

Out of the Ordinary®



Specialist Bank and
Asset Manager

Investec Bank (Mauritius) Limited

Unaudited financial report for the six months ended 30 September 2021

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 2021

The unaudited financial report for the six months ended 30 September 2021 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 decreased by 7% from US\$16.1 million for the period ended 30 September 2020 to US\$15.1 million for the period ended 30 September 2021 as a result of margin contraction following a decrease in asset yields.
- Net fee and commission income increased from US\$3.0 million for the period ended 30 September 2020 to US\$6.1 million for the period 30 September 2021 mainly due to higher level of deal activity.
- Expected credit losses of US\$0.5 million were reversed for the period under review compared to a charge of US\$1.2 million for the comparative period.
- Operating costs increased by 7% from US\$5.4 million for the period ended 30 September 2020 to US\$5.8 million for the period ended 30 September 2021.

Profit after tax increased by 23% from 12.0 million for the period ended 30 September 2020 to US\$14.8 million for the half year ended 30 September 2021.

Loans and advances to customers increased by 20% to US\$1,057 million while external deposits increased by 10% to US\$1,084 million during the half year ended 30 September 2021.

The group remains well capitalised with a capital adequacy ratio of 29.1% as at 30 September 2021.



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 September 2021, the total on- and off-balance sheet credit exposure to related parties amounted to US\$85.1 million (31 March 2021 – US\$192.3 million) representing 4.7% (31 March 2021 – 11.3%) of the bank’s total exposure. The credit exposure to the six related parties with the highest exposure amounted to US\$85.1 million (31 March 2021 – US\$192.3 million) representing 21.7% (31 March 2021 – 52.2%) 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.

Operating environment

The operating environment during the period under review has improved compared to the period ended 30 September 2020 which coincided with the start of the Covid-19 pandemic. The ongoing vaccine roll-out and easing of sanity measures worldwide offers more visibility and paves the way for the global economic recovery. The bank has been resilient and posted pleasing results despite a low interest environment. The bank expects its asset base and operating profit to grow over the next six months.

Lourens van Rensburg
Chairman
Board of directors

Pierre de Chasteigner du Mée
Director

Grant Michael Parsons
Chief executive officer/Director

Dated: 15 November 2021



Balance sheets

As at US\$'000	Group			Bank		
	30 September 2021	31 March 2021	30 September 2020	30 September 2021	31 March 2021	30 September 2020
Assets						
Cash and balances at central bank	32,533	20,367	17,148	32,533	20,367	17,148
Due from banks	531,037	610,979	551,707	531,037	610,979	551,707
Reverse repurchase agreements	115,009	100,004	104,991	115,009	100,004	104,991
Bank debt securities	33,652	33,637	32,982	33,652	33,637	32,982
Other debt securities	19,921	19,960	19,965	19,921	19,960	19,965
Derivative financial instruments	7,215	1,604	1,010	7,215	1,604	1,010
Investment portfolio	2,813	2,663	2,603	2,813	2,663	2,603
Loans and advances to customers	1,057,468	883,832	869,612	1,057,468	883,832	869,612
Investment in associate	1,799	2,130	2,473	1,799	2,130	2,473
Deferred taxation asset	498	498	421	498	498	421
Current taxation asset	-	256	-	-	256	-
Other assets	4,235	19,684	4,686	4,093	19,525	4,534
Property, plant and equipment	565	962	1,029	562	958	1,027
Amount due from group companies	1,301	1,835	2,681	1,314	1,853	2,696
Investment in subsidiary	-	-	-	467	467	467
Total assets	1,808,046	1,698,411	1,611,308	1,808,381	1,698,733	1,611,636
Liabilities						
Derivative financial instruments	3,400	4,665	6,483	3,400	4,665	6,483
Customer deposits	1,083,910	986,918	911,539	1,086,032	988,793	913,114
Debt securities in issue	260,938	262,027	260,998	260,938	262,027	260,998
Amount due to group companies	27,154	26,480	24,169	27,154	26,480	24,109
Current taxation liabilities	355	4	6	350	-	-
Other liabilities	7,216	8,300	9,904	7,141	8,154	9,822
Total liabilities	1,382,973	1,288,394	1,213,099	1,385,015	1,290,119	1,214,526
Equity						
Ordinary share capital	56,478	56,478	56,478	56,478	56,478	56,478
Other reserves	73,850	70,835	69,265	73,850	70,835	69,265
Retained income	294,745	282,704	272,466	293,038	281,301	271,367
Shareholder's equity	425,073	410,017	398,209	423,366	408,614	397,110
Total liabilities and equity	1,808,046	1,698,411	1,611,308	1,808,381	1,698,733	1,611,636



