

# Creating enduring worth

Investec Bank (Mauritius) Limited

Unaudited financial report for  
the period ended 30 September 2023



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# Unaudited financial report for the quarter ended 30 September 2023

The unaudited financial report for the period ended 30 September 2023 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\$26.5 million for the period ended 30 September 2022 to US\$44.1 million for the period ended 30 September 2023 as a result of increase in interest earning assets and net interest margins.
- Net fee income decreased from US\$5.7 million for the period ended 30 September 2022 to US\$4.1 million for the period 30 September 2023 due to lower origination fees and higher fee expense.
- Expected credit losses of US\$1.6 million were provided for the period under review following an increase in the probability of default and loss given default during the period.
- Operating costs increased by 11%, from US\$6.9 million for the period ended 30 September 2022 to US\$7.7 million for the period ended 30 September 2023. The cost-to-income ratio remains low at 15.5%.

Profit after tax increased by 38% from US\$25.1 million for the period ended 30 September 2022 to US\$34.7 million for the period ended 30 September 2023 mainly due to higher net interest income.

Total assets increased by 5% over the comparative period but decreased by 6% to US\$2.3 billion during the 6 months period ended 30 September 2023 while liabilities increased by 4% over the comparative period and decreased by 8% to US\$1.9 billion during the 6 months period ended 30 September 2023.

The group remains well capitalised with a capital adequacy ratio of 27.8% as at 30 September 2023.

## 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 September 2023, the total on- and off-balance sheet credit exposure to related parties amounted to US\$41.4 million (31 March 2023 – US\$61.9 million) representing 1.8% of the group's total exposure (31 March 2023 – 2.5%). The credit exposure to the six related parties with the highest exposure amounted to US\$41.4 million (31 March 2023 – US\$61.9 million) representing 9.4% (31 March 2023 – 12.9%) 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 global economic recovery, from the pandemic and Russia invasion of Ukraine, remains slow. While the US economy is performing well, the EU and China economies are slowing down. While inflation is decreasing, high interest rates are likely to persist until 2024.

The group has been resilient and its operating income before expected credit losses has increased by 48% mainly due to higher net interest income. The group continues to hold high levels of liquidity and capital.



Lourens van Rensburg  
Chairman  
Board of directors



Ramdeo (Dev) Erriah  
Director



Grant Michael Parsons  
Chief executive officer/Director

# Consolidated and separate balance sheets

US\$'000	GROUP			BANK		
	30 SEPT 2023	31 MARCH 2023	30 SEPT 2022	30 SEPT 2023	31 MARCH 2023	30 SEPT 2022
<b>Assets</b>						
Cash and balances at central bank	22 677	33 862	22 649	22 677	33 862	22 649
Due from banks	407 635	386 907	678 088	407 635	386 907	678 088
Reverse repurchase agreements	200 473	375 490	200 343	200 473	375 490	200 343
Sovereign debt securities	374 972	416 856	102 779	374 972	416 856	102 779
Bank debt securities	75 783	51 751	37 252	75 783	51 751	37 252
Other debt securities	65 949	76 036	63 451	65 949	76 036	63 451
Derivative financial instruments	7 817	5 690	6 593	7 817	5 690	6 593
Investment portfolio	4 625	4 130	3 812	4 214	3 814	3 812
Loans and advances to customers	1 177 345	1 128 269	1 102 857	1 177 345	1 128 269	1 102 857
Investment in associate	1 085	1 882	1 849	1 085	1 882	1 849
Deferred taxation asset	328	328	451	328	328	451
Other assets	5 198	7 419	4 906	5 082	7 296	4 767
Property, plant and equipment	1 609	299	225	1 609	298	224
Amount due from group companies	13	522	—	13	540	263
Investment in subsidiary	—	—	—	467	467	467
<b>Total assets</b>	<b>2 345 510</b>	<b>2 489 441</b>	<b>2 225 255</b>	<b>2 345 450</b>	<b>2 489 486</b>	<b>2 225 845</b>
<b>Liabilities</b>						
Derivative financial instruments	4 901	6 992	17 910	4 901	6 992	17 910
Repurchase agreements	86 014	53 048	16 249	86 014	53 048	16 249
Borrowings from banks	215 995	246 190	150 365	215 995	246 190	150 365
Deposits from customers	1 245 993	1 408 462	1 284 053	1 249 414	1 411 573	1 287 242
Debt securities in issue	263 459	257 074	250 777	263 459	257 074	250 777
Amount due to group companies	6 160	5 404	32 522	6 142	5 404	32 522
Current taxation liabilities	3 660	5 910	1 306	3 638	5 898	1 287
Other liabilities	10 193	8 753	6 438	9 932	8 444	6 280
<b>Total liabilities</b>	<b>1 836 375</b>	<b>1 991 833</b>	<b>1 759 620</b>	<b>1 839 495</b>	<b>1 994 623</b>	<b>1 762 632</b>
<b>Equity</b>						
Ordinary share capital	56 478	56 478	56 478	56 478	56 478	56 478
Other reserves	74 048	73 534	67 919	74 048	73 534	67 919
Retained income	378 609	367 596	341 238	375 429	364 851	338 816
<b>Shareholder's equity</b>	<b>509 135</b>	<b>497 608</b>	<b>465 635</b>	<b>505 955</b>	<b>494 863</b>	<b>463 213</b>
<b>Total liabilities and equity</b>	<b>2 345 510</b>	<b>2 489 441</b>	<b>2 225 255</b>	<b>2 345 450</b>	<b>2 489 486</b>	<b>2 225 845</b>

