

	THE GROUP			THE BANK		
	2020	2019	2018	2020	2019	2018
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Financial assets mandatorily measured at fair value through profit or loss (Note 17(a))	<b>2,046,878</b>	5,715,984	3,855,950	<b>2,042,480</b>	4,843,845	2,958,296
Debt instruments measured at fair value through other comprehensive income (Note 17(b))	-	3,571,880	4,055,941	-	3,571,880	4,055,941
Debt instruments measured at amortised cost (Note 17(c))	<b>46,612,747</b>	36,884,143	27,360,177	<b>46,612,747</b>	36,884,143	27,360,177
Equity Investments designated at fair value through other comprehensive income (Note 17(d))	<b>36,940</b>	31,945	18,559	<b>9,673</b>	8,303	-
	<b>48,696,565</b>	46,203,952	35,290,627	<b>48,664,900</b>	45,308,171	34,374,414

## (a) FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	THE GROUP			THE BANK		
	2020	2019	2018	2020	2019	2018
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Trading assets:						
Government of Mauritius debt securities	<b>850,043</b>	1,416,463	1,749,284	<b>850,043</b>	1,416,463	1,749,284
Bank of Mauritius bonds and notes	<b>920,011</b>	3,427,026	1,209,012	<b>920,011</b>	3,427,026	1,209,012
Unquoted equity investments	<b>4,398</b>	58,356	203,247	-	-	-
Quoted equity investments	-	813,783	694,407	-	-	-
Foreign Securities: Corporate bonds and notes	<b>272,426</b>	356	-	<b>272,426</b>	356	-
	<b>2,046,878</b>	5,715,984	3,855,950	<b>2,042,480</b>	4,843,845	2,958,296

The 2018 comparative figures were presented as financial investments held for trading under the previous standard.

## (b) DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	THE GROUP			THE BANK		
	2020	2019	2018	2020	2019	2018
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Government of Mauritius debt securities	-	-	119,091	-	-	119,091
Bank of Mauritius bonds and notes	-	-	451,389	-	-	451,389
Foreign Securities treasury bills and bonds	-	3,571,880	3,485,461	-	3,571,880	3,485,461
	-	3,571,880	4,055,941	-	3,571,880	4,055,941

The 2018 comparative figures were presented as available for sale financial investments under the previous standard.

No loss allowance is recognised in the statement of financial position for debt instruments measured at FVTOCI as the carrying amount is at fair value.

# NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2020

## 17 INVESTMENT SECURITIES (CONTINUED)

### (b) DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The balances were classified in stage 1 and 12month ECL was calculated hereon.

#### External rating grade

Performing:

Credit rating A+ to A-

Carrying amount

Loss allowance

Carrying amount at 30 June

THE GROUP AND THE BANK	
2020	2019
MUR'000	MUR'000
-	3,571,880
-	3,571,880
-	(1,074)
-	3,570,806

An analysis of changes in the carrying amount and the corresponding ECLs is, as follows:

#### Carrying amount

Carrying amount at 01 July

Financial assets that have been repaid

Other movements

Fair value movement

Carrying amount at 30 June

THE GROUP AND THE BANK	
2020	2019
MUR'000	MUR'000
3,571,880	4,055,941
(3,569,000)	(570,480)
-	83,845
(2,880)	2,574
-	3,571,880

#### Allowance for impairment loss

Loss allowance at 01 July

- Effect of adopting IFRS 9

Loss allowance as at 01 July

Financial assets that have been repaid

Other movements

Loss allowance as at 30 June

THE GROUP AND THE BANK	
2020	2019
MUR'000	MUR'000
1,074	-
-	547
1,074	547
(1,074)	(77)
-	604
-	1,074

### (c) DEBT INSTRUMENTS MEASURED AT AMORTISED COST

Government of Mauritius treasury bills and bonds

Bank of Mauritius bonds and notes

Corporate debt securities and bonds

Foreign Securities treasury bills and bonds

Less: allowance for impairment losses

THE GROUP AND THE BANK		
2020	2019	2018
MUR'000	MUR'000	MUR'000
12,250,207	7,291,728	6,116,458
2,279,722	5,056,172	2,246,969
2,370,619	1,792,723	812,251
29,719,992	22,751,899	18,184,499
46,620,540	36,892,522	27,360,177
(7,793)	(8,379)	-
46,612,747	36,884,143	27,360,177

The 2018 comparative figures were presented as financial assets held to maturity under the previous standard.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2020

### 17 INVESTMENT SECURITIES (CONTINUED)

#### (c) DEBT INSTRUMENTS MEASURED AT AMORTISED COST (CONTINUED)

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's external rating system and year-end stage classification. The balances were classified in stage 1 and 12-month ECL was calculated hereon. The amounts presented are gross of impairment allowances.

#### External rating grade

Performing:

	THE GROUP AND THE BANK	
	2020 MUR'000	2019 MUR'000
Credit rating AAA	37,518,100	28,837,100
Credit rating AA+ to AA-	3,152,204	3,846,157
Credit rating A+ to A-	3,579,616	2,416,542
Credit rating BBB+ to BBB-	100,025	-
Credit rating BB+ to BB-	2,270,595	1,792,723
Total gross carrying amount	46,620,540	36,892,522
Loss allowance	(7,793)	(8,379)
Carrying amount at 30 June	46,612,747	36,884,143

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

#### Gross carrying amount

	THE GROUP AND THE BANK	
	2020 MUR'000	2019 MUR'000
Gross carrying amount at 01 July	36,892,522	27,360,177
New financial assets originated	36,825,566	25,605,260
Financial assets that have been repaid	(26,742,405)	(16,047,518)
Financial assets that have been derecognised	(595,253)	(89,762)
Other movements	240,110	64,365
Gross carrying amount at 30 June	46,620,540	36,892,522

An analysis of the movement of the loss allowance is as follows:

#### Allowance for impairment losses

	THE GROUP AND THE BANK	
	2020 MUR'000	2019 MUR'000
Loss allowance at 01 July	8,379	-
- Effect of adopting IFRS 9	-	6,029
Loss allowance as at 01 July	8,379	6,029
New financial assets originated	3,403	6,284
Financial assets that have been repaid	(3,135)	(2,980)
Financial assets that have been derecognised	-	(45)
Other movements	(854)	(909)
Loss allowance as at 30 June	7,793	8,379

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2020

### 17 INVESTMENT SECURITIES (CONTINUED)

#### (d) EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity securities:

At 01 July

Reclassification from other assets

Fair value movement

At 30 June

	THE GROUP			THE BANK		
	2020	2019	2018	2020	2019	2018
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
At 01 July	31,945	18,559	18,559	8,303	-	-
Reclassification from other assets	-	7,181	-	-	7,181	-
Fair value movement	4,995	6,205	-	1,370	1,122	-
At 30 June	<b>36,940</b>	31,945	18,559	<b>9,673</b>	8,303	-

Prior to 2019, these investments were classified as available for sale investment and measured at cost. The investments are expected to be held for the long term for strategic purposes and have been designated at FVTOCI. There was no disposal during the year. No dividend income was recognised on these investments during the year under review (2019 and 2018: Nil).