Common equity tier 1 capital: regulatory adjustments</b>						
Deferred tax assets	295	297	438	295	295	437
<b>Total regulatory adjustments to common equity tier 1 capital</b>	<b>295</b>	<b>297</b>	<b>438</b>	<b>295</b>	<b>295</b>	<b>437</b>
<b>Common equity tier 1 capital (CET1)</b>	<b>346,538</b>	<b>348,971</b>	<b>321,494</b>	<b>346,304</b>	<b>348,740</b>	<b>321,683</b>
<b>Tier 2 capital: instruments and provisions</b>						
Provisions or loan-loss reserves (subject to a maximum of 1.25 percentage points of credit risk-weighted risk assets calculated under the standardised approach)	14,761	17,260	15,541	14,761	17,260	15,547
<b>Tier 2 capital before regulatory adjustments</b>	<b>14,761</b>	<b>17,260</b>	<b>15,541</b>	<b>14,761</b>	<b>17,260</b>	<b>15,547</b>
<b>Total capital (capital base) (TC = T1 + T2)</b>	<b>361,298</b>	<b>366,231</b>	<b>337,035</b>	<b>361,064</b>	<b>366,000</b>	<b>337,230</b>
<b>Risk-weighted assets</b>						
Risk-weighted on-balance sheet assets	1,067,955	1,267,828	1,125,804	1,069,120	1,269,010	1,126,272
Non-market related off-balance sheet risk-weighted assets	94,993	93,518	111,785	94,993	93,518	111,785
Market related off-balance sheet risk-weighted assets	16,730	18,300	5,677	16,730	18,300	5,677
Operational risk	75,925	75,925	79,118	75,925	75,925	79,118
Aggregate net open foreign exchange position	11,150	10,491	7,972	11,150	10,491	7,972
<b>Total risk-weighted assets</b>	<b>1,266,753</b>	<b>1,466,062</b>	<b>1,330,356</b>	<b>1,267,917</b>	<b>1,467,244</b>	<b>1,330,824</b>
<b>Capital adequacy ratio (%)</b>	<b>28.5%</b>	<b>25.0%</b>	<b>25.3%</b>	<b>28.5%</b>	<b>24.9%</b>	<b>25.3%</b>
<b>Tier 1 ratio</b>	<b>27.4%</b>	<b>23.8%</b>	<b>24.2%</b>	<b>27.3%</b>	<b>23.8%</b>	<b>24.2%</b>

The table below reconciles the amounts as per the balance sheet to the regulatory capital elements.

As at 30 June 2019

US\$'000	Group		Bank	
	Balance sheet amount	Amounts included for regulatory purposes	Balance sheet amount	Amounts included for regulatory purposes
Paid in capital and qualifying capital instruments	56,478	56,478	56,478	56,478
Retained earnings	247,486	234,174	247,114	233,940
Other reserves	73,286	56,181	73,286	56,181
<b>Qualifying common equity tier 1 capital before regulatory adjustments</b>	<b>377,249</b>	<b>346,833</b>	<b>376,877</b>	<b>346,599</b>
Deferred tax assets	-	(295)	-	(295)
<b>Tier 1 capital</b>	<b>377,249</b>	<b>346,538</b>	<b>376,877</b>	<b>346,304</b>
<b>Qualifying tier 1 capital</b>	<b>377,249</b>	<b>346,538</b>	<b>376,877</b>	<b>346,304</b>
Tier 2 capital after regulatory adjustments and general allowance for credit impairments (T2)	-	14,761	-	14,761
<b>Total qualifying capital</b>	<b>377,249</b>	<b>361,298</b>	<b>376,877</b>	<b>361,064</b>



