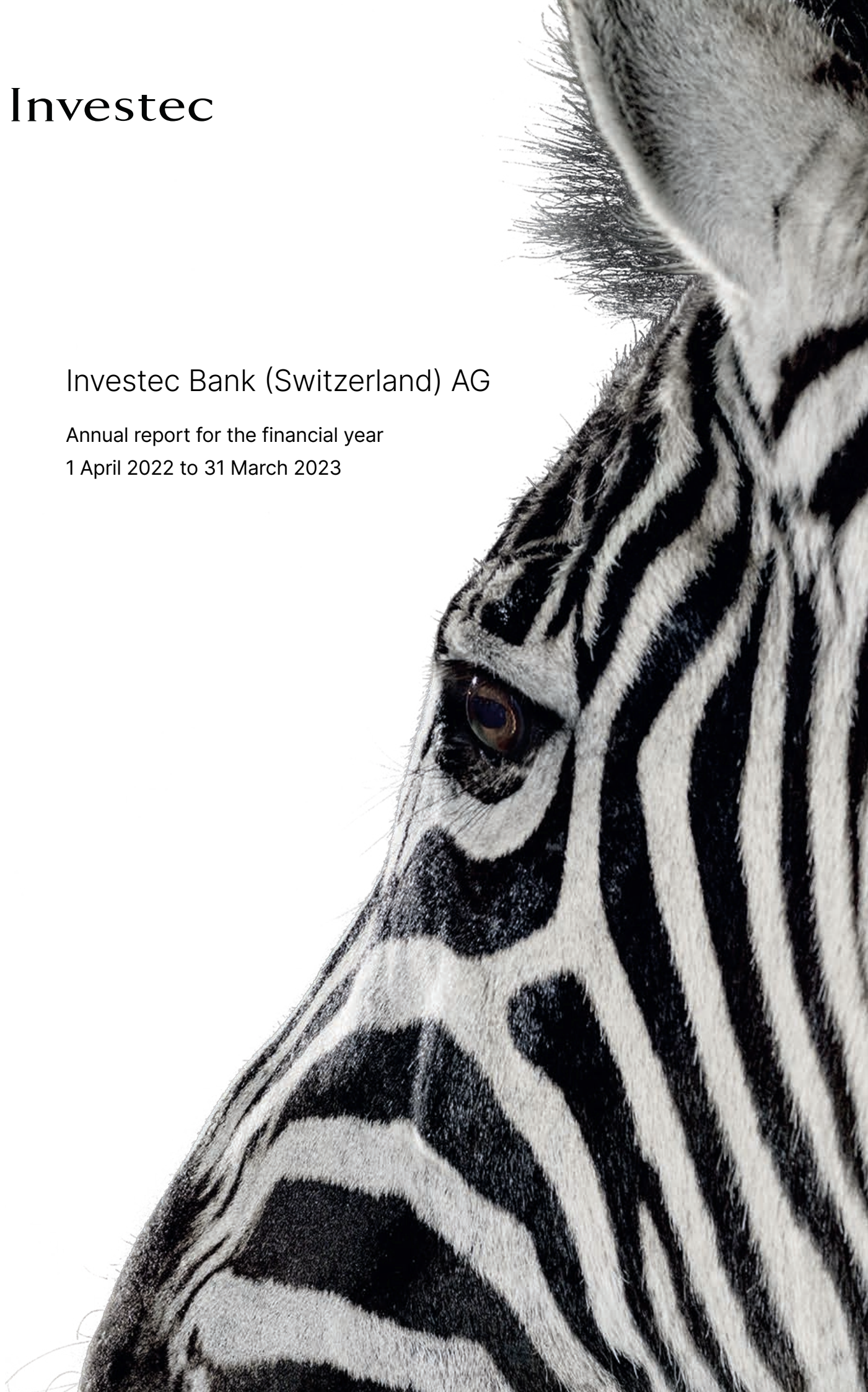


Investec Bank (Switzerland) AG

Annual report for the financial year

1 April 2022 to 31 March 2023



Annual report for the financial year 1 April 2022 to 31 March 2023

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Board of Directors, executive management and auditors

Board of Directors

The Board of Directors ("BoD") of Investec Bank (Switzerland) AG ("Bank"), under the leadership of the Chairman, consists of at least three members as per our Articles of Association. The BoD decides on the strategy of the Bank upon recommendation of the Chief Executive Officer ("CEO") and is responsible for the overall direction, supervision and control of the Bank and its management as well as for supervising compliance with applicable laws, rules and regulations.

The following table provides an overview of the composition of the Board of Directors:

Name	Domicile	Function	Independent	Initial election	Election until
Mark Currie	Johannesburg, South Africa	Chairman	Employed by Investec Bank Ltd	October 2021; Chairman since October 2021	July 2023
Dr. Thomas A. Frick	Zurich, Switzerland	Vice-Chairman	Yes	July 2005; Vice-Chairman since June 2012	July 2023
Prof. Dr. Bruno Gehrig	Winterthur, Switzerland	Member	Yes	January 2014	July 2022
Peter Gyger	Aargau, Switzerland	Member	Yes	July 2022	July 2023

Mark Currie, South African, b. 1963

Mark has been in Investment Banking since joining the Investec Group in 1993. Mark has held numerous positions in trading, structuring, debt origination and advisory. He became Group Chief Risk Officer for the Group in September 2020.

