

Creating enduring worth

Investec Bank (Mauritius) Limited

Unaudited financial report for
the period ended 31 December 2023



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Unaudited financial report for the period ended 31 December 2023

The unaudited financial report for the period ended 31 December 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 49% from US\$45.3 million for the period ended 31 December 2022 to US\$67.4 million for the period ended 31 December 2023 as a result of asset growth and higher interest margins.
- Net fee income decreased from US\$8.8 million for the period ended 31 December 2022 to US\$6.4 million for the period 31 December 2023 due to lower origination fees and higher fee expense.
- Expected credit losses increased by US\$1.4 million during the period under review, compared to a decrease of US\$1.1 million in the comparative period, following an increase in the probability of default and loss given default.
- Operating costs increased by 14%, from US\$10.7 million for the period ended 31 December 2022 to US\$12.2 million for the period ended 31 December 2023. The cost-to-income ratio remains low at 16.6%.

Profit after tax increased by 25% from US\$42.4 billion for the period ended 31 December 2022 to US\$52.9 million for the period ended 31 December 2023 mainly due to higher net interest income.

Total assets increased by 8% over the comparative period and by 1% to US\$2.5 billion during the period ended 31 December 2023.

The group remains well capitalised with a capital adequacy ratio of 26.1% as at 31 December 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 31 December 2023, the total on- and off-balance sheet credit exposure to related parties amounted to US\$49 million (31 March 2023 – US\$61.9 million) representing 2% 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\$49 million (31 March 2023 – US\$61.9 million) representing 11% (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 environment, faced with several challenges such as the Russia invasion of Ukraine and the mounting tension in the Middle East, is uncertain. While the US economy is performing well, the EU and China economies are slowing down. Global inflation is decreasing but remains above central banks targets which is likely to result in high interest rates during the year ahead.

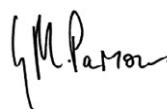
The group has been resilient and its operating income before expected credit losses has increased by 35% mainly due to higher net interest income. The group continues to hold high levels of liquidity and capital.



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		
	31 DEC 2023	31 MARCH 2023	31 DEC 2022	31 DEC 2023	31 MARCH 2023	31 DEC 2022
Assets						
Cash and balances at central bank	24 159	33 862	39 946	24 159	33 862	39 946
Due from banks	336 361	386 907	455 230	336 361	386 907	455 230
Reverse repurchase agreements	220 649	375 490	201 112	220 649	375 490	201 112
Sovereign debt securities	430 873	416 856	275 077	430 873	416 856	275 077
Bank debt securities	89 912	51 751	41 113	89 912	51 751	41 113
Other debt securities	81 557	76 036	63 354	81 557	76 036	63 354
Derivative financial instruments	5 033	5 690	7 290	5 033	5 690	7 290
Investment portfolio	10 176	4 130	4 152	9 758	3 814	3 812
Loans and advances to customers	1 297 554	1 128 269	1 201 669	1 297 554	1 128 269	1 201 669
Investment in associate	1 036	1 882	1 880	1 036	1 882	1 880
Deferred taxation asset	328	328	451	328	328	451
Other assets	4 701	7 419	5 689	4 428	7 296	5 425
Property, plant and equipment	2 349	299	392	2 349	298	391
Amount due from group companies	14	522	—	14	540	23
Investment in subsidiary	—	—	—	467	467	467
Total assets	2 504 702	2 489 441	2 297 355	2 504 478	2 489 486	2 297 240
Liabilities						
Derivative financial instruments	7 138	6 992	4 577	7 138	6 992	4 577
Repurchase agreements	53 593	53 048	53 668	53 593	53 048	53 668
Borrowings from banks	250 988	246 190	220 976	250 988	246 190	220 976
Deposits from customers	1 328 743	1 408 462	1 248 484	1 332 191	1 411 573	1 251 298
Debt securities in issue	311 861	257 074	256 444	311 861	257 074	256 444
Amount due to group companies	6 790	5 404	18 046	6 770	5 404	18 046
Current taxation liabilities	6 199	5 910	1 844	6 169	5 898	1 819
Other liabilities	12 104	8 753	8 394	11 737	8 444	8 181
Total liabilities	1 977 416	1 991 833	1 812 433	1 980 447	1 994 623	1 815 009
Equity						
Ordinary share capital	56 478	56 478	56 478	56 478	56 478	56 478
Other reserves	76 097	73 534	71 127	76 097	73 534	71 127
Retained income	394 711	367 596	357 317	391 456	364 851	354 626
Shareholder's equity	527 286	497 608	484 922	524 031	494 863	482 231
Total liabilities and equity	2 504 702	2 489 441	2 297 355	2 504 478	2 489 486	2 297 240