# Consolidated and separate income statements

FOR THE PERIOD / YEAR ENDED US\$'000	GROUP			BANK		
	PERIOD ENDED 30 SEPT 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 30 SEPT 2022	PERIOD ENDED 30 SEPT 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 30 SEPT 2022
Interest income	103 673	128 820	44 961	103 673	128 823	44 961
• Interest income calculated using effective interest rate	99 678	95 243	40 137	99 678	95 246	44 345
• Other interest income	3 995	33 577	4 824	3 995	33 577	616
Interest expense	(59 550)	(62 313)	(18 413)	(59 594)	(62 378)	(18 430)
<b>Net interest income</b>	<b>44 123</b>	<b>66 507</b>	<b>26 548</b>	<b>44 079</b>	<b>66 445</b>	<b>26 531</b>
Fee income	5 145	11 837	6 578	4 478	10 664	6 012
Fee expense	(1 015)	(1 743)	(838)	(1 015)	(1 743)	(838)
<b>Net fee income</b>	<b>4 130</b>	<b>10 094</b>	<b>5 740</b>	<b>3 462</b>	<b>8 921</b>	<b>5 174</b>
Investment income	219	(9)	2	219	15	2
Trading income	4	854	470	5	873	481
Other operating income	3	—	—	3	—	—
<b>Total operating income before expected credit loss</b>	<b>48 479</b>	<b>77 446</b>	<b>32 760</b>	<b>47 769</b>	<b>76 254</b>	<b>32 188</b>
Expected credit loss (charge) / reversal	(1 566)	2 054	1 036	(1 566)	2 054	1 036
<b>Operating income</b>	<b>46 913</b>	<b>79 500</b>	<b>33 796</b>	<b>46 203</b>	<b>78 308</b>	<b>33 224</b>
Operating costs	(7 662)	(16 062)	(6 897)	(7 416)	(15 513)	(6 644)
<b>Operating profit</b>	<b>39 251</b>	<b>63 438</b>	<b>26 899</b>	<b>38 787</b>	<b>62 795</b>	<b>26 580</b>
Share of profit / (loss) in associate	172	(166)	(357)	172	(166)	(202)
<b>Profit before taxation</b>	<b>39 423</b>	<b>63 272</b>	<b>26 697</b>	<b>38 959</b>	<b>62 629</b>	<b>26 378</b>
Taxation	(4 720)	(7 233)	(1 576)	(4 695)	(7 209)	(1 559)
<b>Profit after taxation</b>	<b>34 703</b>	<b>56 039</b>	<b>25 121</b>	<b>34 264</b>	<b>55 420</b>	<b>24 819</b>
<b>Analysed as follows:</b>						
Transfer to regulatory general risk reserve	(1 298)	7 767	3 053	(1 298)	7 767	3 053
Transfer to retained earnings	36 001	48 272	22 068	35 562	47 653	21 766
<b>Profit attributable to equity holder of the bank</b>	<b>34 703</b>	<b>56 039</b>	<b>25 121</b>	<b>34 264</b>	<b>55 420</b>	<b>24 819</b>

# Consolidated and separate statements of other comprehensive income

FOR THE PERIOD / YEAR ENDED US\$'000	GROUP			BANK		
	PERIOD ENDED 30 SEPT 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 30 SEPT 2022	PERIOD ENDED 30 SEPT 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 30 SEPT 2022
<b>Profit after taxation</b>	<b>34 703</b>	<b>56 039</b>	<b>25 121</b>	<b>34 264</b>	<b>55 420</b>	<b>13 834</b>
<b>Other comprehensive income: Items reclassified to the income statement</b>						
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	1 867	(2 699)	(3 603)	1 867	(2 699)	(1 459)
Foreign currency adjustments on translation of investment in associate	(55)	(72)	—	(55)	(72)	—
<b>Items that will never be reclassified to income statement</b>						
Employee benefit liability adjustment	12	296	(3 531)	16	276	(1 540)
<b>Total other comprehensive income</b>	<b>1 824</b>	<b>(2 475)</b>	<b>(7 202)</b>	<b>1 828</b>	<b>(2 495)</b>	<b>(3 067)</b>
<b>Total comprehensive income attributable to equity holder of the bank</b>	<b>36 527</b>	<b>53 564</b>	<b>17 919</b>	<b>36 092</b>	<b>52 925</b>	<b>10 767</b>

# Consolidated and separate statements of changes in equity

US\$'000	ORDINARY SHARE CAPITAL	OTHER RESERVES				RETAINED INCOME	TOTAL EQUITY
		FOREIGN CURRENCY RESERVE	FAIR VALUE RESERVE	REGULATORY GENERAL RISK RESERVE	STATUTORY RESERVE		
<b>GROUP</b>							
<b>At 1 April 2023</b>	56 478	(942)	(1 248)	19 246	56 478	367 596	497 608
<b>Movement in reserves</b>							
<b>1 April 2023 – 30 September 2023</b>							
Profit after taxation	—	—	—	—	—	34 703	34 703
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	1 867	—	—	—	1 867
Foreign currency adjustments on translation of investment in associate	—	(55)	—	—	—	—	(55)
Employee benefit liability adjustment	—	—	—	—	—	12	12
<b>Total comprehensive income</b>	—	(55)	1 867	—	—	34 715	36 527
Transfer to regulatory general risk reserve	—	—	—	(1 298)	—	1 298	—
Ordinary dividend paid	—	—	—	—	—	(25 000)	(25 000)
<b>At 30 September 2023</b>	<b>56 478</b>	<b>(997)</b>	<b>619</b>	<b>17 948</b>	<b>56 478</b>	<b>378 609</b>	<b>509 135</b>
<b>At 1 April 2022</b>	56 478	(870)	1 451	11 479	56 478	319 028	444 043
<b>Movement in reserves</b>							
<b>1 April 2022 – 31 March 2023</b>							
Profit after taxation	—	—	—	—	—	56 039	56 039
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	(2 699)	—	—	—	(2 699)
Foreign currency adjustments on translation of investment in associate	—	(72)	—	—	—	—	(72)
Employee benefit liability adjustment	—	—	—	—	—	296	296
<b>Total comprehensive income</b>	—	(72)	(2 699)	—	—	56 336	53 564
Transfer to regulatory general risk reserve	—	—	—	7 767	—	(7 767)	—
<b>At 31 March 2023</b>	<b>56 478</b>	<b>(942)</b>	<b>(1 248)</b>	<b>19 246</b>	<b>56 478</b>	<b>367 596</b>	<b>497 608</b>
<b>At 1 April 2022</b>	<b>56 478</b>	(870)	1 451	11 479	56 478	319 028	444 044
<b>Movement in reserves</b>							
<b>1 April 2022 – 30 September 2022</b>							
Profit after taxation	—	—	—	—	—	25 121	25 121
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	(3 603)	—	—	—	(3 603)
Foreign currency adjustments on translation of investment in associate	—	(69)	—	—	—	—	(69)
Employee benefit liability adjustment	—	—	—	—	—	142	142
<b>Total comprehensive income</b>	—	(69)	(3 603)	—	—	25 263	21 591
Transfer to regulatory general risk reserve	—	—	—	3 053	—	(3 053)	—
<b>At 30 September 2022</b>	<b>56 478</b>	<b>(939)</b>	<b>(2 151)</b>	<b>14 531</b>	<b>6 478</b>	<b>341 238</b>	<b>465 635</b>