Income statements

For the period / year ended US\$'000	Group			Bank		
	Six months ended 30 September 2021	Year 31 March 2021	Six months ended 30 September 2020	Six months ended 30 September 2021	Year 31 March 2021	Six months ended 30 September 2020
Interest income	22,026	47,243	25,073	22,023	47,245	25,074
Interest income calculated using effective interest rate	18,925	39,017	20,616	18,922	39,019	20,617
Other interest income	3,101	8,226	4,457	3,101	8,226	4,457
Interest expense	(6,957)	(16,435)	(8,925)	(6,953)	(16,435)	(8,925)
Net interest income	15,069	30,808	16,148	15,070	30,810	16,149
Fee income	6,719	7,186	3,463	6,206	6,259	3,032
Fee expense	(631)	(1,122)	(428)	(631)	(1,122)	(428)
Net fee income	6,088	6,064	3,035	5,575	5,137	2,604
Investment income	2	6	45	2	6	45
Trading income	83	496	285	86	481	278
Other operating loss	-	(286)	-	-	(286)	-
Total operating income before expected credit loss	21,242	37,088	19,513	20,733	36,148	19,076
Expected credit loss reversal / (charge)	517	(1,671)	(1,183)	517	(1,671)	(1,183)
Operating income	21,759	35,417	18,330	21,250	34,477	17,893
Operating costs	(5,813)	(12,230)	(5,426)	(5,612)	(11,891)	(5,277)
Operating profit	15,946	23,187	12,904	15,638	22,586	12,616
Share of loss in associate	(175)	(482)	(101)	(175)	(482)	(101)
Profit before taxation	15,771	22,705	12,803	15,463	22,103	12,515
Taxation	(965)	(1,349)	(805)	(960)	(1,330)	(795)
Profit after taxation	14,806	21,356	11,998	14,503	20,774	11,720
Analysed as follows:						
Transfer to regulatory general risk reserve	2,908	938	1,692	2,908	938	1,692
Transfer to retained earnings	11,898	20,418	10,306	11,595	19,836	10,028
Profit attributable to equity holder of the bank	14,806	21,356	11,998	14,503	20,774	11,720

Statements of other comprehensive income

For the period/ year ended US\$'000	Group			Bank		
	Six months ended 30 September 2021	Year 31 March 2020	Six months ended 30 September 2020	Six months ended 30 September 2021	Year 31 March 2021	Six months ended 30 September 2020
Profit after taxation	14,806	21,356	11,998	14,503	20,774	11,720
Other comprehensive income:						
Items reclassified to the income statement						
-Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	264	4,550	2,263	264	4,550	2,263
-Foreign currency adjustments on translating investment in associate	(157)	(244)	(282)	(157)	(244)	(282)
-Other comprehensive income	-	9	10	-	9	10
Items that will never be reclassified to income statement						
Employee benefit liability adjustment	143	130	4	142	135	9
Total other comprehensive income	250	4,445	1,995	249	4,450	2,000
Total comprehensive income attributable to equity holder of the bank	15,056	25,801	13,993	14,750	25,224	13,720



