

Out of the Ordinary®



Specialist Bank and
Asset Manager

Investec Bank (Mauritius) Limited

Unaudited financial report for the period ended 30 June 2022

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





Unaudited financial report for the period ended 30 June 2022

The unaudited financial report for the period ended 30 June 2022 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 66% from US\$7.3 million for the period ended 30 June 2021 to US\$12.1 million for the period ended 30 June 2022 as a result of an increase in interest-earning assets and growth in net interest margin from 1.8% to 2.5%.
- Net fee income increased from US\$2.4 million for the period ended 30 June 2021 to US\$3.2 million for the period 30 June 2022 mainly due to higher levels of deal activity.
- Expected credit losses of US\$0.4 million were charged for the period under review compared to a reversal of US\$1.5 million for the comparative period.
- Operating costs increased by 22% from US\$2.8 million for the period ended 30 June 2021 to US\$3.4 million for the period ended 30 June 2022. The cost-to-income ratio remains low at 21.5%.

Profit after tax increased by 43% from US\$7.9 million for the period ended 30 June 2021 to US\$11.2 million for the period ended 30 June 2022 mainly due to higher interest and fee income.

Total assets increased by 9% to US\$2,013 million while external deposits increased by 15% to US\$1,265 million during the period ended 30 June 2022.

The group remains well capitalised with a capital adequacy ratio of 30.6% as at 30 June 2022.



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.

Related party transactions are reported to and approved by the board of directors.

At 30 June 2022, the total on- and off-balance sheet credit exposure to related parties amounted to US\$58.4 million (31 March 2022 – US\$63.4 million) representing 2.9% of the bank's total exposure (31 March 2022 – 3.4%). The credit exposure to the six related parties with the highest exposure amounted to US\$58.4 million (31 March 2022 – US\$63.4 million) representing 13.7% (31 March 2022 – 14.5%) 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

Despite uncertainty in the international economy due to global inflationary pressure and the Russia – Ukraine war, activity levels have increased over the comparative period ended 30 June 2021, where sanitary measures were still in place as a result of the pandemic. The group's net profit after tax increased by 43% and expects its asset base and operating income to continue growing over the next quarter.

Lourens van Rensburg
Chairman
Board of directors

Ramdeo (Dev) Erriah
Director

Grant Michael Parsons
Chief executive officer/Director

Dated: 15 August 2022



Balance sheets

As at US\$'000	30 June 2022	Group 31 March 2022	30 June 2021	30 June 2022	Bank 31 March 2022	30 June 2021
Assets						
Cash and balances at central bank	26,826	36,553	20,669	26,826	36,553	20,669
Due from banks	612,873	516,427	618,144	612,873	516,427	618,144
Reverse repurchase agreements	200,082	125,011	100,011	200,082	125,011	100,011
Sovereign debt securities	105,223	-	-	105,223	-	-
Bank debt securities	34,857	31,962	33,256	34,857	31,962	33,256
Other debt securities	63,346	59,078	19,961	63,346	59,078	19,961
Derivative financial instruments	10,031	5,175	3,573	10,031	5,175	3,573
Investment portfolio	3,812	3,813	2,664	3,812	3,813	2,664
Loans and advances to customers	947,939	1,061,222	823,716	947,939	1,061,222	823,716
Investment in associate	2,274	2,120	1,975	2,274	2,120	1,975
Deferred taxation asset	451	451	498	451	451	498
Other assets	5,349	4,105	4,194	5,048	3,891	4,055
Property, plant and equipment	316	404	664	314	402	660
Amount due from group companies	-	1,293	1,652	173	1,308	1,821
Investment in subsidiary	-	-	-	467	467	467
Total assets	2,013,379	1,847,614	1,630,977	2,013,716	1,847,880	1,631,470
Liabilities						
Derivative financial instruments	1,042	2,512	2,992	1,042	2,512	2,992
Customer deposits	1,264,562	1,102,632	911,320	1,267,407	1,105,211	913,425
Debt securities in issue	254,676	258,814	263,029	254,676	258,814	263,029
Amount due to group companies	31,800	30,051	27,985	31,800	30,051	27,983
Current taxation liabilities	1,725	994	262	1,691	974	254
Other liabilities	6,285	8,567	6,750	6,179	8,380	6,661
Total liabilities	1,560,090	1,403,570	1,212,338	1,562,795	1,405,942	1,214,344
Equity						
Ordinary share capital	56,478	56,478	56,478	56,478	56,478	56,478
Other reserves	67,572	68,538	73,956	67,572	68,538	73,956
Retained income	329,239	319,028	288,205	326,871	316,922	286,692
Shareholder's equity	453,289	444,044	418,639	450,921	441,938	417,126
Total liabilities and equity	2,013,379	1,847,614	1,630,977	2,013,716	1,847,880	1,631,470