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# Consolidated and separate statements of changes in equity

US\$'000	ORDINARY SHARE CAPITAL	OTHER RESERVES				RETAINED INCOME	TOTAL EQUITY
		FOREIGN CURRENCY RESERVE	FAIR VALUE RESERVE	REGULATORY GENERAL RISK RESERVE	STATUTORY RESERVE		
<b>BANK</b>							
<b>At 1 April 2023</b>	56 478	(942)	(1 248)	19 246	56 478	364 851	494 863
<b>Movement in reserves 1 April 2023 – 30 September 2023</b>							
Profit after taxation	—	—	—	—	—	34 264	34 264
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	1 867	—	—	—	1 867
Foreign currency adjustments on translation of investment in associate	—	(55)	—	—	—	—	(55)
Employee benefit liability adjustment	—	—	—	—	—	16	16
<b>Total comprehensive income</b>	—	(55)	1 867	—	—	34 280	36 092
Transfer to regulatory general risk reserve	—	—	—	(1 298)	—	1 298	—
Ordinary dividend paid	—	—	—	—	—	(25 000)	(25 000)
<b>At 30 September 2023</b>	<b>56 478</b>	<b>(997)</b>	<b>619</b>	<b>17 948</b>	<b>56 478</b>	<b>375 429</b>	<b>505 956</b>
<b>At 1 April 2022</b>	56 478	(870)	1 452	11 479	56 478	316 922	441 938
<b>Movement in reserves 1 April 2022 – 31 March 2023</b>							
Profit after taxation	—	—	—	—	—	55 420	55 420
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	(2 699)	—	—	—	(2 699)
Foreign currency adjustments on translation of investment in associate	—	(72)	—	—	—	—	(72)
Other comprehensive income	—	—	—	—	—	—	—
Employee benefit liability adjustment	—	—	—	—	—	276	276
<b>Total comprehensive income</b>	—	(72)	(2 699)	—	—	55 695	52 926
Transfer to regulatory general risk reserve	—	—	—	7 767	—	(7 767)	—
<b>At 31 March 2023</b>	<b>56 478</b>	<b>(942)</b>	<b>(1 248)</b>	<b>19 246</b>	<b>56 478</b>	<b>364 851</b>	<b>494 863</b>
<b>At 1 April 2022</b>	56 478	(870)	1 452	11 479	56 478	316 922	441 938
<b>Movement in reserves 1 April 2022 – 30 September 2022</b>							
Profit after taxation	—	—	—	—	—	24 819	24 819
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	(3 603)	—	—	—	(3 603)
Foreign currency adjustments on translation of investment in associate	—	(69)	—	—	—	—	(69)
Other comprehensive income	—	—	—	—	—	—	—
Employee benefit liability adjustment	—	—	—	—	—	128	128
<b>Total comprehensive income</b>	—	(69)	(3 603)	—	—	24 947	21 275
Transfer to regulatory general risk reserve	—	—	—	3 053	—	(3 053)	—
<b>At 30 September 2022</b>	<b>56 478</b>	<b>(939)</b>	<b>(2 151)</b>	<b>14 531</b>	<b>56 478</b>	<b>338 816</b>	<b>463 213</b>



# Consolidated and separate cash flow statements

FOR THE PERIOD / YEAR ENDED US\$'000	GROUP			BANK		
	PERIOD ENDED 30 SEPT 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 30 SEPT 2022	PERIOD ENDED 30 SEPT 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 30 SEPT 2022
Profit before tax	39 423	63 272	26 697	38 959	62,629	26 378
Adjustment for non-cash items	3 914	(9 464)	9 883	3 914	(9 465)	9 870
<b>Profit before taxation adjusted for non-cash items</b>	<b>43 337</b>	<b>53 808</b>	<b>36 581</b>	<b>42 873</b>	<b>53 164</b>	<b>36 249</b>
Taxation paid	(6 967)	(2 196)	(1 264)	(6 955)	(2 162)	(1 246)
Increase in operating assets	(85 047)	(18 622)	(78 357)	(85 047)	(18 718)	(78 681)
Decrease in operating liabilities	(160 254)	286 194	197 302	(160 251)	286 583	197 941
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(208 930)</b>	<b>319 184</b>	<b>154 262</b>	<b>(209 380)</b>	<b>318 867</b>	<b>154 262</b>
Proceeds from / (acquisition of) other debt securities	10 500	—	(5 234)	10 500	—	(5 234)
Acquisition of bank debt securities	(23 900)	(39 624)	(9 015)	(23 900)	(39 624)	(9 015)
Proceeds from / (acquisition of) sovereign debt securities	40 000	(417 809)	(106 827)	40 000	(417 809)	(106 827)
Acquisition of equipment	(10)	(45)	(9)	(10)	(45)	(9)
Proceeds on disposal of equipment	4	—	—	4	—	—
Proceeds on capital reduction in investment in associate	914	—	—	914	—	—
Purchase of investment	—	(317)	—	—	—	—
<b>Net cash inflow / (outflow) from investing activities</b>	<b>27 508</b>	<b>(457 795)</b>	<b>(121 085)</b>	<b>27 508</b>	<b>(457 478)</b>	<b>(121 085)</b>
<b>Cash flow from financing activities</b>						
Repurchase agreement	33 000	55 107	16 236	33 000	55 107	16 236
Borrowings from banks	(30 000)	245 000	150 000	(30 000)	245 000	150 000
Reverse repurchase agreement	175 000	(250 000)	(75 000)	175 000	(250 000)	(75 000)
Debt securities in issue	7 963	—	—	7 963	—	—
Ordinary dividend paid	(25 000)	—	—	(25 000)	—	—
Payment of lease liabilities	(152)	(283)	(142)	(152)	(283)	(142)
<b>Net cash (outflow) / inflow from financing activities</b>	<b>160 811</b>	<b>49 824</b>	<b>91 094</b>	<b>160 811</b>	<b>49 824</b>	<b>91 094</b>
<b>Effects of exchange rates on cash and cash equivalents</b>	<b>(3 975)</b>	<b>5 702</b>	<b>(14 465)</b>	<b>(3 975)</b>	<b>5 702</b>	<b>(14 465)</b>
Net (decrease) / increase in cash and cash equivalents	(24 587)	(83 085)	109 805	(25 036)	(83 085)	109 806
Cash and cash equivalents at beginning of the period / year	326 253	409 338	395 467	326 253	409 338	395 467
<b>Cash and cash equivalents at end of the period / year</b>	<b>301 666</b>	<b>326 253</b>	<b>505 273</b>	<b>301 217</b>	<b>326 253</b>	<b>505 273</b>