Risk-weighted assets

US\$'000	Group and Bank		Group			Bank			
	30 June 2019	30 June 2019	31 March 2019	30 June 2018	30 June 2019	31 March 2019	30 June 2018		
	Risk-weights %	Exposures amount	Risk-weighted assets	Risk-weighted assets	Risk-weighted assets	Exposures amount	Risk-weighted assets	Risk-weighted assets	Risk-weighted assets
<b>Risk-weighted on-balance sheet assets</b>									
Cash items	0%	5	-	-	-	5	-	-	-
Claims on sovereigns	0%-50%	10,199	17,085	37,561	37,930	10,199	17,085	37,561	37,930
Claims on central banks and international institutions	0%-50%	9,980	3,475	5,117	4,874	9,980	3,475	5,117	4,874
Claims on banks	20%-100%	567,165	163,419	160,857	126,073	567,165	163,419	160,857	126,073
Claims on corporates	20%-100%	711,807	633,523	808,209	718,919	711,945	633,523	808,209	719,387
Claims secured by residential property	35%-125%	92,786	43,227	32,174	43,962	92,786	43,227	32,174	43,962
Claims secured by commercial real estate	100%-125%	177,129	181,850	192,876	156,897	177,129	181,850	192,876	156,897
Past due claims	100%-150%	6,662	6,437	9,230	14,221	6,662	6,437	9,230	14,221
Other assets	100%-250%	18,939	18,939	21,804	21,759	19,406	20,104	22,986	22,927
<b>Total on-balance sheet credit risk-weighted exposures</b>			<b>1,067,955</b>	<b>1,267,828</b>	<b>1,124,635</b>		<b>1,069,120</b>	<b>1,269,010</b>	<b>1,126,271</b>



## Risk-weighted assets

### Group and Bank

US\$'000	30 June 2019				31 March 2019	30 June 2018
	Notional amount	Credit conversion factor %	Credit equivalent amount	Risk-weighted assets	Risk-weighted assets	Risk-weighted assets
<b>Non-market related off-balance sheet risk-weighted assets</b>						
Direct credit substitutes	2,473	100%	2,473	2,178	4,664	6,262
Transaction-related contingent items	1,512	50%	756	756	822	3,313
Trade-related contingencies	-	20%	-	-	-	113
Total other commitments	247,429	20%-50%	96,701	92,059	88,032	102,097
<b>Total off-balance sheet credit risk-weighted exposures</b>				<b>94,993</b>	<b>93,518</b>	<b>111,785</b>

### Group and Bank

US\$'000	30 June 2019				31 March 2019	30 June 2018	
	Notional principal amount	Potential future exposure	Current exposure	Credit equivalent amount	Risk-weighted assets	Risk-weighted assets	Risk-weighted assets
<b>Market related off-balance sheet risk-weighted assets</b>							
Interest rate contracts	105,172	268	70	338	337	407	719
Foreign exchange and gold contracts	429,647	4,994	-	4,994	2,933	5,875	3,152
Other market-related contracts	-	-	13,459	-	13,459	12,018	1,806
<b>Total market-related off-balance sheet risk-weighted credit exposures</b>					<b>16,730</b>	<b>18,300</b>	<b>5,677</b>





## Balance sheet risk management

The tables that follow show the bank's 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 June 2019 US\$'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> five years	Total
Cash and short-term funds - banks	348	150	26	-	10	-	-	534
Investment/trading assets	10	-	27	12	-	8	36	93
Advances	7	93	71	167	89	506	40	974
Other assets	-	-	-	6	-	-	-	6
<b>Assets</b>	<b>365</b>	<b>243</b>	<b>124</b>	<b>185</b>	<b>99</b>	<b>514</b>	<b>76</b>	<b>1,606</b>
Deposits - non-banks	(636)	(75)	(55)	(107)	(20)	(5)	-	(899)
Securities sold under repurchase agreement	3	-	(26)	(11)	-	-	-	(34)
Other liabilities	-	-	-	(8)	-	-	-	(8)
<b>Liabilities</b>	<b>(633)</b>	<b>(75)</b>	<b>(81)</b>	<b>(126)</b>	<b>(20)</b>	<b>(5)</b>	<b>-</b>	<b>(941)</b>
Intercompany loans	(7)	-	(28)	(12)	-	(236)	-	(281)
<b>Shareholders' funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(377)</b>	<b>(377)</b>
<b>Balance sheet</b>	<b>(275)</b>	<b>167</b>	<b>16</b>	<b>47</b>	<b>79</b>	<b>273</b>	<b>(301)</b>	<b>7</b>
Off-balance sheet	-	(3)	-	(1)	-	(2)	-	(5)
<b>Contractual liquidity gap</b>	<b>(275)</b>	<b>164</b>	<b>16</b>	<b>46</b>	<b>79</b>	<b>271</b>	<b>(301)</b>	<b>-</b>
Cumulative liquidity gap	(275)	(111)	(95)	(49)	30	301	-	-