Consolidated and separate income statements

FOR THE PERIOD / YEAR ENDED US\$'000	GROUP			BANK		
	PERIOD ENDED 31 DEC 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 31 DEC 2022	PERIOD ENDED 31 DEC 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 31 DEC 2022
Net interest income	67 362	66 507	45 276	67 280	66 445	45 234
Fee income	7 930	11 837	10 054	7 059	10 664	9 099
Fee expense	(1 560)	(1 743)	(1 261)	(1 560)	(1 743)	(1 261)
Net fee income	6 370	10 094	8 793	5 499	8 921	7 838
Investment income	4	(9)	3	(2)	15	3
Trading income	(454)	854	638	(454)	873	664
Other operating income	346	—	—	346	—	—
Total operating income before expected credit loss	73 628	77 446	54 711	72 670	76 254	53 739
Expected credit loss (charge) / reversal	(1 380)	2 054	1 065	(1 380)	2 054	1 065
Operating income	72 248	79 500	55 776	71 290	78 308	54 804
Operating costs	(12 188)	(16 062)	(10 654)	(11 778)	(15 513)	(10 277)
Operating profit	60 060	63 438	45 122	59 512	62 795	44 527
Share of profit / (loss) in associate	127	(166)	(168)	127	(166)	(168)
Profit before taxation	60 187	63 272	44 954	59 639	62 629	44 359
Taxation	(7 259)	(7 233)	(2 579)	(7 225)	(7 209)	(2 549)
Profit after taxation	52 928	56 039	42 375	52 414	55 420	41 810
Analysed as follows:						
Transfer to regulatory general risk reserve	825	7 767	4 215	825	7 767	4 215
Transfer to retained earnings	52 103	48 272	38 160	51 589	47 653	37 595
Profit attributable to equity holder of the bank	52 928	56 039	42 375	52 414	55 420	41 810

Consolidated and separate statements of other comprehensive income

FOR THE PERIOD / YEAR ENDED US\$'000	GROUP			BANK		
	PERIOD ENDED 31 DEC 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 31 DEC 2022	PERIOD ENDED 31 DEC 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 31 DEC 2022
Profit after taxation	52 928	56 039	42 375	52 414	55 420	41 810
Other comprehensive income: Items reclassified to the income statement						
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	1 797	(2 699)	(1 554)	1 797	(2 699)	(1 554)
Foreign currency adjustments on translation of investment in associate	(59)	(72)	(72)	(59)	(72)	(72)
Items that will never be reclassified to income statement						
Employee benefit liability adjustment	12	296	129	16	276	109
Total other comprehensive income	1 750	(2 475)	(1 497)	1 754	(2 495)	(1 517)
Total comprehensive income attributable to equity holder of the bank	54 678	53 564	40 878	54 168	52 925	40 293

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		
GROUP							
At 1 April 2023	56 478	(942)	(1 248)	19 246	56 478	367 596	497 608
Movement in reserves							
1 April 2023 – 31 December 2023							
Profit after taxation	—	—	—	—	—	52 928	52 928
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	1 797	—	—	—	1 797
Foreign currency adjustments on translation of investment in associate	—	(59)	—	—	—	—	(59)
Employee benefit liability adjustment	—	—	—	—	—	12	12
Total comprehensive income	—	(59)	1 797	—	—	52 940	54 678
Transfer to regulatory general risk reserve	—	—	—	825	—	(825)	—
Ordinary dividend paid	—	—	—	—	—	(25 000)	(25 000)
At 31 December 2023	56 478	(1 001)	549	20 071	56 478	394 711	527 286
At 1 April 2022	56 478	(870)	1 451	11 479	56 478	319 028	444 043
Movement in reserves							
1 April 2022 – 31 March 2023							
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
Total comprehensive income	—	(72)	(2 699)	—	—	56 336	53 564
Transfer to regulatory general risk reserve	—	—	—	7 767	—	(7 767)	—
At 31 March 2023	56 478	(942)	(1 248)	19 246	56 478	367 596	497 608
At 1 April 2022	56 478	(870)	1 451	11 479	56 478	319 028	444 044
Movement in reserves							
1 April 2022 – 31 December 2022							
Profit after taxation	—	—	—	—	—	42 375	42 375
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	(1 554)	—	—	—	(1 554)
Foreign currency adjustments on translation of investment in associate	—	(72)	—	—	—	—	(72)
Employee benefit liability adjustment	—	—	—	—	—	129	129
Total comprehensive income	—	(72)	(1 554)	—	—	42 504	40 878
Transfer to regulatory general risk reserve	—	—	—	4 215	—	(4 215)	—
At 31 December 2022	56 478	(942)	(102)	15 693	56 478	357 317	484 922