Income statements

	Group			Bank		
For the period / year ended US\$'000	Period ended 30 June 2022	Year 31 March 2022	Period ended 30 June 2021	Period ended 30 June 2022	Year 31 March 2022	Period ended 30 June 2021
Interest income	18,063	48,965	10,817	18,063	48,952	10,817
Interest income calculated using effective interest rate	14,654	42,305	9,251	14,654	42,292	9,251
Other interest income	3,409	6,660	1,566	3,409	6,660	1,566
Interest expense	(5,986)	(14,402)	(3,530)	(5,991)	(14,400)	(3,530)
Net interest income	12,077	34,563	7,287	12,072	34,552	7,287
Fee income	3,584	11,931	2,759	3,220	10,767	2,535
Fee expense	(347)	(1,350)	(353)	(347)	(1,350)	(353)
Net fee income	3,237	10,581	2,406	2,873	9,417	2,182
Investment (loss) / income	(1)	942	4	(1)	942	4
Trading income	200	1,567	62	205	1,574	59
Other operating loss	-	25	-	-	25	-
Total operating income before expected credit loss	15,513	47,678	9,759	15,149	46,510	9,532
Expected credit loss (charge) / reversal	(337)	444	1,496	(337)	444	1,496
Operating income	15,176	48,122	11,255	14,812	46,954	11,028
Operating costs	(3,351)	(12,915)	(2,754)	(3,263)	(12,479)	(2,636)
Operating profit	11,825	35,207	8,501	11,549	34,475	8,392
Share of profit / (loss) in associate	155	155	(101)	155	155	(101)
Profit before taxation	11,980	35,362	8,400	11,704	34,630	8,291
Taxation	(731)	(2,174)	(514)	(717)	(2,139)	(510)
Profit after taxation	11,249	33,188	7,886	10,987	32,491	7,781
Analysed as follows:						
Transfer to regulatory general risk reserve	1,178	(2,974)	2,423	1,178	(2,974)	2,423
Transfer to retained earnings	10,071	36,162	5,463	9,808	35,466	5,358
Profit attributable to equity holder of the bank	11,249	33,188	7,886	10,987	32,491	7,781

Statements of other comprehensive income

	Group			Bank		
For the period/ year ended US\$'000	Period ended 30 June 2022	Year 31 March 2022	Period ended 30 June 2021	Period ended 30 June 2022	Year 31 March 2022	Period ended 30 June 2021
Profit after taxation	11,249	33,188	7,886	10,987	32,491	7,781
Other comprehensive income:						
Items reclassified to the income statement						
-Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	(2,143)	842	753	(2,143)	842	753
-Foreign currency adjustments on translating investment in associate	(1)	(165)	(55)	(1)	(165)	(55)
Items that will never be reclassified to income statement						
Employee benefit liability adjustment	140	162	38	140	156	33
Total other comprehensive income	(2,004)	839	736	(2,004)	833	731
Total comprehensive income attributable to equity holder of the bank	9,245	34,027	8,622	8,983	33,324	8,512