At 31 March 2019 US\$'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> five years	Total
Cash and short-term funds - banks	383	175	26	-	-	-	-	584
Investment/trading assets	8	-	71	27	11	3	37	157
Advances	31	38	95	115	170	519	66	1,034
Other assets	-	-	-	5	-	-	-	5
<b>Assets</b>	<b>422</b>	<b>213</b>	<b>192</b>	<b>147</b>	<b>181</b>	<b>522</b>	<b>103</b>	<b>1,780</b>
Deposits - non-banks	(721)	(122)	(79)	(24)	(86)	(5)	-	(1,037)
Securities sold under repurchase agreement	9	-	(49)	(25)	(11)	-	-	(77)
Other liabilities	-	-	-	(22)	-	-	-	(22)
<b>Liabilities</b>	<b>(712)</b>	<b>(122)</b>	<b>(128)</b>	<b>(71)</b>	<b>(97)</b>	<b>(5)</b>	<b>-</b>	<b>(1,136)</b>
Intercompany loans	(6)	-	(50)	(26)	(11)	(185)	-	(279)
<b>Shareholders' funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(368)</b>	<b>(368)</b>
<b>Balance sheet</b>	<b>(295)</b>	<b>91</b>	<b>13</b>	<b>49</b>	<b>73</b>	<b>332</b>	<b>(265)</b>	<b>(3)</b>
Off-balance sheet	-	4	-	-	-	(1)	-	3
<b>Contractual liquidity gap</b>	<b>(295)</b>	<b>95</b>	<b>13</b>	<b>55</b>	<b>73</b>	<b>324</b>	<b>(265)</b>	<b>-</b>
Cumulative liquidity gap	(295)	(200)	(187)	(138)	(65)	265	-	-

At 30 June 2018 US\$'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> five years	Total
Cash and short-term funds - banks	231	80	25	-	-	-	-	336
Investment/trading assets	-	-	-	-	51	84	39	174
Advances	9	37	72	94	186	456	75	929
Other assets	-	-	-	-	-	-	9	9
<b>Assets</b>	<b>240</b>	<b>117</b>	<b>97</b>	<b>94</b>	<b>237</b>	<b>540</b>	<b>123</b>	<b>1,448</b>
Deposits - non-banks	(560)	(29)	(29)	(46)	(87)	-	-	(751)
Securities sold under repurchase agreement	7	-	-	-	(49)	(38)	-	(80)
Other liabilities	(4)	-	-	(7)	-	-	-	(11)
<b>Liabilities</b>	<b>(557)</b>	<b>(29)</b>	<b>(29)</b>	<b>(53)</b>	<b>(136)</b>	<b>(38)</b>	<b>-</b>	<b>(842)</b>
Intercompany loans	12	-	-	-	-	(211)	(66)	(265)
<b>Shareholders' funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(341)</b>	<b>(341)</b>
<b>Balance sheet</b>	<b>(305)</b>	<b>88</b>	<b>68</b>	<b>41</b>	<b>101</b>	<b>291</b>	<b>(284)</b>	<b>(1)</b>
Off-balance sheet	-	2	-	-	-	(1)	-	1
<b>Contractual liquidity gap</b>	<b>(305)</b>	<b>90</b>	<b>68</b>	<b>41</b>	<b>101</b>	<b>289</b>	<b>(284)</b>	<b>-</b>
Cumulative liquidity gap	(305)	(215)	(148)	(107)	(6)	284	-	-