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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		
BANK							
At 1 April 2023	56 478	(942)	(1 248)	19 246	56 478	364 851	494 863
Movement in reserves							
1 April 2023 – 31 December 2023							
Profit after taxation	—	—	—	—	—	52 414	52 414
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	1 797	—	—	—	1 797
Foreign currency adjustments on translation of investment in associate	—	(59)	—	—	—	—	(59)
Employee benefit liability adjustment	—	—	—	—	—	16	16
Total comprehensive income	—	(59)	1 797	—	—	52 430	54 168
Transfer to regulatory general risk reserve	—	—	—	825	—	(825)	—
Ordinary dividend paid	—	—	—	—	—	(25 000)	(25 000)
At 31 December 2023	56 478	(1 001)	549	20 071	56 478	391 456	(524 031)
At 1 April 2022	56 478	(870)	1 451	11 479	56 478	316 922	441 938
Movement in reserves							
1 April 2022 – 31 March 2023							
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
Total comprehensive income	—	(72)	(2 699)	—	—	55 695	52 926
Transfer to regulatory general risk reserve	—	—	—	7 767	—	(7 767)	—
At 31 March 2023	56 478	(942)	(1 248)	19 246	56 478	364 851	494 863
At 1 April 2022	56 478	(870)	1 451	11 479	56 478	316 922	441 938
Movement in reserves							
1 April 2022 – 31 December 2022							
Profit after taxation	—	—	—	—	—	41 810	41 810
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	(1 554)	—	—	—	(1 554)
Foreign currency adjustments on translation of investment in associate	—	(72)	—	—	—	—	(72)
Other comprehensive income	—	—	—	—	—	—	—
Employee benefit liability adjustment	—	—	—	—	—	109	109
Total comprehensive income	—	(72)	(1 554)	—	—	41 920	40 293
Transfer to regulatory general risk reserve	—	—	—	4 215	—	(4 215)	—
At 31 December 2022	56 478	(942)	(103)	15 693	56 478	354 626	482 231

Consolidated and separate cash flow statements

FOR THE PERIOD / YEAR ENDED US\$'000	GROUP			BANK		
	PERIOD ENDED 31 DEC 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 31 DEC 2022	PERIOD ENDED 31 DEC 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 31 DEC 2022
Profit before tax	60 187	63 272	44 954	59 639	62 629	44 359
Adjustment for non-cash items	5 395	(9 464)	1 102	5 399	(9 465)	1 082
Profit before taxation adjusted for non-cash items	65 582	53 808	46 056	65 038	53 164	45 441
Taxation paid	(6 967)	(2 196)	(1 729)	(6 955)	(2 162)	(1 704)
Increase in operating assets	(181 428)	(18 622)	(165 159)	(181 159)	(18 718)	(164 772)
Decrease in operating liabilities	(75 294)	286 194	135 478	(75 031)	286 583	135 682
Net cash (outflow) / inflow from operating activities	(198 107)	319 184	14 646	(198 107)	318 867	14 646
Acquisition of other debt securities	(6 000)	—	(5 234)	(6 000)	—	(5 234)
Acquisition of bank debt securities	(40 500)	(39 624)	(10 032)	(40 500)	(39 624)	(10 032)
Acquisition of sovereign debt securities	(14 000)	(417 809)	(273 827)	(14 000)	(417 809)	(273 827)
Purchase of investment	(5 947)	(317)	—	(5 947)	—	—
Proceeds on capital reduction in investment in associate	914	—	—	914	—	—
Acquisition of equipment	(917)	(45)	(43)	(917)	(45)	(43)
Proceeds on disposal of equipment	22	—	—	22	—	—
Net cash inflow / (outflow) from investing activities	(66 428)	(457 795)	(289 136)	(66 428)	(457 478)	(289 136)
Cash flow from financing activities						
Repurchase agreement	—	55 107	54 668	—	55 107	54 668
Borrowings from banks	5 000	245 000	220 000	5 000	245 000	220 000
Reverse repurchase agreement	155 000	(250 000)	(75 000)	155 000	(250 000)	(75 000)
Debt securities in issue	53 185	—	—	53 185	—	—
Ordinary dividend paid	(25 000)	—	—	(25 000)	—	—
Payment of lease liabilities	(216)	(283)	(213)	(216)	(283)	(213)
Net cash inflow from financing activities	187 969	49 824	199 455	187 969	49 824	199 455
Effects of exchange rates on cash and cash equivalents	1 038	5 702	(6 954)	1 038	5 702	(6 954)
Net (decrease) / increase in cash and cash equivalents	(75 528)	(83 085)	(81 989)	(75 528)	(83 085)	(81 989)
Cash and cash equivalents at beginning of the period / year	326 253	409 338	395 467	326 253	409 338	395 467
Cash and cash equivalents at end of the period / year	250 725	326 253	313 478	250 725	326 253	313 478