Statements of changes in equity

As at	Other reserves						Total equity
	Ordinary share capital	Foreign currency reserve	Available for sale/ Fair value reserve	Regulatory general risk reserve	Statutory reserve	Retained income	
US\$'000							
Group							
At 1 April 2022	56,478	(870)	1,451	11,479	56,478	319,028	444,044
Movement in reserves 1 April 2022 - 30 June 2022							
Profit after taxation	-	-	-	-	-	11,249	11,249
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	(2,143)	-	-	-	(2,143)
Foreign currency adjustments on translating investment in associate	-	(1)	-	-	-	-	(1)
Employee benefit liability adjustment	-	-	-	-	-	140	140
Total comprehensive income	-	(1)	(2,143)	-	-	11,389	9,245
Transfer to regulatory general risk reserve	-	-	-	1,178	-	(1,178)	-
At 30 June 2022	56,478	(871)	(692)	12,657	56,478	329,239	453,289
At 1 April 2021	56,478	(705)	609	14,453	56,478	282,704	410,017
Movement in reserves 1 April 2021 - 31 March 2022							
Profit after taxation	-	-	-	-	-	33,188	33,188
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	842	-	-	-	842
Foreign currency adjustments on translating investment in associate	-	(165)	-	-	-	-	(165)
Employee benefit liability adjustment	-	-	-	-	-	162	162
Total comprehensive income	-	(165)	842	-	-	33,350	34,027
Transfer to regulatory general risk reserve	-	-	-	(2,974)	-	2,974	-
At 31 March 2022	56,478	(870)	1,451	11,479	56,478	319,028	444,044
At 1 April 2021	56,478	(705)	609	14,453	56,478	282,704	410,017
Movement in reserves 1 April 2021 - 30 June 2021							
Profit after taxation	-	-	-	-	-	7,886	7,886
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	753	-	-	-	753
Foreign currency adjustments on translating investment in associate	-	(55)	-	-	-	-	(55)
Employee benefit liability adjustment	-	-	-	-	-	38	38
Total comprehensive income	-	(55)	753	-	-	7,924	8,622
Transfer to regulatory general risk reserve	-	-	-	2,423	-	(2,423)	-
Balance at 30 June 2021	56,478	(761)	1,362	16,876	56,478	288,207	418,639
Bank							
At 1 April 2022	56,478	(871)	1,452	11,479	56,478	316,922	441,938
Movement in reserves 1 April 2022 - 30 June 2022							
Profit after taxation	-	-	-	-	-	10,987	10,987
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	(2,143)	-	-	-	(2,143)
Foreign currency adjustments on translating investment in associate	-	(1)	-	-	-	-	(1)
Employee benefit liability adjustment	-	-	-	-	-	140	140
Total comprehensive income	-	(1)	(2,143)	-	-	11,127	8,983
Transfer to regulatory general risk reserve	-	-	-	1,178	-	(1,178)	-
At 30 June 2022	56,478	(871)	(692)	12,657	56,478	326,871	450,921
At 1 April 2021	56,478	(705)	609	14,453	56,478	281,301	408,614
Movement in reserves 1 April 2021 - 31 March 2022							
Profit after taxation	-	-	-	-	-	32,491	32,491
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	842	-	-	-	842
Foreign currency adjustments on translating investment in associate	-	(165)	-	-	-	-	(165)
Employee benefit liability adjustment	-	-	-	-	-	156	156
Total comprehensive income	-	(165)	842	-	-	32,647	33,324
Transfer to regulatory general risk reserve	-	-	-	(2,974)	-	2,974	-
At 31 March 2022	56,478	(871)	1,452	11,479	56,478	316,922	441,938
At 1 April 2021	56,478	(705)	609	14,453	56,478	281,301	408,614
Movement in reserves 1 April 2021 - 30 June 2021							
Profit after taxation	-	-	-	-	-	7,781	7,781
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	-	-	753	-	-	-	753
Foreign currency adjustments on translating investment in associate	-	(55)	-	-	-	-	(55)
Employee benefit liability adjustment	-	-	-	-	-	33	33
Total comprehensive income	-	(55)	753	-	-	7,814	8,513
Transfer to regulatory general risk reserve	-	-	-	2,423	-	(2,423)	-
Balance at 30 June 2021	56,478	(760)	1,362	16,876	56,478	286,692	417,126



