

Glossary

Basis point is a unit equal to one hundredth of a percentage point.

Coverage ratio (ratio of provisions to NPL) measures a bank's ability to absorb losses from its non-performing loans.

Cross-border exposures refer to exposures of banks outside Mauritius.

GBC1s are resident corporations which conduct business outside Mauritius. The law has recently been amended to allow them to transact with residents provided that their activities in Mauritius are ancillary to their core business with non-residents.

Herfindahl–Hirschman Index is a measure of the size of firms in relation to the industry and an indicator of the amount of competition among them. It is a commonly accepted measure of market concentration.

MER11 is the Mauritius Exchange Rate Index, a nominal effective exchange rate introduced in July 2008, based on the currency distribution of merchandise trade.

MER12 is the Mauritius Exchange Rate Index, a nominal effective exchange rate introduced in July 2008, based on the currency distribution of merchandise trade and tourist earnings.

ROA is the annualised pre-tax return on assets and is measured by the ratio of pre-tax profit to average assets.

ROE is the annualised pre-tax return on equity and is measured by the ratio of pre-tax profit to average equity.

SEMDEX is an index of prices of all listed shares on the Stock Exchange of Mauritius and each stock is weighted according to its share in the total market capitalisation.

SEM-7 is an index launched by the Stock Exchange of Mauritius on 31 March 1998. It comprises the seven largest eligible shares of the Official Market, measured in terms of average market capitalization, liquidity and investibility criteria.

Tier 1 capital is a term used to qualify eligible capital of a bank and constitute the component having the highest loss-absorbing capacity.

Y-o-y change compares the value of a variable at one period in time compared with the same period the previous year.