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Consolidated and separate cash flow statements

FOR THE PERIOD / YEAR ENDED US\$'000	GROUP			BANK		
	PERIOD ENDED 31 DEC 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 31 DEC 2022	PERIOD ENDED 31 DEC 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 31 DEC 2022
Cash and cash equivalents is defined as including:						
Cash and balances at central bank	24 159	33 862	29 862	24 159	33 862	29 862
Due from banks (excluding placements with maturity greater than 3 months)	225 691	292 208	283 615	225 691	292 208	283 615
Expected credit loss on cash and cash equivalents	875	183	1	875	183	1
Cash and cash equivalents at end of the period / year	250 725	326 253	313 478	250 725	326 253	313 478

Notes to the unaudited financial accounts for the period ended 31 December 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 at Office 2, Ground floor, Block 3, The Strand, Beau Plan, Mauritius.

2. Significant accounting policies

(a) Statement of compliance

The financial reports for the period ended 31 December 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		
	31 DEC 2023	31 MARCH 2023	31 DEC 2022	31 DEC 2023	31 MARCH 2023	31 DEC 2022
Interest income	48 180	33 338	22 330	48 180	33 337	22 330
Interest expense	(50 378)	(30 566)	(20 828)	(50 459)	(30 632)	(20 871)
Net fair value of derivatives held with group companies	(745)	284	3 787	(745)	284	3 787
Reverse repurchase agreements	—	25 039	25 456	—	25 039	25 456
Loans and advances to customers	455	555	4	455	555	4
Customer deposits	(4 670)	(5 103)	(4 297)	(8 118)	(8 214)	(7 110)
Amount due from holding bank	18 337	27 786	31 433	18 337	27 786	31 433
Amount due from other group companies	25 011	—	—	25 025	18	23
Amount due to holding bank	(1 348)	(183)	(1 068)	(1 348)	(183)	(1 068)
Amount due to other group companies	(5 441)	(5 221)	(16 978)	(5 422)	(5 221)	(16 978)
Debt securities in issue	(254 864)	(253 662)	(256 444)	(254 864)	(253 662)	(256 444)

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 31 December 2023, loans and advances amounting to US\$ 138k were unsecured (31 March 2023: US\$ 54k and 31 December 2022: US\$ 52k). For the period ended 31 December 2023, the bank has not made any write-off relating to amounts owed by related parties (31 March 2023: Nil and 30 December 2022: Nil).

Credit and counterparty risk information

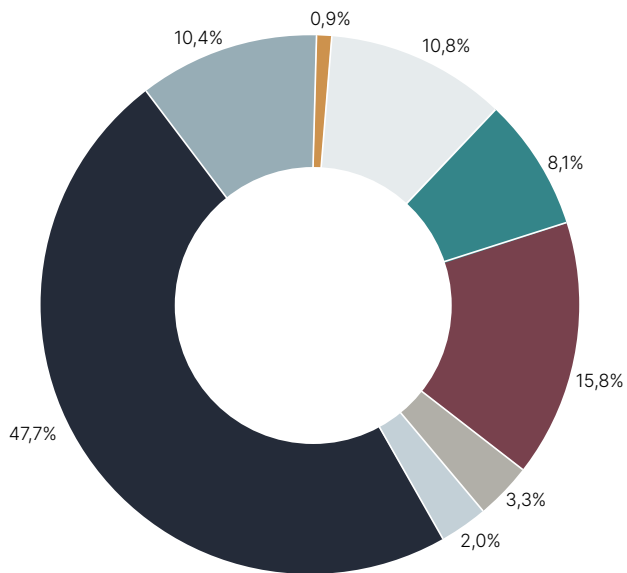
The table that follows provides an analysis of gross credit and counterparty exposures

GROUP AND BANK US\$'000	31 DEC 2023	31 MARCH 2023	31 DEC 2022	31 DEC 2023 VS 31 MARCH 2023 % CHANGE	AVERAGE*
On-balance sheet exposures	2 442 814	2 419 485	2 225 138	1,0	2 431 149
Balances at central bank	24 159	33 862	39 945	(28,7)	29 010
Due from banks	293 889	359 304	424 606	(18,2)	326 597
Sovereign debt securities	430 873	416 856	275 078	3,4	423 864
Bank debt securities	89 912	51 751	41 113	73,7	70 831
Other debt securities	81 557	76 055	63 374	7,2	78 806
Derivative financial instruments	1 431	43	176	>100	737
Reverse repurchase agreements	220 651	350 466	175 662	(37,0)	285 559
Loans and advances to customers	1 300 342	1 131 148	1 205 184	15,0	1 215 745
Off-balance sheet exposures	283 659	249 793	223 735	13,6	266 726
Guarantees**	10 685	19 538	1 594	(45,3)	15 111
Committed facilities	272 974	230 255	222 141	18,6	251 615
Total gross credit and counterparty exposures pre-collateral or other credit enhancements	2 726 473	2 669 278	2 448 874	2,1	2 697 875