Cash flow statements

For the period / year ended US\$'000	Group			Bank		
	Period ended 30 June 2022	Year 31 March 2022	Period ended 30 June 2021	Period ended 30 June 2022	Year 31 March 2022	Period ended 30 June 2021
Profit before tax	11,980	35,362	8,400	11,704	34,630	8,291
Adjustment for non cash items	5,597	(6,170)	2,434	5,597	(6,172)	2,429
Profit before taxation adjusted for non-cash items	17,577	29,192	10,834	17,301	28,458	10,720
Taxation paid	-	(948)	-	-	(929)	-
Decrease in operating assets	58,710	(272,355)	71,006	58,638	(272,298)	70,835
Decrease in operating liabilities	160,014	118,207	(77,241)	160,346	118,865	(76,956)
Net cash (outflow)/ inflow from operating activities	236,301	(125,904)	4,599	236,285	(125,904)	4,599
Purchase of other debt securities	(10,257)	(38,000)	-	(10,257)	(38,000)	-
Purchase of sovereign debt securities	(106,827)	-	-	(106,827)	-	-
Proceeds from disposal of debt securities	-	(1,150)	-	-	(1,150)	-
Acquisition of equipment	(9)	(35)	(1)	(9)	(35)	(1)
Net cash (outflow) / inflow from investing activities	(117,093)	(39,185)	(1)	(117,093)	(39,185)	(1)
Cash flow from financing activities						
Reverse repurchase agreement	(75,000)	(25,000)	-	(75,000)	(25,000)	-
Payment of lease liabilities	(72)	(294)	(76)	(72)	(294)	(76)
Net cash (outflow) / inflow from financing activities	(75,072)	(25,294)	(76)	(75,072)	(25,294)	(76)
Effects of exchange rates on cash and cash equivalents	(7,539)	2,304	97	(7,539)	2,304	97
Net increase in cash and cash equivalents	36,596	(188,079)	4,619	36,579	(188,079)	4,619
Cash and cash equivalents at beginning of the period / year	395,467	583,546	583,546	395,467	583,546	583,546
Cash and cash equivalents at end of the period / year	432,063	395,467	588,165	432,046	395,467	588,165
Cash and cash equivalents is defined as including:						
Cash in hand	1	1	5	1	1	5
Cash and balances at central bank (unrestricted balance)	16,319	22,681	7,724	16,319	22,681	7,724
Due from banks (excluding placements with maturity greater than 3 months)	415,720	372,547	580,350	415,720	372,547	580,350
Expected credit loss on cash and cash equivalents	6	238	86	6	238	86
Cash and cash equivalents at end of the period / year	432,046	395,467	588,165	432,046	395,467	588,165



Notes to the unaudited financial accounts for the period ended 30 June 2022

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 period ended 30 June 2022 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 2022.

(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 period ended 30 June 2022

3. Related party transactions

As at US\$'000	Group			Bank		
	30 June 2022	31 March 2022	30 June 2021	30 June 2022	31 March 2022	30 June 2021
Interest income	3,492	7,159	1,723	3,497	7,157	1,723
Interest expense	(4,349)	(10,311)	(2,408)	(4,349)	(10,324)	(2,409)
Net fair value of derivatives held with group companies	9,771	2,582	(175)	9,771	2,582	(175)
Reverse repurchase agreements	25,092	25,043	25,031	25,092	25,043	25,031
Loans and advances to customers	1,337	1,666	1,837	1,337	1,591	1,837
Customer deposits	(5,251)	(5,022)	(3,368)	(8,096)	(7,602)	(5,473)
Amount due from holding bank	19,024	1,293	246,095	19,024	1,293	246,095
Amount due from other group companies	-	-	353	173	15	521
Amount due to holding bank	(18,699)	(20,937)	(22,173)	(18,699)	(20,937)	(22,173)
Amount due to other group companies	(13,101)	(9,114)	(5,812)	(13,101)	(9,114)	(5,810)
Debt securities in issue	(254,676)	(258,814)	(263,029)	(254,676)	(258,814)	(263,029)

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 2022, loans and advances amounting to US\$ 134k were unsecured (31 March 2022: US\$ 109k and 30 June 2021: US\$ 35k). For the period ended 30 June 2022, the bank has not made any write-off relating to amounts owed by related parties (31 March 2022: Nil and 30 June 2020: Nil).