Statements of changes in equity

As at	Other reserves					Retained income	Total equity
	Ordinary share capital	Foreign currency reserve	Available for sale/ Fair value reserve	Regulatory general risk reserve	Statutory reserve		
US\$'000							
Group							
At 1 April 2021	56,478	(705)	609	14,453	56,478	282,704	410,017
Movement in reserves 1 April 2021 - 30 September 2021							
Profit after taxation	-	-	-	-	-	14,806	14,806
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	264	-	-	-	264
Foreign currency adjustments on translating investment in associate	-	(157)	-	-	-	-	(157)
Other comprehensive income	-	-	-	-	-	-	-
Employee benefit liability adjustment	-	-	-	-	-	143	143
Total comprehensive income	-	(157)	264	-	-	14,949	15,056
Transfer to regulatory general risk reserve	-	-	-	2,908	-	(2,908)	-
At 30 September 2021	56,478	(862)	873	17,361	56,478	294,745	425,073
At 1 April 2020	56,478	(461)	(3,941)	13,506	56,478	262,156	384,216
Movement in reserves 1 April 2020 - 31 March 2021							
Profit after taxation	-	-	-	-	-	21,356	21,356
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	4,550	-	-	-	4,550
Foreign currency adjustments on translating investment in associate	-	(244)	-	-	-	-	(244)
Other comprehensive income	-	-	-	9	-	-	9
Employee benefit liability adjustment	-	-	-	-	-	130	130
Total comprehensive income	-	(244)	4,550	9	-	21,486	25,801
Transfer to regulatory general risk reserve	-	-	-	938	-	(938)	-
Ordinary dividend paid	-	-	-	-	-	-	-
At 31 March 2021	56,478	(705)	609	14,453	56,478	282,704	410,017
At 1 April 2020	56,478	(461)	(3,941)	13,506	56,478	262,156	384,216
Movement in reserves 1 April 2020 - 30 September 2020							
Profit after taxation	-	-	-	-	-	11,998	11,998
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	2,263	-	-	-	2,263
Foreign currency adjustments on translating investment in associate	-	(282)	-	-	-	-	(282)
Other comprehensive income	-	-	-	10	-	-	10
Employee benefit liability adjustment	-	-	-	-	-	4	4
Total comprehensive income	-	(282)	2,263	10	-	12,002	13,993
Transfer to regulatory general risk reserve	-	-	-	1,692	-	(1,692)	-
Balance at 30 September 2020	56,478	(743)	(1,678)	15,208	56,478	272,466	398,209
Bank							
At 1 April 2021	56,478	(705)	609	14,453	56,478	281,301	408,614
Movement in reserves 1 April 2021 - 30 September 2021							
Profit after taxation	-	-	-	-	-	14,503	14,503
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	264	-	-	-	264
Foreign currency adjustments on translating investment in associate	-	(157)	-	-	-	-	(157)
Other comprehensive income	-	-	-	-	-	-	-
Employee benefit liability adjustment	-	-	-	-	-	142	142
Total comprehensive income	-	(157)	264	-	-	14,645	14,752
Transfer to regulatory general risk reserve	-	-	-	2,908	-	(2,908)	-
At 30 September 2021	56,478	(862)	873	17,361	56,478	293,038	423,366
At 1 April 2020	56,478	(461)	(3,941)	13,506	56,478	261,330	383,390
Movement in reserves 1 April 2020 - 31 March 2021							
Profit after taxation	-	-	-	-	-	20,774	20,774
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	4,550	-	-	-	4,550
Foreign currency adjustments on translating investment in associate	-	(244)	-	-	-	-	(244)
Other comprehensive income	-	-	-	9	-	-	9
Employee benefit liability adjustment	-	-	-	-	-	135	135
Total comprehensive income	-	(244)	4,550	9	-	20,909	25,225
Transfer to regulatory general risk reserve	-	-	-	938	-	(938)	-
Ordinary dividends	-	-	-	-	-	-	-
At 31 March 2021	56,478	(705)	609	14,453	56,478	281,301	408,614
At 1 April 2020	56,478	(461)	(3,941)	13,506	56,478	261,330	383,390
Movement in reserves 1 April 2020 - 30 September 2020							
Profit after taxation	-	-	-	-	-	11,720	11,720
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	2,263	-	-	-	2,263
Foreign currency adjustments on translating investment in associate	-	(282)	-	-	-	-	(282)
Other comprehensive income	-	-	-	10	-	-	10
Employee benefit liability adjustment	-	-	-	-	-	9	9
Total comprehensive income	-	(282)	2,263	10	-	11,729	13,720
Transfer to regulatory general risk reserve	-	-	-	1,692	-	(1,692)	-
Balance at 30 September 2020	56,478	(742)	(1,678)	15,208	56,478	271,367	397,110