*Where the average is based on a straight line average for periods 31 March 2023 and 31 December 2023

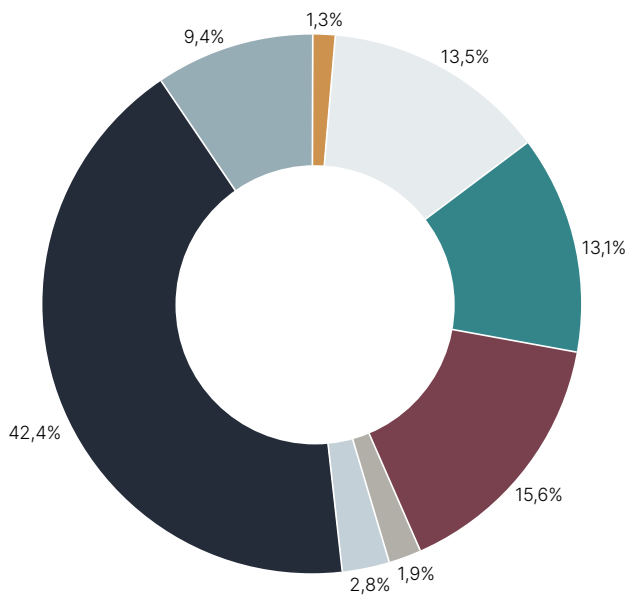
**Excludes guarantees provided to clients which are backed/secured by cash deposits

31 DEC 2023

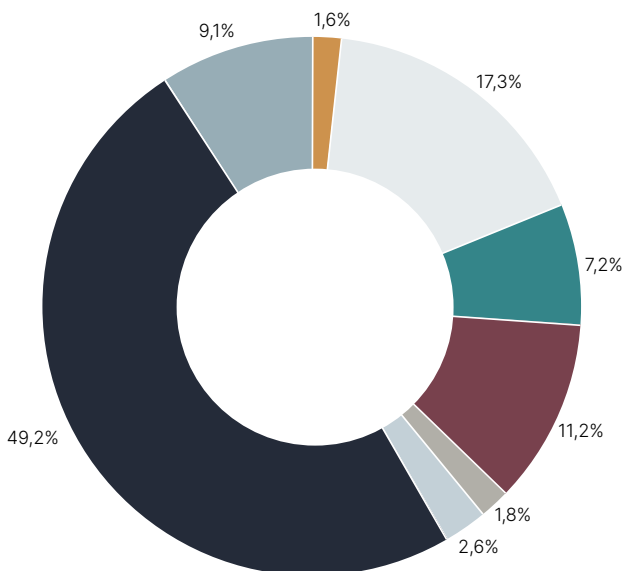


- Cash and balances with central bank
- Loans and advances to banks
- Reverse repurchase agreements
- Sovereign debt securities
- Bank debt securities
- Other debt securities
- Loans and advances to customers
- Off-balance sheet exposures

31 MARCH 2023



31 DEC 2022



Asset quality and expected credit loss

GROUP AND BANK US\$'000	31 DEC 2023	31 MARCH 2023	31 DEC 2022
Gross core loans and advances to customers	1 300 342	1 131 148	1 205 184
Stage 1	1 185 307	1 006 076	1 126 921
Stage 2	62 687	77 107	75 977
Stage 3	52 348	47 965	2 285
Expected credit loss on loans and advances to customers	(2 788)	(2 879)	(3 515)
Stage 1	(2 093)	(1 874)	(2 650)
Stage 2	(152)	(236)	(201)
Stage 3	(543)	(769)	(664)
Net core loans and advances to customers	1 297 554	1 128 269	1 201 669
Average gross core loans and advances to customers	1 215 744	1 098 316	1 135 333
Current loans and advances to customers	1 112 513	978 246	1 126 911
Special mention loans and advances to customers	56 748	75 386	51 971
Past due loans and advances to customers (1-60 days)	78 733	29 551	24 016
Default loans and advances to customers	52 348	47 965	2 285
Gross core loans and advances to customers	1 300 342	1 131 148	1 205 184
Current loans and advances to customers	1 169 261	1 053 631	1 178 882
Gross core loans and advances to customers that are past due but not impaired	78 733	29 551	24 016
Gross core loans and advances to customers that are impaired	52 348	47 965	2 285
Gross core loans and advances to customers	1 300 342	1 131 148	1 205 184
Total income statement expected credit loss reversal on core loans and advances	48	1 382	746
Gross default loans and advances to customers	52 348	47 965	2 285
Expected credit loss	(2 788)	(2 879)	(3 515)
Defaults net of expected credit loss	49 560	45 086	(1 230)
Collateral and other credit enhancements	76 696	57 095	8 195
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	0,21%	0,25%	0,29%
Total expected credit loss as a % of gross default loans	5,33%	6,00%	>100%
Gross defaults as a % of gross core loans and advances to customers	4,03%	4,24%	0,19%
Defaults (net of expected credit loss) as a % of net core loans and advances to customers	3,82%	4,00%	(0,10%)
Annualised credit loss ratio (i.e. expected credit loss as a % of average gross core loans and advances)	(0,01%)	(0,13%)	(0,09%)