### Unaudited financial reports for the quarter ended 30 June 2019

At 30 June 2019 US\$'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> five years	Total
<b>Behavioural liquidity gap</b>	<b>251</b>	<b>107</b>	<b>(70)</b>	<b>(72)</b>	<b>8</b>	<b>(186)</b>	<b>(38)</b>	<b>-</b>
Cumulative	251	358	288	216	224	38	-	-
<b>At 31 March 2019 US\$'million</b>	<b>Demand</b>	<b>Up to one month</b>	<b>One to three months</b>	<b>Three to six months</b>	<b>Six months to one year</b>	<b>One to five years</b>	<b>&gt; five years</b>	<b>Total</b>
<b>Behavioural liquidity gap</b>	<b>295</b>	<b>36</b>	<b>1</b>	<b>(64)</b>	<b>(1)</b>	<b>(248)</b>	<b>(18)</b>	<b>-</b>
Cumulative	295	331	332	268	267	19	-	-
<b>At 30 June 2018 US\$'million</b>	<b>Demand</b>	<b>Up to one month</b>	<b>One to three months</b>	<b>Three to six months</b>	<b>Six months to one year</b>	<b>One to five years</b>	<b>&gt; five years</b>	<b>Total</b>
<b>Behavioural liquidity gap</b>	<b>159</b>	<b>27</b>	<b>11</b>	<b>27</b>	<b>159</b>	<b>(86)</b>	<b>(297)</b>	<b>-</b>
Cumulative	159	186	197	224	383	297	-	-

### Liquidity coverage ratio (LCR)

As at 30 June 2019, the bank's LCR stood at 101.1%.  
Additional information is available on our website [www.investec.com](http://www.investec.com)

### Repricing - all currencies

#### Non-trading interest rate risk description

Non-trading interest rate risk, otherwise known as interest rate risk in the banking book, 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 interest rate risk include:

- **Repricing risk:** arises from the timing differences in the fixed rate maturity and floating rate repricing of bank assets, liabilities and off-balance sheet derivative positions. This affects the interest rate margin realised between lending income and borrowing costs, when applied to our rate sensitive portfolios
- **Yield curve risk:** repricing mismatches also expose the bank to changes in the slope and shape of the yield curve
- **Basis risk:** arises from imperfect correlation in the adjustments of the rates earned and paid on different instruments with otherwise similar repricing characteristics
- **Optionality:** the bank is not materially exposed to optionality risk, as contract breakage penalties on fixed-rate advances specifically cover this risk, while prepayment optionality is restricted to variable rate contracts and has no impact on interest rate risk.

The above sources of interest rate risk 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.

#### 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. The bank's assets and liabilities are included at carrying amount and are categorised by earlier of contractual repricing or maturity date.

At 30 June 2019 US\$'million	< Three months	Three to six months	Six months to one year	One to five years	> five years	Non rate	Total
Cash and short-term funds - banks	523	10	-	-	-	-	533
Investment/trading assets	50	12	-	7	-	24	92
Advances	801	106	21	46	-	-	974
Other assets	-	-	-	-	-	6	6
<b>Assets</b>	<b>1,374</b>	<b>128</b>	<b>21</b>	<b>53</b>	<b>-</b>	<b>30</b>	<b>1,605</b>
Deposits - non-banks	(772)	(107)	(20)	-	-	-	(899)
Repurchase agreements with banks	(34)	-	-	-	-	-	(34)
Other liabilities	-	-	-	-	-	(8)	(8)
<b>Liabilities</b>	<b>(806)</b>	<b>(107)</b>	<b>(20)</b>	<b>-</b>	<b>-</b>	<b>(8)</b>	<b>(941)</b>
Intercompany loans	(271)	(12)	-	-	-	-	(282)
<b>Shareholders' funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(377)</b>	<b>(377)</b>
<b>Balance sheet</b>	<b>297</b>	<b>9</b>	<b>-</b>	<b>53</b>	<b>-</b>	<b>(355)</b>	<b>5</b>
Off balance sheet	95	(31)	(16)	(53)	-	-	(5)
<b>Repricing gap</b>	<b>392</b>	<b>(21)</b>	<b>(16)</b>	<b>-</b>	<b>-</b>	<b>(355)</b>	<b>-</b>
Cumulative repricing gap	392	371	355	355	355	-	-