Cash flow statements

For the period / year ended US\$'000	Group			Bank		
	Six months ended 30 September 2021	Year 31 March 2021	Six months ended 30 September 2020	Six months ended 30 September 2021	Year 31 March 2021	Six months ended 30 September 2020
Profit before tax	15,771	22,705	12,803	15,463	22,104	12,515
Adjustment for non cash items	672	16,546	331	671	16,545	336
Profit before taxation adjusted for non-cash items	16,443	39,251	13,134	16,134	38,649	12,851
Taxation paid	(368)	(2,742)	(2,645)	(359)	(2,715)	(2,630)
Decrease in operating assets	(175,870)	(23,687)	27,408	(175,883)	(23,670)	27,423
Decrease in operating liabilities	95,480	31,987	(42,683)	95,794	32,541	(42,432)
Net cash (outflow)/ inflow from operating activities	(64,314)	44,809	(4,787)	(64,314)	44,805	(4,788)
Purchase of debt securities	-	(260)	(200)	-	(260)	(200)
Proceeds from disposal of debt securities	-	7,560	7,500	-	7,560	7,500
Acquisition of equipment	(1)	(160)	(37)	(1)	(156)	(37)
Net cash (outflow) / inflow from investing activities	(1)	7,140	7,263	(1)	7,144	7,263
Cash flow from financing activities						
Reverse repurchase agreement	(15,000)	-	(5,000)	(15,000)	-	(5,000)
Payment of lease liabilities	(148)	(241)	-	(148)	(241)	-
Net cash (outflow) / inflow from financing activities	(15,148)	(241)	(5,000)	(15,148)	(241)	(5,000)
Effects of exchange rates on cash and cash equivalents	(1,016)	(7,192)	4,172	(1,016)	(7,192)	4,172
Net increase in cash and cash equivalents	(80,480)	44,516	1,648	(80,479)	44,516	1,646
Cash and cash equivalents at beginning of the period / year	583,546	539,030	539,030	583,546	539,030	539,030
Cash and cash equivalents at end of the peiod / year	503,066	583,546	540,678	503,067	583,546	540,676
Cash and cash equivalents is defined as including:						
Cash in hand	2	5	4	2	5	4
Cash and balances at central bank (unrestricted balance)	19,821	7,631	6,560	19,821	7,631	6,560
Due from banks (excluding placements with maturity greater than 3 months)	483,174	575,844	534,064	483,174	575,844	534,064
Expected credit loss on cash and cash equivalents	70	66	48	70	66	48
Cash and cash equivalents at end of the period / year	503,067	583,546	540,677	503,067	583,546	540,677



Notes to the unaudited financial accounts for the six months ended 30 September 2021

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 2021 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 2021.

(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 six months ended 30 September 2021

3. Related party transactions

As at US\$'000	Group			Bank		
	30 September 2021	31 March 2021	30 September 2020	30 September 2021	31 March 2021	30 September 2020
Interest income	3,351	9,223	4,962	3,347	9,223	4,962
Interest expense	(4,796)	(11,685)	(6,434)	(4,793)	(11,687)	(6,435)
Net fair value of derivatives held with group companies	3,946	(2,867)	(4,711)	3,946	(2,867)	(4,711)
Reverse repurchase agreements	25,038	25,016	25,012	25,038	25,016	25,012
Loans and advances to customers	1,835	1,746	1,936	1,835	1,746	1,936
Customer deposits	(3,929)	(2,456)	(2,381)	(3,929)	(4,331)	(2,381)
Amount due from holding bank	46,943	158,801	262,446	46,943	158,801	262,446
Amount due from other group companies	-	248	1,198	14	262	1,214
Amount due to holding bank	(21,110)	(20,684)	(18,635)	(21,110)	(20,684)	(18,635)
Amount due to other group companies	(6,043)	(5,796)	(5,534)	(6,043)	(5,796)	(5,474)
Debt securities in issue	(260,938)	(262,027)	(260,998)	(260,938)	(262,027)	(260,998)

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 September 2021, loans and advances amounting to US\$ 32k were unsecured (31 March 2021: US\$ 63k and 30 September 2020: US\$ 71k). For the six months ended 30 September 2021, the bank has not made any write-off relating to amounts owed by related parties (31 March 2021: Nil and 30 September 2020: Nil).