Capital structure

US\$'000	GROUP			BANK		
	PERIOD ENDED 31 DEC 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 31 DEC 2022	PERIOD ENDED 31 DEC 2023	YEAR ENDED 31 MARCH 2023	PERIOD ENDED 31 DEC 2022
Common equity tier 1 capital: instruments and reserves						
Ordinary shares	56 478	56 478	56 478	56 478	56 478	56 478
Retained earnings	330 922	367 596	314 666	327 667	364 851	311 975
Accumulated other comprehensive income and other disclosed reserves (excluding revaluation surpluses on land and building assets)	55 479	54 289	55 228	55 479	54 289	55 228
Common equity tier 1 capital before regulatory adjustments	442 879	478 363	426 372	439 624	475 618	423 681
Deferred tax asset	(328)	(328)	(451)	(328)	(328)	(451)
Total regulatory adjustments to common equity tier 1 capital	(328)	(328)	(451)	(328)	(328)	(451)
Common equity tier 1 capital (CET1)	442 551	478 035	425 921	439 296	475 290	423 230
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)	21 053	19 304	19 359	21 053	19 317	19 359
Tier 2 capital before regulatory adjustments	21 053	19 304	19 359	21 053	19 317	19 359
Total capital (capital base) (TC = T1 + T2)	463 604	497 339	445 280	460 349	494 607	442 589
Risk-weighted assets						
Risk-weighted on-balance sheet assets	1 581 587	1 417 619	1 494 270	1 582 473	1 418 662	1 495 166
Non-market related off-balance sheet risk-weighted assets	89 295	112 328	84 252	89 295	112 328	84 252
Market related off-balance sheet risk-weighted assets	14 541	14 361	11 302	14 541	14 361	11 302
Operational risk	82 538	82 538	70 291	82 538	82 538	70 291
Aggregate net open foreign exchange position	6 024	6 827	4 861	6 024	6 827	4 861
Total risk-weighted assets	1 773 985	1 633 673	1 664 975	1 774 871	1 634 716	1 665 871
Capital adequacy ratio (%)	26,1%	30,4%	26,7%	25,9%	30,3%	26,6%
Tier 1 ratio	24,9%	29,3%	25,6%	24,8%	29,1%	25,4%

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

AS AT 31 DECEMBER 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	394 711	330 922	391 456	327 667
Other reserves	76 097	55 479	76 097	55 479
Qualifying common equity tier 1 capital before regulatory adjustments	527 286	442 879	524 031	439 624
Deferred tax assets	—	(328)	—	(328)
Tier 1 capital	527 286	442 551	524 031	439 296
Tier 2 capital after regulatory adjustments and general allowance for expected credit losses (T2)	—	21 053	—	21 053
Total qualifying capital	527 286	463 604	524 031	460 349

Risk-weighted assets

US\$'000	GROUP					BANK			
	31 DEC 2023		31 MARCH 2023		31 DEC 2022	31 DEC 2023		31 MARCH 2023	
Risk-weighted on-balance sheet	Risk-weights %	Exposure amount	Risk-weighted assets	Risk-weighted assets	Risk-weighted assets	Exposure amount	Risk-weighted assets	Risk-weighted assets	Risk-weighted assets
Claims on sovereigns	0%-50%	454 910	24 037	32 070	31 763	454 910	24 037	32 070	31 763
Claims on central banks and international institutions	0%-50%	24 159	—	—	—	24 159	—	—	—
Claims on banks	20%-100%	437 266	263 989	241 339	252 917	437 266	263 989	241 339	252 917
Claims on corporates	20%-100%	1 010 659	989 227	965 374	1 000 457	1 010 659	989 227	965 374	1 000 457
Claims secured by residential property	35%-125%	29 990	19 411	19 877	20 464	29 990	19 411	19 877	20 464
Claims secured by commercial real estate	100%-125%	201 374	201 374	144 040	175 425	201 374	201 374	144 040	175 425
Past due claims	50%-150%	43 678	65 487	1 291	1 265	43 678	65 487	1 291	1 265
Other assets	100%-250%	18 063	18 063	13 628	11 980	18 254	18 949	14 671	12 876
Total on-balance sheet credit risk-weighted exposures			1 581 587	1 417 619	1 494 270		1 582 473	1 418 662	1 495 166