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# Consolidated and separate cash flow statements

FOR THE PERIOD / YEAR ENDED US\$'000	GROUP			BANK		
	PERIOD ENDED 30 SEPT 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 30 SEPT 2022	PERIOD ENDED 30 SEPT 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 30 SEPT 2022
<b>Cash and cash equivalents is defined as including:</b>						
Cash in hand	—	—	1	—	—	1
Cash and balances at central bank	22 677	33 862	12 911	22 677	33 862	12 911
Due from banks (excluding placements with maturity greater than 3 months)	277 243	292 208	492 356	277 243	292 208	492 356
Expected credit loss on cash and cash equivalents	1 297	183	5	1 297	183	5
<b>Cash and cash equivalents at end of the period / year</b>	<b>301 217</b>	<b>326 253</b>	<b>505 273</b>	<b>301 217</b>	<b>326 253</b>	<b>505 273</b>

# Notes to the unaudited financial accounts for the period ended 30 September 2023

## 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 September 2023 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 2023.

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

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

## Related party transactions

US\$'000	GROUP			BANK		
	30 SEPT 2023	31 MARCH 2023	30 SEPT 2022	30 SEPT 2023	31 MARCH 2023	30 SEPT 2022
Interest income	<b>30 942</b>	33 338	10 821	<b>30 942</b>	33 337	10 821
Interest expense	<b>(31 399)</b>	(30 566)	(10 791)	<b>(31 399)</b>	(30 632)	(10 808)
Net fair value of derivatives held with group companies	<b>3 753</b>	284	(9 653)	<b>3 753</b>	284	(9 653)
Reverse repurchase agreements	—	25 039	25 226	—	25 039	25 226
Loans and advances to customers	<b>454</b>	555	1 879	—	—	1 879
Customer deposits	<b>(3 091)</b>	(5 103)	(4 581)	<b>(3 326)</b>	(8 214)	(7 770)
Amount due from holding bank	<b>9 294</b>	27 786	25 366	<b>9 294</b>	27 786	25 366
Amount due from other group companies	<b>24 883</b>	—	—	<b>24 897</b>	18	263
Amount due to holding bank	<b>(961)</b>	(183)	(14 818)	<b>(961)</b>	(183)	(14 818)
Amount due to other group companies	<b>(5 199)</b>	(5 221)	(17 705)	<b>(5 181)</b>	(5 221)	(17 705)
Debt securities in issue	<b>(252 136)</b>	(253 662)	(250 777)	<b>(252 136)</b>	(253 662)	(250 777)

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 2023, loans and advances amounting to US\$ 79k were unsecured (31 March 2023: US\$ 57k and 30 September 2022: US\$ 79k). For the period ended 30 September 2023, the bank has not made any write-off relating to amounts owed by related parties (31 March 2023: Nil and 30 September 2022: Nil).

# Credit and counterparty risk information

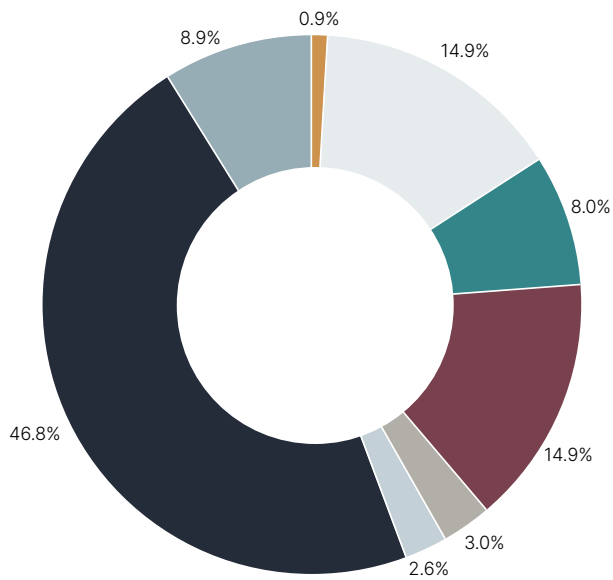
The table that follows provides an analysis of gross credit and counterparty exposures

GROUP AND BANK US\$'000	30 SEPT 2023	31 MARCH 2023	30 SEPT 2022	30 SEPT 2023 VS 31 MARCH 2023 % CHANGE	AVERAGE*
<b>On-balance sheet exposures</b>	<b>2 296 255</b>	<b>2 419 485</b>	<b>2 132 311</b>	<b>(5.1)</b>	<b>2 357 871</b>
Balances at central bank	22 677	33 862	22 648	(33.0)	28 270
Due from banks	374 755	359 304	652 727	4.3	367 030
Sovereign debt securities	374 972	416 856	74 905	(10.0)	395 914
Bank debt securities	75 783	51 751	37 252	46.4	63 767
Other debt securities	65 949	76 055	63 470	(13.3)	71 002
Derivative financial instruments	1 699	43	17	>100	871
Reverse repurchase agreements	200 475	350 466	175 120	(42.8)	275 471
Loans and advances to customers	1 179 945	1 131 148	1 106 172	4.3	1 155 546
<b>Off-balance sheet exposures</b>	<b>223 269</b>	<b>249 793</b>	<b>198 162</b>	<b>(10.6)</b>	<b>236 532</b>
Guarantees**	11 358	19 538	5 356	(41.9)	15 448
Committed facilities	211 912	230 255	192 805	(8.0)	221 084
<b>Total gross credit and counterparty exposures pre-collateral or other credit enhancements</b>	<b>2 519 524</b>	<b>2 669 278</b>	<b>2 330 473</b>	<b>(5.6)</b>	<b>2 594 403</b>

\*Where the average is based on a straight line average for period 1 April 2023 to 30 September 2023.