Credit and counterparty risk information

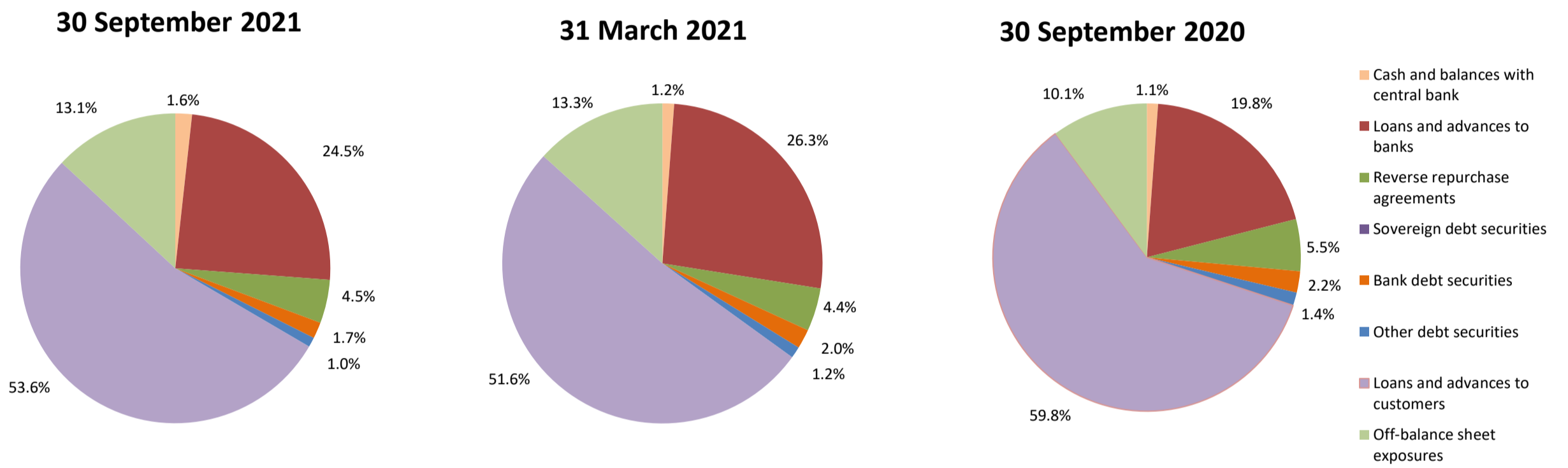
The table that follows provides an analysis of gross credit and counterparty exposures

Group and Bank

US\$'000	30 September 2021	31 March 2021	30 September 2020	30 September 2021 vs 31 March 2021 % change	Average*
On-balance sheet exposures	1,723,882	1,494,472	1,318,016	15.4	1,609,176
Balances at central bank	32,531	20,362	17,144	59.8	26,446
Due from banks	485,465	453,830	290,792	7.0	469,647
Bank debt securities	33,652	33,637	32,860	0.0	33,645
Other debt securities	20,056	20,056	20,061	0.0	20,056
Reverse repurchase agreements	90,000	75,000	80,001	20.0	82,500
Loans and advances to customers	1,062,178	891,587	877,158	19.1	976,882
Off-balance sheet exposures	259,477	229,425	148,541	13.1	244,451
Guarantees^	40,971	28,081	31,074	45.9	34,526
Committed facilities	218,506	201,344	117,468	8.5	209,925
Total gross credit and counterparty exposures pre-collateral or other credit enhancements	1,983,359	1,723,897	1,466,558	15.1	1,853,627

*Where the average is based on a straight line average for period 1 April 2021 to 30 September 2021.

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





Asset quality and expected credit loss

Group and Bank

US\$'000	30 September 2021	31 March 2021	30 September 2020
Gross core loans and advances to customers	1,062,178	891,587	877,158
Stage 1	967,141	815,332	814,303
Stage 2	81,933	57,378	43,294
Stage 3	13,104	18,877	19,560
Expected credit loss on loans and advances to customers	(4,710)	(7,755)	(7,546)
Stage 1	(3,920)	(3,886)	(3,680)
Stage 2	(247)	(173)	(222)
Stage 3	(543)	(3,696)	(3,644)
Net core loans and advances to customers	1,057,468	883,832	869,612
Average gross core loans and advances to customers	976,882	970,055	888,060
Current loans and advances to customers	965,032	812,166	802,580
Special mention loans and advances to customers	79,505	57,378	43,294
Past due loans and advances to customers (1-60 days)	4,534	3,166	11,724
Default loans and advances to customers	13,106	18,877	19,560
Gross core loans and advances to customers	1,062,178	891,587	877,158
Current loans and advances to customers	1,044,537	869,544	845,874
Gross core loans and advances to customers that are past due but not impaired	4,534	3,166	11,724
Gross core loans and advances to customers that are impaired	13,106	18,877	19,560
Gross core loans and advances to customers	1,062,178	891,587	877,158
Total income statement expected credit losses on core loans and advances	(516)	(1,435)	(1,236)
Gross default loans and advances to customers	13,106	18,877	19,560
Expected credit loss	(4,710)	(7,755)	(7,546)
Defaults net of expected credit loss	8,396	11,122	12,014
Collateral and other credit enhancements	22,895	27,639	28,194
Net default loans and advances to customers (limited to zero)	-	-	-
Ratios:			
Total expected credit loss as a % of gross core loans and advances to customers	0.44%	0.87%	0.86%
Total expected credit loss as a % of gross default loans	35.94%	41.08%	38.58%
Gross defaults as a % of gross core loans and advances to customers	1.23%	2.12%	2.23%
Defaults (net of expected credit loss) as a % of net core loans and advances to customers	0.79%	1.26%	1.38%
Annualised credit loss ratio (i.e. expected credit loss as a % of average gross core loans and advances)	0.11%	0.15%	0.28%