At 31 March 2019 US\$'million	< Three months	Three to six months	Six months to one year	One to five years	> five years	Non rate	Total
Cash and short-term funds - banks	584	-	-	-	-	-	584
Investment/trading assets	94	27	11	3	-	22	157
Advances	916	15	52	51	-	-	1,034
Other assets	-	-	-	-	-	5	5
<b>Assets</b>	<b>1,594</b>	<b>42</b>	<b>63</b>	<b>54</b>	<b>-</b>	<b>27</b>	<b>1,780</b>
Deposits - non-banks	(922)	(29)	(86)	-	-	-	(1,037)
Securities sold under repurchase agreement	(77)	-	-	-	-	-	(77)
Other liabilities	-	-	-	-	-	(22)	(22)
<b>Liabilities</b>	<b>(999)</b>	<b>(29)</b>	<b>(86)</b>	<b>-</b>	<b>-</b>	<b>(22)</b>	<b>(1,136)</b>
Intercompany loans	(242)	(26)	(11)	-	-	-	(279)
<b>Shareholders' funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(368)</b>	<b>(368)</b>
<b>Balance sheet</b>	<b>353</b>	<b>(13)</b>	<b>(34)</b>	<b>54</b>	<b>-</b>	<b>(363)</b>	<b>(646)</b>
Off-balance sheet	77	(6)	(46)	(22)	-	-	3
<b>Repricing gap</b>	<b>430</b>	<b>(19)</b>	<b>(80)</b>	<b>32</b>	<b>-</b>	<b>(363)</b>	<b>-</b>
Cumulative repricing gap	430	411	331	363	363	-	-



At 30 June 2018 US\$'million	< Three months	Three to six months	Six months to one year	One to five years	> five years	Non rate	Total
Cash and short-term funds - banks	336	-	-	-	-	-	336
Investment/trading assets	49	-	51	44	-	30	174
Advances	836	53	2	38	-	0	929
Other assets	-	-	-	-	-	9	9
<b>Assets</b>	<b>1,221</b>	<b>53</b>	<b>53</b>	<b>82</b>	<b>-</b>	<b>39</b>	<b>1,448</b>
Deposits - non-banks	(618)	(46)	(87)	-	-	-	(751)
Repurchase agreements with banks	(80)	-	-	-	-	-	(80)
Other liabilities	-	-	-	-	-	(11)	(11)
<b>Liabilities</b>	<b>(698)</b>	<b>(46)</b>	<b>(87)</b>	<b>-</b>	<b>-</b>	<b>(11)</b>	<b>(842)</b>
Intercompany loans	(176)	-	(49)	(40)	-	-	(265)
<b>Shareholders' funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(341)</b>	<b>(341)</b>
<b>Balance sheet</b>	<b>347</b>	<b>7</b>	<b>(83)</b>	<b>42</b>	<b>-</b>	<b>(314)</b>	<b>(1)</b>
Off balance sheet	47	(1)	(3)	(42)	-	-	1
<b>Repricing gap</b>	<b>394</b>	<b>6</b>	<b>(86)</b>	<b>(0)</b>	<b>-</b>	<b>(314)</b>	<b>-</b>
Cumulative repricing gap	394	400	314	314	314	-	-

### 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. The numbers represent the change in our net asset value should such a hypothetical scenario arise. The sensitivity effect does not have a significant direct impact on our equity.

As at 'million	Sensitivity to the following interest rates (expressed in original currencies)					All (USD)
	ZAR	GBP	USD	EUR	AUD	
<b>30 June 2019</b>						
200bp down	(0.07)	0.19	0.88	0.10	0.16	<b>1.26</b>
200bp up	0.07	(0.19)	(0.88)	(0.10)	(0.16)	<b>(1.26)</b>
<b>31 March 2019</b>						
200bp down	(0.01)	0.18	0.41	0.85	0.20	<b>1.63</b>
200bp up	0.01	(0.18)	(0.41)	(0.85)	(0.20)	<b>(1.63)</b>
<b>30 June 2018</b>						
200bp down	(1.09)	0.30	(4.73)	0.09	(0.03)	<b>(4.33)</b>
200bp up	1.14	(0.29)	4.66	(0.09)	0.03	<b>4.28</b>

### Foreign exchange risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency other than the functional 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
<b>30 June 2019</b>						
Long/(short) position	8,299	2,051	(5)	(86)	313	<b>11,150</b>
<b>31 March 2019</b>						
Long/(short) position	6,550	3,537	(216)	1,265	(1,220)	<b>10,491</b>
<b>30 June 2018</b>						
Long/(short) position	4,525	2,203	(2)	113	(3,254)	<b>7,972</b>