GROUP AND BANK							
US\$'000							
	31 DEC 2023			31 MARCH 2023		31 DEC 2022	
Non-market related off-balance sheet risk-weighted assets	Notional principal amount	Credit conversion factor %	Credit equivalent amount	Risk-weighted assets	Risk-weighted assets	Risk-weighted assets	
Direct credit substitutes	15 945	100%	12 468	12 468	22 696	4 020	
Total other commitments	272 968	20%-50%	104 062	76 827	89 632	80 232	
Total off-balance sheet credit risk-weighted exposures				89 295	112 328	84 252	

GROUP AND BANK							
US\$'000							
	31 DEC 2023			31 MARCH 2023		31 DEC 2022	
Market related off-balance sheet risk-weighted assets	Notional principal amount	Potential future exposure	Current exposure	Credit equivalent amount	Risk-weighted assets	Risk-weighted assets	Risk-weighted assets
Interest rate contracts	284 285	814	3 627	4 442	4 425	5 790	7 777
Foreign exchange contracts	806 550	8 393	—	9 136	8 031	8 133	3 524
Credit derivative contracts	28 869	—	—	—	2 086	438	—
Total market-related off-balance sheet risk-weighted credit exposures					14 541	14 361	11 302

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 31 DECEMBER 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	218	273	35	7	48	—	—	581
Investment/trading assets	7	15	182	144	73	193	—	614
Loans and advances to customers	—	151	80	139	364	449	115	1 298
Other assets	—	—	—	7	—	—	—	7
Assets	225	440	297	297	485	641	115	2 500
Borrowings from banks	—	(1)	(31)	(19)	—	(200)	—	(251)
Deposits from customers	(582)	(253)	(198)	(107)	(188)	(4)	—	(1 332)
Securities sold under repurchase agreement	—	—	(54)	—	—	—	—	(54)
Other liabilities	—	—	—	(18)	—	—	—	(18)
Liabilities	(582)	(254)	(283)	(144)	(188)	(204)	—	(1 655)
Intercompany loans	(7)	(1)	(1)	(77)	(7)	(226)	—	(319)
Shareholders' funds	—	—	—	—	—	—	(524)	(524)
Balance sheet	(364)	184	13	76	290	212	(409)	2
Off-balance sheet	—	(2)	—	—	—	(2)	—	(2)
Contractual liquidity gap	(364)	182	13	76	288	214	(409)	—
Cumulative liquidity gap	(364)	(182)	(169)	(93)	195	409	—	—

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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
Assets	297	533	422	388	173	588	82	2 483
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)
Liabilities	(838)	(188)	(371)	(100)	(78)	(150)	—	(1 725)
Intercompany loans	(5)	—	(1)	(93)	—	(163)	—	(262)
Shareholders' funds	—	—	—	—	—	—	(495)	(495)
Balance sheet	(546)	345	50	195	95	275	(413)	1
Off-balance sheet	—	—	—	—	—	(1)	—	(1)
Contractual liquidity gap	(546)	345	50	195	95	274	(413)	—
Cumulative liquidity gap	(546)	(201)	(151)	44	139	413	—	—

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Contractual liquidity

AT 31 DECEMBER 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	234	266	142	25	29	—	—	696
Investment/trading assets	6	60	48	123	9	140	—	386
Loans and advances to customers	—	69	58	286	248	460	81	1 202
Other assets	—	—	—	6	—	—	—	6
Assets	240	394	248	441	286	599	81	2 290
Borrowings from banks	—	—	—	(71)	—	(150)	—	(221)
Deposits from customers	(710)	(136)	(207)	(118)	(72)	(8)	—	(1 251)
Securities sold under repurchase agreement	—	1	(55)	—	—	—	—	(54)
Other liabilities	—	—	—	(10)	—	—	—	(10)
Liabilities	(710)	(135)	(261)	(198)	(72)	(158)	—	(1 535)
Intercompany loans	(18)	—	(1)	—	(93)	(162)	—	(274)
Shareholders' funds	—	—	—	—	—	—	(481)	(481)
Balance sheet	(488)	259	(15)	242	122	279	(400)	—
Off-balance sheet	—	4	—	—	—	(4)	—	—
Contractual liquidity gap	(488)	263	(15)	242	122	275	(400)	—
Cumulative liquidity gap	(488)	(225)	(239)	3	125	400	—	—

AT 31 DECEMBER 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	108	137	134	106	77	(199)	(364)	—
Cumulative	108	245	379	486	562	364	—	—

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 31 DECEMBER 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	87	349	(6)	57	(126)	(128)	(485)	—
Cumulative	87	436	430	488	614	485	—	—

Liquidity coverage ratio (LCR)

As at 31 December 2023, the bank's LCR stood at 290% (31 March 2023: 131%).