Capital structure

As at	Group			Bank		
	30 September 2021	31 March 2021	30 September 2020	30 September 2021	31 March 2021	30 September 2020
US\$'000						
Common equity tier 1 capital: instruments and reserves						
Ordinary shares	56,478	56,478	56,478	56,478	56,478	56,478
Retained earnings	281,016	282,704	259,570	279,309	281,301	258,472
Accumulated other comprehensive income and other disclosed reserves (excluding revaluation surpluses on land and building assets)	55,617	56,382	53,977	55,617	56,382	53,977
Common equity tier 1 capital before regulatory adjustments	393,111	395,564	370,025	391,404	394,161	368,927
Common equity tier 1 capital: regulatory adjustments						
Deferred tax assets	498	498	421	498	498	421
Total regulatory adjustments to common equity tier 1 capital	498	498	421	498	498	421
Common equity tier 1 capital (CET1)	392,613	395,066	369,604	390,906	393,663	368,506
Tier 2 capital: instruments and provisions						
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)	16,670	14,924	14,146	16,677	14,936	14,159
Tier 2 capital before regulatory adjustments	16,670	14,924	14,146	16,677	14,936	14,159
Total capital (capital base) (TC = T1 + T2)	409,283	409,990	383,750	407,583	408,599	382,665
Risk-weighted assets						
Risk-weighted on-balance sheet assets	1,223,660	1,089,943	1,054,832	1,224,213	1,090,941	1,055,840
Non-market related off-balance sheet risk-weighted assets	102,423	100,190	72,752	102,423	100,190	72,752
Market related off-balance sheet risk-weighted assets	7,543	3,752	4,110	7,543	3,752	4,110
Operational risk	71,314	71,314	78,608	71,314	71,314	78,608
Aggregate net open foreign exchange position	2,979	7,010	3,904	2,979	7,010	3,904
Total risk-weighted assets	1,407,919	1,272,210	1,214,206	1,408,472	1,273,207	1,215,214
Capital adequacy ratio (%)	29.1%	32.2%	31.6%	28.9%	32.1%	31.5%
Tier 1 ratio	27.9%	31.1%	30.4%	27.8%	31.0%	30.3%

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

As at 30 September 2021

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	294,745	281,016	293,038	279,309
Other reserves	73,850	55,617	73,850	55,617
Qualifying common equity tier 1 capital before regulatory adjustments	425,073	393,112	423,366	391,404
Deferred tax assets	-	(498)	-	(498)
Tier 1 capital	425,073	392,613	423,366	390,906
Qualifying tier 1 capital	425,073	392,613	423,366	390,906
Tier 2 capital after regulatory adjustments and general allowance for expected credit losses (T2)	-	16,670	-	16,677
Total qualifying capital	425,073	409,284	423,366	407,583



Risk-weighted assets

US\$'000	Group and Bank		Group			Bank			
	30 September 2021	30 September 2021	31 March 2021	30 September 2020	30 September 2021	31 March 2021	30 September 2020		
	Risk-weights %	Exposure amount	Risk-weighted assets	Risk-weighted assets	Risk-weighted assets	Exposure amount	Risk-weighted assets	Risk-weighted assets	Risk-weighted assets
Risk-weighted on-balance sheet assets									
Cash items	0%	2	-	-	-	2	-	-	-
Claims on sovereigns	0%-50%	26,851	31,642	21,442	16,805	36,434	31,642	21,442	16,805
Claims on central banks and international institutions	0%-50%	32,531	-	566	-	32,531	-	566	-
Claims on banks	20%-100%	681,096	198,676	217,049	242,869	576,497	198,676	217,049	242,869
Claims on corporates	20%-100%	745,579	672,447	517,028	495,907	672,447	672,447	517,028	495,907
Claims secured by residential property	35%-125%	41,601	32,566	48,210	40,765	41,379	32,566	48,210	40,765
Claims secured by commercial real estate	100%-125%	254,237	259,771	237,962	226,739	254,171	259,771	237,962	226,739
Past due claims	50%-150%	12,565	18,641	21,913	20,875	12,516	18,641	21,913	20,875
Other assets	100%-250%	9,917	9,917	25,773	10,872	9,773	10,469	26,771	11,881
Total on-balance sheet credit risk-weighted exposures			1,223,660	1,089,943	1,054,832		1,224,213	1,090,941	1,055,840