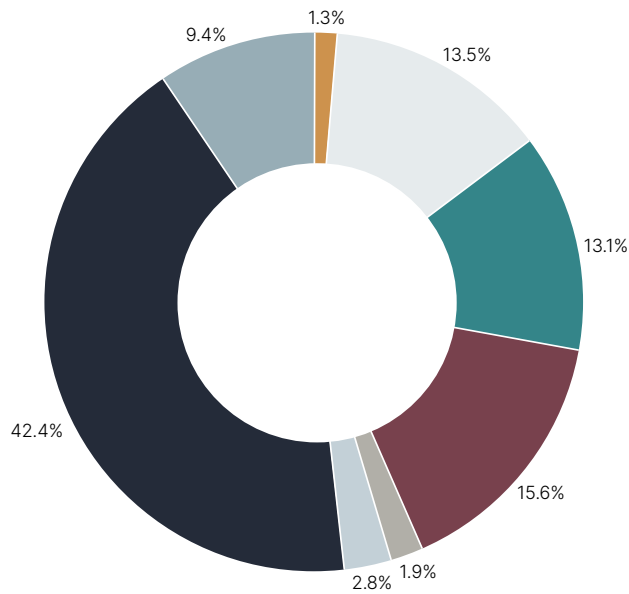
\*\*Excludes guarantees provided to clients which are backed/secured by cash deposits

### 30 SEPT 2023

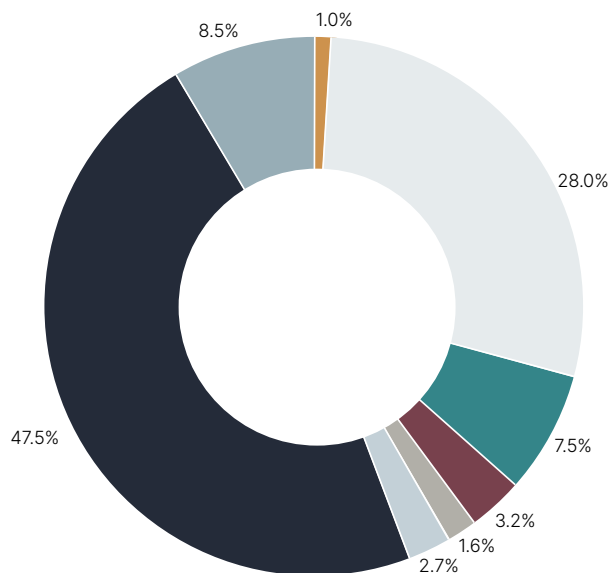


- Cash and balances with central bank
- Loans and advances to banks
- Reverse repurchase agreements
- Sovereign debt securities
- Bank debt securities
- Other debt securities
- Loans and advances to customers
- Off-balance sheet exposures

### 31 MARCH 2023



### 30 SEPT 2022



# Asset quality and expected credit loss

GROUP AND BANK US\$'000	30 SEPT 2023	31 MARCH 2023	30 SEPT 2022
<b>Gross core loans and advances to customers</b>	<b>1 179 945</b>	<b>1 131 148</b>	<b>1 106 172</b>
Stage 1	1 085 711	1 006 076	1 061 380
Stage 2	44 560	77 107	42 710
Stage 3	49 674	47 965	2 082
<b>Expected credit loss on loans and advances to customers</b>	<b>(2 604)</b>	<b>(2 879)</b>	<b>(3 315)</b>
Stage 1	(1 933)	(1 874)	(2 580)
Stage 2	(154)	(236)	(101)
Stage 3	(517)	(769)	(634)
<b>Net core loans and advances to customers</b>	<b>1 177 341</b>	<b>1 128 269</b>	<b>1 102 857</b>
<b>Average gross core loans and advances to customers</b>	<b>1 155 545</b>	<b>1 098 316</b>	<b>1 085 827</b>
Current loans and advances to customers	1 081 439	978 246	1 030 915
Special mention loans and advances to customers	43 438	75 386	42 710
Past due loans and advances to customers (1-60 days)	5 394	29 551	30 465
Default loans and advances to customers	49 674	47 965	2 082
<b>Gross core loans and advances to customers</b>	<b>1 179 945</b>	<b>1 131 148</b>	<b>1 106 172</b>
Current loans and advances to customers	1 124 877	1 053 631	1 073 625
Gross core loans and advances to customers that are past due but not impaired	5 394	29 551	30 465
Gross core loans and advances to customers that are impaired	49 674	47 965	2 082
<b>Gross core loans and advances to customers</b>	<b>1 179 945</b>	<b>1 131 148</b>	<b>1 106 172</b>
<b>Total income statement expected credit loss reversal on core loans and advances</b>	<b>222</b>	<b>1 382</b>	<b>945</b>
Gross default loans and advances to customers	49 674	47 965	2 082
Expected credit loss	(2 604)	(2 879)	(3 315)
<b>Defaults net of expected credit loss</b>	<b>47 070</b>	<b>45 086</b>	<b>(1 233)</b>
Collateral and other credit enhancements	79 720	57 095	7 915
<b>Net default loans and advances to customers (limited to zero)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Ratios:</b>			
Total expected credit loss as a % of gross core loans and advances to customers	0.22%	0.25%	0.30%
Total expected credit loss as a % of gross default loans	5.24%	6.00%	>100%
Gross defaults as a % of gross core loans and advances to customers	4.21%	4.24%	0.19%
Defaults (net of expected credit loss) as a % of net core loans and advances to customers	4.00%	4.00%	(0.11%)
Annualised credit loss ratio (i.e. expected credit loss as a % of average gross core loans and advances)	(0.04%)	(0.13%)	(0.17%)