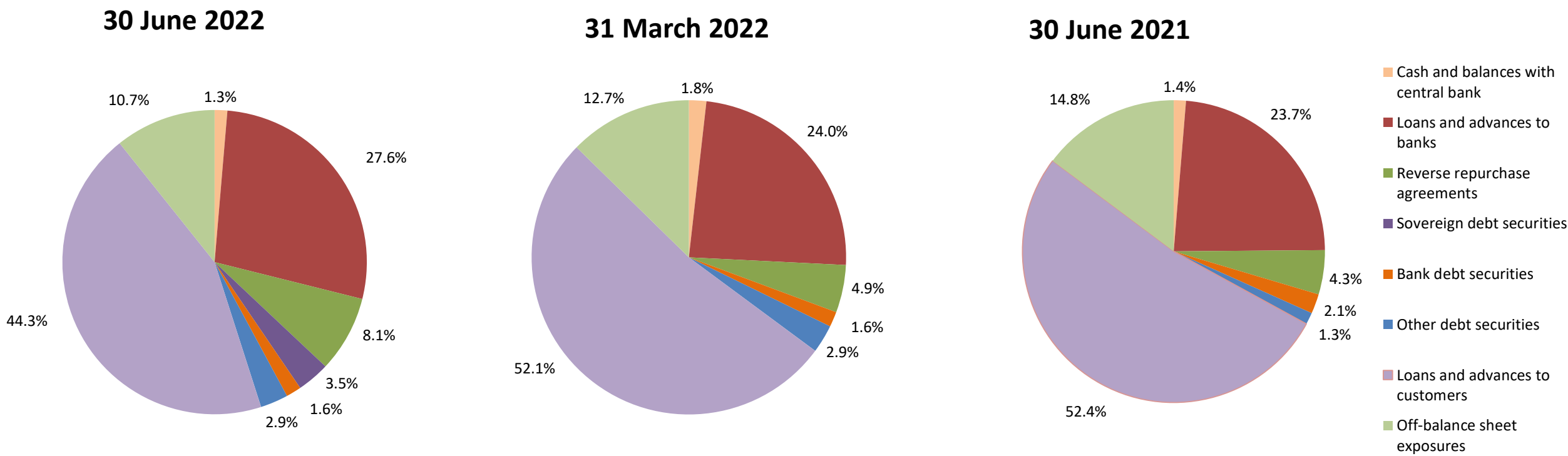
Credit and counterparty risk information

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

Group and Bank

	30 June 2022	31 March 2022	30 June 2021	30 June 2022 vs 31 March 2022 % change	Average*
US\$'000					
On-balance sheet exposures	1,921,964	1,783,020	1,350,465	7.8	1,852,492
Balances at central bank	26,825	36,551	20,663	(26.6)	31,688
Due from banks	593,856	489,675	373,434	21.3	541,765
Bank debt securities	34,857	31,962	33,256	9.1	33,410
Other debt securities	63,481	59,213	20,057	7.2	61,347
Derivative financial instruments	189	133	-	42.2	161
Reverse repurchase agreements	175,031	100,003	75,000	75.0	137,517
Loans and advances to customers	952,758	1,065,483	828,054	(10.6)	1,009,121
Off-balance sheet exposures	231,104	258,392	234,199	(10.6)	244,748
Guarantees^	5,451	21,740	26,964	(74.9)	13,595
Committed facilities	225,653	236,652	207,235	(4.6)	231,153
Total gross credit and counterparty exposures pre-collateral or other credit enhancements	2,153,068	2,041,412	1,584,664	5.5	2,097,240

*Where the average is based on a straight line average for period 1 April 2022 to 30 June 2022.
^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 June 2022	31 March 2022	30 June 2021
Gross core loans and advances to customers	952,758	1,065,483	828,054
Stage 1	910,083	996,550	770,360
Stage 2	40,441	67,073	43,980
Stage 3	2,234	1,860	13,714
Expected credit loss on loans and advances to customers	(4,819)	(4,261)	(4,338)
Stage 1	(3,834)	(3,586)	(3,030)
Stage 2	(310)	(88)	(147)
Stage 3	(675)	(587)	(1,161)
Net core loans and advances to customers	947,939	1,061,222	823,716
Average gross core loans and advances to customers	1,009,121	978,535	859,820
Current loans and advances to customers	908,189	989,846	759,821
Special mention loans and advances to customers	40,133	66,829	41,672
Past due loans and advances to customers (1-60 days)	2,202	6,948	12,847
Default loans and advances to customers	2,234	1,860	13,714
Gross core loans and advances to customers	952,758	1,065,483	828,054
Current loans and advances to customers	948,322	1,056,675	801,493
Gross core loans and advances to customers that are past due but not impaired	2,202	6,948	12,847
Gross core loans and advances to customers that are impaired	2,234	1,860	13,714
Gross core loans and advances to customers	952,758	1,065,483	828,054
Total income statement expected credit losses on core loans and advances	(559)	1,507	(1,496)
Gross default loans and advances to customers	2,234	1,860	13,714
Expected credit loss	(4,819)	(4,261)	(4,338)
Defaults net of expected credit loss	(2,585)	(2,401)	9,376
Collateral and other credit enhancements	8,269	6,844	12,552
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	0.51%	0.40%	0.52%
Total expected credit loss as a % of gross default loans	>100%	>100%	31.63%
Gross defaults as a % of gross core loans and advances to customers	0.23%	0.17%	1.66%
Defaults (net of expected credit loss) as a % of net core loans and advances to customers	(0.27%)	(0.23%)	1.14%
Annualised credit loss ratio (i.e. expected credit loss as a % of average gross core loans and advances)	0.22%	(0.15%)	0.70%