Risk-weighted assets

Group and Bank

US\$'000	30 September 2021				31 March 2021	30 September 2020
	Notional principal amount	Credit conversion factor %	Credit equivalent amount	Risk-weighted assets	Risk-weighted assets	Risk-weighted assets
Non-market related off-balance sheet risk-weighted assets						
Direct credit substitutes	48,469	100%	30,912	30,912	10,471	11,783
Transaction-related contingent items	2,064	50%	1,032	1,032	1,951	3,811
Total other commitments	218,506	20%-50%	78,133	70,903	87,768	57,158
Total off-balance sheet credit risk-weighted exposures				102,847	100,189	72,752

Group and Bank

US\$'000	30 September 2021				31 March 2021	30 September 2020
	Notional principal amount	Potential future exposure	Current exposure	Credit equivalent amount	Risk-weighted assets	Risk-weighted assets
Market related off-balance sheet risk-weighted assets						
Interest rate contracts	138,192	443	553	996	985	1,405
Foreign exchange contracts	618,602	6,505	-	12,968	2,767	2,705
Credit derivative contracts	8,946	-	-	-	-	-
Total market-related off-balance sheet risk-weighted credit exposures				7,543	3,752	4,110



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 September 2021 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	354	253	55	-	18	-	-	680
Investment/trading assets	5	1	-	-	-	53	-	59
Advances	15	48	209	131	141	500	13	1,057
Other assets	-	-	-	5	-	-	-	5
Assets	374	302	264	136	159	553	13	1,801
Deposits - non-banks	(729)	(85)	(167)	(33)	(51)	(21)	-	(1,086)
Other liabilities	-	-	-	(7)	-	-	-	(7)
Liabilities	(729)	(85)	(167)	(40)	(51)	(21)	-	(1,093)
Intercompany loans	(10)	-	(23)	-	(80)	(176)	-	(289)
Shareholders' funds	-	-	-	-	-	-	(423)	(423)
Balance sheet	(365)	217	74	96	28	356	(410)	(4)
Off-balance sheet	-	6	(2)	-	-	-	-	4
Contractual liquidity gap	(365)	223	72	96	28	356	(410)	-
Cumulative liquidity gap	(365)	(142)	(70)	26	54	410	-	-

At 31 March 2021 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	311	285	125	-	10	-	-	731
Investment/trading assets	5	1	-	-	-	52	-	58
Advances	10	50	84	121	171	447	-	883
Other assets	-	-	-	21	-	-	-	21
Assets	326	336	209	142	181	499	-	1,693
Deposits - non-banks	(601)	(104)	(157)	(46)	(71)	(10)	-	(989)
Other liabilities	-	-	-	(8)	-	-	-	(8)
Liabilities	(601)	(104)	(157)	(54)	(71)	(10)	-	(997)
Intercompany loans	(4)	-	-	(186)	(23)	(72)	-	(285)
Shareholders' funds	-	-	-	-	-	-	(409)	(409)
Balance sheet	(279)	232	52	(98)	87	417	(409)	2
Off-balance sheet	-	-	-	-	(2)	-	-	(2)
Contractual liquidity gap	(279)	232	52	(98)	85	417	(409)	-
Cumulative liquidity gap	(279)	(47)	5	(93)	(8)	409	-	-

At 30 September 2020 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	336	195	133	10	-	-	-	674
Investment/trading assets	6	1	-	-	-	52	-	58
Advances	3	23	110	113	116	489	14	868
Other assets	-	-	-	6	-	-	-	6
Assets	345	219	243	129	116	541	14	1,606
Deposits - non-banks	(577)	(160)	(78)	(39)	(45)	(14)	-	(913)
Other liabilities	-	-	-	(9)	(1)	-	-	(10)
Liabilities	(577)	(160)	(78)	(48)	(47)	(14)	-	(923)
Intercompany loans	(3)	-	-	-	(186)	(93)	-	(282)
Shareholders' funds	-	-	-	-	-	-	(397)	(397)
Balance sheet	(236)	59	165	80	(116)	434	(383)	5
Off-balance sheet	-	(2)	-	-	-	(3)	-	(5)
Contractual liquidity gap	(236)	57	165	80	(116)	431	(383)	-
Cumulative liquidity gap	(236)	(179)	(14)	68	(48)	383	-	-