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.

31 DECEMBER 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	536	7	38	—	—	—	581
Investment/trading assets	202	144	73	188	—	7	614
Loans and advances to customers	1 194	62	30	12	—	—	1 298
Other assets	—	—	—	—	—	7	7
Assets	1 932	213	141	200	—	14	2 500
Borrowings from banks	(251)	—	—	—	—	—	(251)
Deposits from customers	(1 033)	(107)	(188)	(4)	—	—	(1 332)
Repurchase agreements with banks	(54)	—	—	—	—	—	(54)
Other liabilities	—	—	—	—	—	(18)	(18)
Liabilities	(1 338)	(107)	(188)	(4)	—	(18)	(1 655)
Intercompany loans	(319)	—	—	—	—	—	(319)
Shareholders' funds	—	—	—	—	—	(524)	(524)
Balance sheet	275	106	(47)	196	—	(528)	2
Off balance sheet	257	(47)	(58)	(154)	—	—	(2)
Repricing gap	532	59	(105)	42	—	(528)	—
Cumulative repricing gap	532	591	486	528	528	—	—

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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
Assets	2,029	248	24	168	—	14	2 483
Borrowings from banks	(246)	—	—	—	—	—	(246)
Deposits from customers	(1 282)	(59)	(71)	—	—	—	(1 412)
Repurchase agreements with banks	(53)	—	—	—	—	—	(53)
Other liabilities	—	—	—	—	—	(14)	(14)
Liabilities	(1 581)	(59)	(71)	—	—	(14)	(1 725)
Intercompany loans	(262)	—	—	—	—	—	(262)
Shareholders' funds	—	—	—	—	—	(495)	(495)
Balance sheet	186	189	(47)	168	—	(495)	1
Off balance sheet	142	5	(23)	(125)	—	—	(1)
Repricing gap	328	194	(70)	43	—	(495)	—
Cumulative repricing gap	328	522	452	495	495	—	—

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Interest rate sensitivity gap

AT 31 DECEMBER 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	696	—	—	—	—	—	696
Investment/trading assets	128	123	8	120	—	7	386
Loans and advances to customers	1 112	56	2	32	—	—	1 202
Other assets	—	—	—	—	—	6	6
Assets	1 936	179	10	152	—	13	2 290
Borrowings from banks	(221)	—	—	—	—	—	(221)
Deposits from customers	(1 064)	(116)	(70)	—	—	—	(1 250)
Repurchase agreements with banks	(54)	—	—	—	—	—	(54)
Other liabilities	—	—	—	—	—	(10)	(10)
Liabilities	(1 339)	(116)	(70)	—	—	(10)	(1 535)
Intercompany loans	(274)	—	—	—	—	—	(274)
Shareholders' funds	—	—	—	—	—	(481)	(481)
Balance sheet	323	63	(60)	152	—	(478)	—
Off balance sheet	134	(13)	(9)	(112)	—	—	—
Repricing gap	457	50	(69)	40	—	(478)	—
Cumulative repricing gap	457	507	438	478	478	—	—

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	
At 31 December 2023						
200bp down	(0,22)	1,03	1,88	0,79	(0,06)	3,42
200bp up	0,22	(1,03)	(1,88)	(0,79)	0,06	(3,42)
At 31 March 2023						
200bp down	(0,05)	3,09	4,25	1,00	0,00	8,29
200bp up	0,05	(3,09)	(4,25)	(1,00)	(0,00)	(8,29)
At 31 December 2022						
200bp down	(0,07)	3,13	4,17	0,82	—	8,04
200bp up	0,07	(3,13)	(4,17)	(0,82)	—	(8,04)

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 – LONG	OTHER CURRENCIES – SHORT	AGGREGATE NET OPEN FOREIGN EXCHANGE POSITION
31 December 2023						
Long/(short) position	2 235	3 491	(590)	297	(1 661)	6 024
31 March 2023						
Long/(short) position	(26)	1 778	2 820	2 227	(45)	6 825
31 December 2022						
Long/(short) position	1 183	3 366	105	207	(1 539)	4 861