Capital structure

As at	Group			Bank		
US\$'000	30 June 2022	31 March 2022	30 June 2021	30 June 2022	31 March 2022	30 June 2021
Common equity tier 1 capital: instruments and reserves						
Ordinary shares	56,478	56,478	56,478	56,478	56,478	56,478
Retained earnings	318,302	319,028	281,938	315,933	316,922	280,425
Accumulated other comprehensive income and other disclosed reserves (excluding revaluation surpluses on land and building assets)	54,829	57,059	55,720	54,829	57,059	55,720
Common equity tier 1 capital before regulatory adjustments	429,610	432,565	394,136	427,241	430,459	392,623
Common equity tier 1 capital: regulatory adjustments						
Deferred tax assets	(451)	(451)	(498)	(451)	(451)	(498)
Total regulatory adjustments to common equity tier 1 capital	(451)	(451)	(498)	(451)	(451)	(498)
Common equity tier 1 capital (CET1)	429,158	432,114	393,638	426,790	430,008	392,125
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)	17,021	15,153	14,490	17,021	15,153	14,499
Tier 2 capital before regulatory adjustments	17,021	15,153	14,490	17,021	15,153	14,499
Total capital (capital base) (TC = T1 + T2)	446,179	447,267	408,128	443,811	445,161	406,624
Risk-weighted assets						
Risk-weighted on-balance sheet assets	1,269,001	1,338,455	1,055,258	1,269,942	1,339,406	1,056,275
Non-market related off-balance sheet risk-weighted assets	97,419	109,204	99,203	97,419	109,204	99,203
Market related off-balance sheet risk-weighted assets	11,158	8,211	4,747	11,158	8,211	4,747
Operational risk	70,291	70,291	71,314	70,291	70,291	71,314
Aggregate net open foreign exchange position	1,919	3,945	4,599	1,919	3,945	4,599
Total risk-weighted assets	1,449,788	1,530,106	1,235,121	1,450,729	1,531,057	1,236,137
Capital adequacy ratio (%)	30.8%	29.2%	33.0%	30.6%	29.1%	32.9%
Tier 1 ratio	29.6%	28.3%	31.9%	29.4%	28.1%	31.7%

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

As at 30 June 2022	Group		Bank	
US\$'000	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	329,239	318,302	326,871	315,933
Other reserves	67,572	54,829	67,572	54,829
Qualifying common equity tier 1 capital before regulatory adjustments	453,289	429,609	450,921	427,241
Deferred tax assets	-	(451)	-	(451)
Tier 1 capital	453,289	429,158	450,921	426,790
Qualifying tier 1 capital	453,289	429,158	450,921	426,790
Tier 2 capital after regulatory adjustments and general allowance for expected credit losses (T2)	-	17,021	-	17,021
Total qualifying capital	453,289	446,179	450,921	443,811



Risk-weighted assets

US\$'000	Group and Bank	Group				Bank			
	30 June 2022	30 June 2022		31 March 2022	30 June 2021	30 June 2022		31 March 2022	30 June 2021
	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%	1	-	-	-	1	-	-	-
Claims on sovereigns	0%-50%	120,540	18,480	16,765	9,391	120,540	18,480	16,765	9,391
Claims on central banks and international institutions	0%-50%	26,825	-	-	1,444	26,825	-	-	1,444
Claims on banks	20%-100%	846,034	312,769	259,592	264,379	655,300	312,769	259,592	264,379
Claims on corporates	20%-100%	754,871	687,292	744,976	467,094	689,909	687,292	744,976	467,094
Claims secured by residential property	35%-125%	34,126	26,705	31,105	36,376	34,034	26,705	31,105	36,376
Claims secured by commercial real estate	100%-125%	211,673	211,673	273,491	249,817	211,673	211,673	273,491	249,817
Past due claims	50%-150%	-	-	1,271	17,177	-	-	1,271	17,177
Other assets	100%-250%	12,082	12,082	11,255	9,579	12,329	13,023	12,206	10,596
Total on-balance sheet credit risk-weighted exposures			1,269,001	1,338,455	1,055,258		1,269,942	1,339,406	1,056,275