Unaudited financial reports for the period ended 30 September 2020

At 30 September 2021 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
Behavioural liquidity gap	230	124	(106)	31	(78)	74	(276)	-
Cumulative	230	354	249	279	202	276	-	-
At 31 March 2021 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
Behavioural liquidity gap	208	148	27	(180)	(32)	125	(295)	-
Cumulative	208	356	383	204	171	295	-	-
At 30 September 2020 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
Behavioural liquidity gap	240	77	23	(11)	(119)	48	(259)	-
Cumulative	240	317	341	329	211	259	-	-

Liquidity coverage ratio (LCR)

As at 30 September 2021, the bank's LCR stood at 116%.
Additional information is available on our website 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 September 2021 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	670	10	-	-	-	-	680
Investment/trading assets	22	-	-	31	-	6	59
Advances	913	55	31	58	-	-	1,057
Other assets	-	-	-	-	-	5	5
Assets	1,605	65	31	90	-	11	1,801
Deposits - non-banks	(999)	(33)	(51)	(3)	-	-	(1,086)
Other liabilities	-	-	-	-	-	(7)	(7)
Liabilities	(999)	(33)	(51)	(3)	-	(7)	(1,093)
Intercompany loans	(289)	-	-	-	-	-	(289)
Shareholders' funds	-	-	-	-	-	(423)	(423)
Balance sheet	317	33	(20)	87	-	(419)	(4)
Off balance sheet	92	-	(1)	(87)	-	-	4
Repricing gap	409	33	(21)	(1)	-	(419)	-
Cumulative repricing gap	409	441	420	419	419	-	-

At 31 March 2021 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	731	-	-	-	-	-	731
Investment/trading assets	21	-	-	30	-	8	59
Advances	724	77	24	60	-	-	885
Other assets	-	-	-	-	-	21	21
Assets	1,476	77	24	90	-	29	1,696
Deposits - non-banks	(872)	(49)	(68)	-	-	-	(989)
Other liabilities	-	-	-	-	-	(8)	(8)
Liabilities	(872)	(49)	(68)	-	-	(8)	(997)
Intercompany loans	(287)	-	-	-	-	-	(287)
Shareholders' funds	-	-	-	-	-	(409)	(409)
Balance sheet	317	28	(44)	90	-	(388)	3
Off-balance sheet	106	-	(20)	(89)	-	-	(3)
Repricing gap	423	28	(64)	1	-	(388)	-
Cumulative repricing gap	423	451	387	388	388	-	-



At 30 September 2020 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	674	-	-	-	-	-	674
Investment/trading assets	20	-	-	32	-	6	57
Advances	735	45	10	79	-	-	868
Other assets	-	-	-	-	-	5	5
Assets	1,429	45	10	111	-	11	1,606
Deposits - non-banks	(830)	(47)	(36)	-	-	-	(913)
Other liabilities	-	-	-	-	-	(10)	(10)
Liabilities	(830)	(47)	(36)	-	-	(10)	(923)
Intercompany loans	(282)	-	-	-	-	-	(282)
Shareholders' funds	-	-	-	-	-	(397)	(397)
Balance sheet	317	(2)	(26)	111	-	(396)	5
Off balance sheet	99	15	(10)	(109)	-	-	(5)
Repricing gap	416	13	(36)	3	-	(396)	-
Cumulative repricing gap	416	429	393	396	396	-	-

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	
30 September 2021						
200bp down	0.06	1.00	0.41	0.57	-	2.04
200bp up	(0.05)	(0.99)	(0.41)	(0.56)	-	(2.02)
At 31 March 2021						
US\$'million						
200bp down	(0.04)	0.50	0.36	0.54	(0.01)	1.35
200bp up	0.04	(0.50)	(0.36)	(0.54)	0.01	(1.35)
30 September 2020						
200bp down	(0.06)	0.54	0.89	0.52	0.03	1.92
200bp up	0.06	(0.53)	(0.87)	(0.50)	(0.03)	(1.87)

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	MUR	Other currencies	Aggregate net open foreign exchange position
30 September 2021					
Long/(short) position	694	2,023	(144)	(399)	2,979
At 31 March 2021					
US\$'million					
Long/(short) position	2,921	3,404	(250)	(1,019)	7,010
30 September 2020					
Long/(short) position	1,832	1,775	(333)	(380)	3,904