# Capital structure

US\$'000	GROUP			BANK		
	PERIOD ENDED 30 SEPT 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 30 SEPT 2022	PERIOD ENDED 30 SEPT 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 30 SEPT 2022
<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	333 298	367 596	316 691	330 115	364 851	314 268
Accumulated other comprehensive income and other disclosed reserves (excluding revaluation surpluses on land and building assets)	55 482	54 289	53 173	55 482	54 289	53 173
<b>Common equity tier 1 capital before regulatory adjustments</b>	<b>445 258</b>	<b>478 363</b>	<b>426 342</b>	<b>442 076</b>	<b>475 618</b>	<b>423 919</b>
Deferred tax asset	(328)	(328)	(451)	(328)	(328)	(451)
<b>Total regulatory adjustments to common equity tier 1 capital</b>	<b>(328)</b>	<b>(328)</b>	<b>(451)</b>	<b>(328)</b>	<b>(328)</b>	<b>(451)</b>
<b>Common equity tier 1 capital (CET1)</b>	<b>444 930</b>	<b>478 035</b>	<b>425 891</b>	<b>441 748</b>	<b>475 290</b>	<b>423 468</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)	19 664	19 304	18 287	19 677	19 317	18 287
<b>Tier 2 capital before regulatory adjustments</b>	<b>19 664</b>	<b>19 304</b>	<b>18 287</b>	<b>19 677</b>	<b>19 317</b>	<b>18 287</b>
<b>Total capital (capital base) (TC = T1 + T2)</b>	<b>464 594</b>	<b>497 339</b>	<b>444 178</b>	<b>461 425</b>	<b>494 607</b>	<b>441 755</b>
<b>Risk-weighted assets</b>						
Risk-weighted on-balance sheet assets	1 479 970	1 417 619	1 444 654	1 480 978	1 418 662	1 445 605
Non-market related off-balance sheet risk-weighted assets	77 561	112 328	84 261	77 561	112 328	84 261
Market related off-balance sheet risk-weighted assets	15 585	14 361	11 010	15 585	14 361	11 010
Operational risk	82 538	82 538	70 291	82 538	82 538	70 291
Aggregate net open foreign exchange position	3 789	6 827	1 436	3 789	6 827	1 436
<b>Total risk-weighted assets</b>	<b>1 659 443</b>	<b>1 633 673</b>	<b>1 611 652</b>	<b>1 660 451</b>	<b>1 634 716</b>	<b>1 612 603</b>
<b>Capital adequacy ratio (%)</b>	<b>28.0%</b>	<b>30.4%</b>	<b>27.6%</b>	<b>27.8%</b>	<b>30.3%</b>	<b>27.4%</b>
Tier 1 ratio	26.8%	29.3%	26.4%	26.6%	29.1%	26.3%

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

AS AT 30 SEPTEMBER 2023 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	378 609	333 298	375 429	330 115
Other reserves	74 048	55 482	74 048	55 482
<b>Qualifying common equity tier 1 capital before regulatory adjustments</b>	<b>509 135</b>	<b>445 258</b>	<b>505 955</b>	<b>442 076</b>
Deferred tax assets	—	(328)	—	(328)
<b>Tier 1 capital</b>	<b>509 135</b>	444 930	505 955	441 748
Tier 2 capital after regulatory adjustments and general allowance for expected credit losses (T2)	—	19 664	—	19 677
<b>Total qualifying capital</b>	<b>509 135</b>	<b>464 594</b>	<b>505 955</b>	<b>461 425</b>



# Risk-weighted assets

US\$'000	GROUP					BANK			
		30 SEPT 2023	31 MARCH 2023	30 SEPT 2022		30 SEPT 2023	31 MARCH 2023	30 SEPT 2022	
<b>Risk-weighted on-balance sheet</b>	<b>Risk-weights %</b>	<b>Exposure amount</b>	<b>Risk-weighted assets</b>	<b>Risk-weighted assets</b>	<b>Risk-weighted assets</b>	<b>Exposure amount</b>	<b>Risk-weighted assets</b>	<b>Risk-weighted assets</b>	<b>Risk-weighted assets</b>
Claims on sovereigns	0%-50%	385 267	10 294	32 070	28 737	385 267	10 294	32 070	28 737
Claims on central banks and international institutions	0%-50%	22 677	—	—	—	22 677	—	—	—
Claims on banks	20%-100%	486 171	282 726	241 339	314 152	486 171	282 726	241 339	314 152
Claims on corporates	20%-100%	949 402	926 912	965 374	866 954	949 402	926 912	965 374	866 954
Claims secured by residential property	35%-125%	28 683	18 242	19 877	20 821	28 683	18 242	19 877	20 821
Claims secured by commercial real estate	100%-125%	162 996	162 996	144 040	201 550	162 996	162 996	144 040	201 550
Past due claims	50%-150%	49 176	66 523	1 291	1 112 300	49 176	66 523	1 291	1 112
Other assets	100%-250%	12 276	12 276	13 628	11 328	12 609	13 284	14 671	12 279
<b>Total on-balance sheet credit risk-weighted exposures</b>			<b>1 479 970</b>	<b>1 417 619</b>	<b>1 444 654</b>		<b>1 480 978</b>	<b>1 418 662</b>	<b>1 445 605</b>

GROUP AND BANK		30 SEPT 2023			31 MARCH 2023	30 SEPT 2022
US\$'000						
<b>Non-market related off-balance sheet risk-weighted assets</b>	<b>Notional principal amount</b>	<b>Credit conversion factor %</b>	<b>Credit equivalent amount</b>	<b>Risk-weighted assets</b>	<b>Risk-weighted assets</b>	<b>Risk-weighted assets</b>
Direct credit substitutes	18 883	100%	14 062	14 062	22 696	6 633
Total other commitments	211 912	20%-50%	79 055	63 499	89 632	77 628
<b>Total off-balance sheet credit risk-weighted exposures</b>				<b>77 561</b>	<b>112 328</b>	<b>84 261</b>