Risk-weighted assets

Group and Bank

US\$'000	30 June 2022				31 March 2022	30 June 2021
	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	11,406	100%	9,225	9,225	24,088	10,822
Transaction-related contingent items	-	50%	-	-	397	1,330
Total other commitments	225,653	20%-50%	90,857	88,194	84,719	87,051
Total off-balance sheet credit risk-weighted exposures				97,419	109,204	99,203

Group and Bank

US\$'000	30 June 2022					31 March 2022	30 June 2021
	Notional principal amount	Potential future exposure	Current exposure	Credit equivalent amount	Risk-weighted assets	Risk-weighted assets	Risk-weighted assets
Market related off-balance sheet risk-weighted assets							
Interest rate contracts	176,856	642	5,956	6,598	5,901	3,878	1,008
Foreign exchange contracts	562,275	5,916	-	16,063	5,257	4,333	3,739
Credit derivative contracts	8,045	-	-	-	-	-	-
Total market-related off-balance sheet risk-weighted credit exposures					11,158	8,211	4,747



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 2022 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	298	320	94	30	97	-	-	840
Investment/trading assets	6	105	-	1	-	97	-	209
Advances	5	55	86	109	208	434	51	948
Other assets	-	-	-	6	-	-	-	6
Assets	309	480	181	146	305	531	51	2,003
Deposits - non-banks	(925)	(64)	(94)	(114)	(62)	(9)	-	(1,267)
Other liabilities	-	-	-	(8)	-	-	-	(8)
Liabilities	(925)	(64)	(94)	(122)	(62)	(9)	-	(1,275)
Intercompany loans	(13)	(0)	(80)	-	-	(192)	-	(285)
Shareholders' funds	-	-	-	-	-	-	(451)	(451)
Balance sheet	(629)	416	7	23	243	330	(400)	(9)
Off-balance sheet	(0)	10	-	-	-	(1)	-	9
Contractual liquidity gap	(629)	426	7	23	243	329	(400)	-
Cumulative liquidity gap	(629)	(203)	(196)	(172)	71	399	-	-

At 31 March 2022 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	347	163	53	50	66	-	-	679
Investment/trading assets	6	2	-	1	-	89	-	98
Advances	24	87	111	168	138	509	24	1,061
Other assets	-	-	-	5	-	-	-	5
Assets	377	252	164	224	204	598	24	1,843
Deposits - non-banks	(736)	(69)	(180)	(35)	(83)	(11)	-	(1,114)
Other liabilities	-	-	-	(9)	-	-	-	(9)
Liabilities	(736)	(69)	(180)	(35)	(83)	(11)	-	(1,114)
Intercompany loans	(9)	-	-	(80)	-	(200)	-	(289)
Shareholders' funds	-	-	-	-	-	-	(442)	(442)
Balance sheet	(368)	183	(16)	109	121	387	(418)	(2)
Off-balance sheet	-	2	-	-	-	-	-	2
Contractual liquidity gap	(368)	185	(16)	109	121	387	(418)	-
Cumulative liquidity gap	(368)	(183)	(199)	(90)	31	418	-	-

At 30 June 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	361	215	145	10	8	-	-	738
Investment/trading assets	5	-	-	-	-	52	-	58
Advances	5	12	131	135	93	447	-	824
Other assets	-	-	-	5	-	-	-	5
Assets	371	227	276	150	101	499	-	1,625
Deposits - non-banks	(543)	(75)	(137)	(85)	(55)	(19)	-	(913)
Other liabilities	-	-	-	(7)	-	-	-	(6)
Liabilities	(543)	(75)	(137)	(92)	(55)	(19)	-	(919)
Intercompany loans	(5)	-	(58)	(24)	-	(72)	(129)	(288)
Shareholders' funds	-	-	-	-	-	-	(418)	(418)
Balance sheet	(177)	152	81	34	46	408	(547)	(2)
Off-balance sheet	-	4	-	(2)	-	-	-	1
Contractual liquidity gap	(177)	156	81	32	46	408	(547)	-
Cumulative liquidity gap	(177)	(21)	60	91	138	546	-	-