GROUP AND BANK		30 SEPT 2023			31 MARCH 2023	30 SEPT 2022	
US\$'000							
<b>Market related off-balance sheet risk-weighted assets</b>	<b>Notional principal amount</b>	<b>Potential future exposure</b>	<b>Current exposure</b>	<b>Credit equivalent amount</b>	<b>Risk-weighted assets</b>	<b>Risk-weighted assets</b>	<b>Risk-weighted assets</b>
Interest rate contracts	243 803	836	4 860	5 696	5 623	5 790	7 149
Foreign exchange contracts	772 490	8 298	—	9 042	8 260	8 133	3 483
Credit derivative contracts	8 048	—	—	—	1 702	438	—
<b>Total market-related off-balance sheet risk-weighted credit exposures</b>					<b>15 585</b>	<b>14 361</b>	<b>11 010</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 SEPTEMBER 2023 US\$'000	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	120	382	41	35	54	—	—	631
Investment/trading assets	3	41	158	84	101	136	—	523
Loans and advances to customers	—	142	85	110	305	429	105	1 177
Other assets	—	—	—	7	—	—	—	7
<b>Assets</b>	<b>123</b>	<b>566</b>	<b>284</b>	<b>236</b>	<b>460</b>	<b>564</b>	<b>105</b>	<b>2 337</b>
Borrowings from banks	—	(46)	(20)	—	—	(150)	—	(216)
Deposits from customers	(574)	(217)	(240)	(79)	(135)	(4)	—	(1 249)
Securities sold under repurchase agreement	—	(1)	(85)	—	—	—	—	(86)
Other liabilities	—	—	—	(14)	—	—	—	(14)
<b>Liabilities</b>	<b>(574)</b>	<b>(263)</b>	<b>(346)</b>	<b>(92)</b>	<b>(135)</b>	<b>(154)</b>	—	<b>(1 565)</b>
Intercompany loans	(6)	(1)	(1)	—	(74)	(188)	—	(270)
<b>Shareholders' funds</b>	—	—	—	—	—	—	<b>(506)</b>	<b>(506)</b>
<b>Balance sheet</b>	<b>(459)</b>	<b>302</b>	<b>(63)</b>	<b>143</b>	<b>251</b>	<b>223</b>	<b>(401)</b>	<b>(3)</b>
Off-balance sheet	—	6	—	(1)	—	(2)	—	3
<b>Contractual liquidity gap</b>	<b>(459)</b>	<b>308</b>	<b>(63)</b>	<b>143</b>	<b>251</b>	<b>220</b>	<b>(401)</b>	—
Cumulative liquidity gap	(459)	(151)	(212)	(70)	181	401	—	—

continue on next page

# Contractual liquidity

AT 31 MARCH 2023 US\$'000	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	289	394	244	211	30	45	—	1 213
Investment/trading assets	6	—	—	—	22	106	—	134
Loans and advances to customers	2	139	178	169	121	437	82	1 128
Other assets	—	—	—	8	—	—	—	8
<b>Assets</b>	<b>297</b>	<b>533</b>	<b>422</b>	<b>388</b>	<b>173</b>	<b>588</b>	<b>82</b>	<b>2 483</b>
Borrowings from banks	—	(20)	(51)	(25)	—	(150)	—	(246)
Deposits from customers	(840)	(168)	(265)	(61)	(78)	—	—	(1 412)
Securities sold under repurchase agreement	2	—	(55)	—	—	—	—	(53)
Other liabilities	—	—	—	(14)	—	—	—	(14)
<b>Liabilities</b>	<b>(838)</b>	<b>(188)</b>	<b>(371)</b>	<b>(100)</b>	<b>(78)</b>	<b>(150)</b>	<b>—</b>	<b>(1 725)</b>
Intercompany loans	(5)	—	(1)	(93)	—	(163)	—	(262)
<b>Shareholders' funds</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(495)</b>	<b>(495)</b>
<b>Balance sheet</b>	<b>(546)</b>	<b>345</b>	<b>50</b>	<b>195</b>	<b>95</b>	<b>275</b>	<b>(413)</b>	<b>1</b>
Off-balance sheet	—	—	—	—	—	(1)	—	(1)
<b>Contractual liquidity gap</b>	<b>(546)</b>	<b>345</b>	<b>50</b>	<b>195</b>	<b>95</b>	<b>274</b>	<b>(413)</b>	<b>—</b>
Cumulative liquidity gap	(546)	(201)	(151)	44	139	413	—	—

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# Contractual liquidity

AT 30 SEPTEMBER 2022 US\$'000	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	467	223	56	96	59	—	—	901
Investment/trading assets	6	103	1	—	1	98	—	209
Loans and advances to customers	—	72	65	91	392	448	34	1 102
Other assets	—	—	—	5	—	—	—	5
<b>Assets</b>	<b>473</b>	<b>398</b>	<b>122</b>	<b>192</b>	<b>452</b>	<b>546</b>	<b>34</b>	<b>2 217</b>
Borrowings from banks	—	—	—	—	—	(150)	—	(150)
Deposits from customers	(806)	(101)	(208)	(85)	(79)	(7)	—	(1 286)
Securities sold under repurchase agreement	—	—	(16)	—	—	—	—	(16)
Other liabilities	—	—	—	(8)	—	—	—	(8)
<b>Liabilities</b>	<b>(806)</b>	<b>(101)</b>	<b>(224)</b>	<b>(93)</b>	<b>(79)</b>	<b>(157)</b>	—	<b>(1 460)</b>
Intercompany loans	(18)	—	(1)	—	(107)	(157)	—	283
<b>Shareholders' funds</b>	—	—	—	—	—	—	<b>(463)</b>	<b>(462)</b>
<b>Balance sheet</b>	<b>(351)</b>	297	(103)	99	266	232	(429)	12
Off-balance sheet	7	(16)	—	—	—	(3)	—	(12)
<b>Contractual liquidity gap</b>	<b>(344)</b>	<b>281</b>	<b>(103)</b>	<b>99</b>	<b>266</b>	<b>229</b>	<b>(429)</b>	—
Cumulative liquidity gap	(344)	(63)	(166)	(67)	199	429	—	—

AT 30 SEPTEMBER 2023 US\$'000	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	11	378	63	68	278	(422)	(376)	—
Cumulative	1	389	452	520	798	376	—	—

AT 31 MARCH 2023 US\$'000	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	132	549	(69)	(21)	35	(422)	(204)	—
Cumulative	132	681	612	591	626	204	—	—

AT 30 SEPTEMBER 2022 US\$'000	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	330	45	(71)	81	(47)	(12)	(327)	—
Cumulative	330	375	304	387	340	327	—	—

### Liquidity coverage ratio (LCR)

As at 30 September 2023, the bank's LCR stood at 300% (31 March 2023: 131%).

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.