At 30 June 2022 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	149	213	(70)	(18)	74	(125)	(225)	-
Cumulative	149	362	292	276	350	225	-	-

At 31 March 2022 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	222	58	45	78	44	(175)	(272)	-
Cumulative	222	280	325	403	447	272	-	-

At 30 June 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	267	(17)	59	89	39	(9)	(428)	-
Cumulative	267	250	309	398	437	428	-	-

Liquidity coverage ratio (LCR)

As at 30 June 2022, the bank's LCR stood at 136%.
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 June 2022 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	770	25	45	-	-	-	840
Investment/trading assets	125	-	-	77	-	7	209
Advances	796	70	51	31	-	-	948
Other assets	-	-	-	-	-	6	6
Assets	1,691	95	96	108	-	13	2,003
Deposits - non-banks	(1,102)	(105)	(60)	-	-	-	(1,267)
Other liabilities	-	-	-	-	-	(8)	(8)
Liabilities	(1,102)	(105)	(60)	-	-	(8)	(1,275)
Intercompany loans	(285)	-	-	-	-	-	(285)
Shareholders' funds	-	-	-	-	-	(451)	(451)
Balance sheet	303	(10)	36	108	-	(446)	(8)
Off balance sheet	147	-	(30)	(108)	-	-	8
Repricing gap	450	(10)	6	-	-	(446)	-
Cumulative repricing gap	450	440	446	446	446	-	-

At 31 March 2022 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	605	50	24	-	-	-	679
Investment/trading assets	22	1	-	69	-	6	98
Advances	950	59	4	55	-	(7)	1,061
Other assets	-	-	-	-	-	5	5
Assets	1,577	110	28	124	-	4	1,843
Deposits - non-banks	(1,006)	(25)	(74)	-	-	-	(1,105)
Other liabilities	-	-	-	-	-	(9)	(9)
Liabilities	(1,006)	(25)	(74)	-	-	(9)	(1,114)
Intercompany loans	(289)	-	-	-	-	-	(289)
Shareholders' funds	-	-	-	-	-	(442)	(442)
Balance sheet	282	85	(46)	124	-	(447)	(2)
Off-balance sheet	160	(39)	(0)	(119)	-	-	2
Repricing gap	442	46	(46)	5	-	(447)	-
Cumulative repricing gap	442	488	442	447	447	-	-



At 30 June 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	729	9	-	-	-	-	738
Investment/trading assets	20	-	-	31	-	7	58
Advances	694	59	11	60	-	-	824
Other assets	-	-	-	-	-	5	5
Assets	1,443	68	11	91	-	12	1,625
Deposits - non-banks	(779)	(79)	(55)	-	-	-	(913)
Other liabilities	-	-	-	-	-	(7)	(7)
Liabilities	(779)	(79)	(55)	-	-	(7)	(920)
Intercompany loans	(288)	-	-	-	-	-	(288)
Shareholders' funds	-	-	-	-	-	(418)	(418)
Balance sheet	376	(10)	(45)	90	-	(413)	(2)
Off balance sheet	110	(21)	(1)	(86)	-	-	2
Repricing gap	486	(31)	(46)	4	-	(413)	-
Cumulative repricing gap	486	455	409	413	413	-	-

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 June 2022						
200bp down	(0.47)	1.43	2.22	0.51	-	3.62
200bp up	0.35	(1.43)	(2.22)	(0.51)	-	(3.81)
At 31 March 2022						
US\$'million						
200bp down	(0.47)	1.43	2.22	0.51	(0.06)	3.63
200bp up	0.46	(1.95)	(2.15)	(0.50)	0.05	(4.09)
30 June 2021						
200bp down	(0.08)	0.44	0.21	0.35	(0.00)	0.92
200bp up	0.08	(0.44)	(0.21)	(0.35)	0.00	(0.92)

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.

	EUR	GBP	MUR	Other currencies	Aggregate net open foreign exchange position
Open position (USD'000)					
30 June 2022					
Long/(short) position	438	1,280	(1,055)	(798)	1,919
At 31 March 2022					
US\$'million					
Long/(short) position	1,307	2,574	(248)	(1,000)	3,945
30 June 2021					
Long/(short) position	1,881	2,587	(255)	(798)	4,599