30 SEPTEMBER 2023 US\$'000	< 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	587	—	44	—	—	—	631
Investment/trading assets	197	84	101	135	—	6	523
Loans and advances to customers	1 024	110	1	42	—	—	1 177
Other assets	—	—	—	—	—	7	7
<b>Assets</b>	<b>1 808</b>	<b>194</b>	<b>146</b>	<b>177</b>	<b>—</b>	<b>13</b>	<b>2 337</b>
Borrowings from banks	(216)	—	—	—	—	—	(216)
Deposits from customers	(1 038)	(72)	(135)	(4)	—	—	(1 249)
Repurchase agreements with banks	(86)	—	—	—	—	—	(86)
Other liabilities	—	—	—	—	—	(14)	(14)
<b>Liabilities</b>	<b>(1 340)</b>	<b>(72)</b>	<b>(135)</b>	<b>(4)</b>	<b>—</b>	<b>(14)</b>	<b>(1 565)</b>
Intercompany loans	(270)	—	—	—	—	—	(270)
<b>Shareholders' funds</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(505)</b>	<b>(505)</b>
<b>Balance sheet</b>	<b>198</b>	<b>122</b>	<b>11</b>	<b>173</b>	<b>—</b>	<b>(507)</b>	<b>(3)</b>
Off balance sheet	178	(16)	(30)	(129)	—	—	3
<b>Repricing gap</b>	<b>376</b>	<b>106</b>	<b>(19)</b>	<b>44</b>	<b>—</b>	<b>(507)</b>	<b>—</b>
Cumulative repricing gap	376	482	463	507	507	—	—

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# Interest rate sensitivity gap

AT 31 MARCH 2023 US\$'000	< 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	977	191	—	45	—	—	1 213
Investment/trading assets	20	—	22	86	—	6	134
Loans and advances to customers	1 032	57	2	37	—	—	1 128
Other assets	—	—	—	—	—	8	8
<b>Assets</b>	<b>2,029</b>	<b>248</b>	<b>24</b>	<b>168</b>	<b>—</b>	<b>14</b>	<b>2 483</b>
Borrowings from banks	(246)	—	—	—	—	—	(246)
Deposits from customers	(1 282)	(59)	(71)	—	—	—	(1 412)
Repurchase agreements with banks	(53)	—	—	—	—	—	(53)
Other liabilities	—	—	—	—	—	(14)	(14)
<b>Liabilities</b>	<b>(1 581)</b>	<b>(59)</b>	<b>(71)</b>	<b>—</b>	<b>—</b>	<b>(14)</b>	<b>(1 725)</b>
Intercompany loans	(262)	—	—	—	—	—	(262)
<b>Shareholders' funds</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(495)</b>	<b>(495)</b>
<b>Balance sheet</b>	<b>186</b>	<b>189</b>	<b>(47)</b>	<b>168</b>	<b>—</b>	<b>(495)</b>	<b>1</b>
Off balance sheet	142	5	(23)	(125)	—	—	(1)
<b>Repricing gap</b>	<b>328</b>	<b>194</b>	<b>(70)</b>	<b>43</b>	<b>—</b>	<b>(495)</b>	<b>—</b>
Cumulative repricing gap	328	522	452	495	495	—	—

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# Interest rate sensitivity gap

AT 30 SEPTEMBER 2022 US\$'000	< 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	900	1	—	—	—	—	901
Investment/trading assets	124	—	—	78	—	7	209
Loans and advances to customers	947	81	43	31	—	—	1 102
Other assets	—	—	—	—	—	5	5
<b>Assets</b>	<b>1 971</b>	<b>82</b>	<b>43</b>	<b>109</b>	<b>—</b>	<b>12</b>	<b>2 217</b>
Borrowings from banks	(150)	—	—	—	—	—	(150)
Deposits from customers	(1 124)	(92)	(70)	—	—	—	(1 286)
Repurchase agreements with banks	(16)	—	—	—	—	—	(16)
Other liabilities	—	—	—	—	—	(8)	(8)
<b>Liabilities</b>	<b>(1 290)</b>	<b>(92)</b>	<b>(69)</b>	<b>—</b>	<b>—</b>	<b>(8)</b>	<b>(1 460)</b>
Intercompany loans	(283)	—	—	—	—	—	(283)
<b>Shareholders' funds</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(462)</b>	<b>(462)</b>
<b>Balance sheet</b>	<b>398</b>	<b>(10)</b>	<b>(27)</b>	<b>109</b>	<b>—</b>	<b>(458)</b>	<b>12</b>
Off balance sheet	130	—	(30)	(112)	—	—	(12)
<b>Repricing gap</b>	<b>528</b>	<b>(10)</b>	<b>(57)</b>	<b>(3)</b>	<b>—</b>	<b>(458)</b>	<b>—</b>
Cumulative repricing gap	528	518	461	458	458	—	—



## 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.

US\$ MILLION	SENSITIVITY TO THE FOLLOWING INTEREST RATES					ALL (USD)
	ZAR	GBP	USD	EUR	AUD	
<b>At 30 September 2023</b>						
200bp down	(0.03)	1.50	3.62	1.41	(0.08)	<b>6.42</b>
200bp up	0.03	(1.50)	(3.62)	(1.41)	0.08	<b>(6.42)</b>
<b>At 31 March 2023</b>						
200bp down	(0.05)	3.09	4.25	1.00	0.00	<b>8.29</b>
200bp up	0.05	(3.09)	(4.25)	(1.00)	(0.00)	<b>(8.29)</b>
<b>At 30 September 2022</b>						
200bp down	(0.19)	2.17	1.78	1.01	—	<b>4.77</b>
200bp up	0.19	(2.17)	(1.78)	(1.01)	—	<b>(4.77)</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	MUR	OTHER	OTHER	AGGREGATE NET OPEN FOREIGN EXCHANGE POSITION
				CURRENCIES - LONG	CURRENCIES - SHORT	
<b>30 September 2023</b>						
Long/(short) position	441	1 383	1 425	540	(66)	<b>3 790</b>
<b>31 March 2023</b>						
Long/(short) position	(26)	1 778	2 820	2 227	(45)	<b>6 825</b>
<b>30 September 2022</b>						
Long/(short) position	244	1 028	(337)	164	(589)	<b>1 436</b>