Dr. Thomas A. Frick, Swiss, b. 1961

Dr. Thomas Frick is partner in a renowned law firm, Niederer Kraft & Frey, attorneys-at-law, Zurich since 2001, specialising in financial services law. He holds an LL.M. from the London School of Economics.

Prof. Dr. Bruno Gehrig, Swiss, b. 1946

Prof. Dr Bruno Gehrig was active in both public and private sectors, holding senior positions in the Swiss Financial Market Supervisory Authority and the Swiss National Bank. Bruno holds senior positions in the financial services, pharmaceutical and airline industries. He resigned as at 31.03.2022 and was replaced by Peter Gyger.

Peter Gyger, Swiss, b. 1962

Peter Gyger joined the Bank in 2003 as Chief Operating Officer. In 2013, he became CEO of the Bank and resigned in October 2021. Prior to joining the Bank, Peter held several senior positions within the private banking industry including serving as Head of Finance at Consorsbank (Switzerland) and as Chief Operating Officer and Head of IT at Robert Fleming & Co (Switzerland).

Executive management

The Bank operates under a strict dual board structure, as mandated by Swiss banking law. The BoD delegates the management of the daily business to the Executive Management ("EM"). Under the leadership of the CEO, the EM is accountable for the operation of the Bank and its business. It assumes overall responsibility for developing the Bank and the implementation of approved strategies.

The following table provides an overview of the composition of the EM:

Name	Function	In this function since
Shaun Karpelowsky	Chief Executive Officer ("CEO")	October 2021
Melanie Abromowitz	Chief Finance Officer ("CFO")	August 2014
Petra Otten	Head of Risk	July 2010
Annelise Peers	Chief Investment Officer ("CIO")	June 2014

Shaun Karpelowsky, CEO, German, b. 1981

Shaun joined Investec Bank, London in 2008 and has held several senior leadership roles within the Group. Prior to his appointment as CEO, Shaun served as Lead Advisor to the Group's Executive, with responsibility for restructuring and enhancing the performance of several of Investec's banking businesses in Europe and Asia. Shaun holds an MBA from the University of Chicago (Booth).

Melanie Abromowitz, CFO, English, b. 1972

Melanie is responsible for finance including financial risk, treasury, operations, trading, IT and change management. She joined the Investec Group in 2001 and held roles as Chief Operating Officer and Chief Financial Officer of Corporate and Institutional Bank (CIB) in the UK until 2014, when she relocated to Switzerland to join the Bank. Melanie holds a Bachelor of Business Science, with first class honours, and a Postgraduate Diploma in Accounting from the University of Cape Town. Melanie is a qualified Chartered Accountant.

Petra Otten, CRO, Swiss, b. 1960

Petra acts as the Bank's general counsel. Petra is responsible for the Bank's risk management operations including compliance, financial crime and operational risks. She holds a degree in Business Administration, an Executive MBA and is a qualified lawyer. Petra worked in the airline and plant construction industry for a well-known law firm before joining the banking industry.

Annelise Peers, CIO, Swiss, b. 1967

Annelise is responsible for overseeing the development and management of the Bank's investment process. Annelise has over 25 years of experience within the investment industry with particular expertise in foreign exchange markets, capital and money markets and fixed income securities. Annelise has a B.A. (Hons) degree in Economics and Mathematics from the University of Pretoria.

Auditors

Ernst & Young Ltd., Zurich, Switzerland

Message from the Board of Directors to shareholders and clients

Dear shareholders and clients,

Market conditions over the past 12 months created some of the most challenging operating environments for wealth managers in living history. Market volatility and declines in value were experienced in both the equity and fixed income markets simultaneously, combined with a significant rise in interest rates.

Despite this challenging environment, Investec Bank (Switzerland) AG successfully delivered on the core elements of its new strategy. In doing so, the bank delivered a material profit for the first time in 11 years, new client relationships were established and operationally, the business has been reshaped.

The bank has now successfully enhanced its value proposition and integrated its investment, wealth and banking businesses into the wider Investec Group; enabling it to deliver to its clients all the benefits of an international financial institution, while maintaining the benefits of banking with a boutique Swiss Private Bank.

Notwithstanding challenging markets, Investec Bank (Switzerland) AG experienced a net increase in client assets of 3% in this financial year. New net asset inflows of 12.4% were offset by negative market movements of 9.5%. The impact of higher interest rates has resulted in loans to customers remaining stable but interest revenue growing significantly. Business costs were well managed but overall costs were higher due to one-off re-structuring costs as well as higher variable people costs for the period. We are very pleased to report that the bank recorded a profit of CHF4.089m for the year under review.

The bank maintains a strong prudent balance sheet and exceeds all regulatory requirements. The liquidity of the business has at all times been maintained at levels surplus to requirements with a quarterly average liquidity coverage ratio of 330% against a regulatory requirement of 100%. With a BIS tier 1 capital ratio of 25.1%, the bank is well placed to grow its assets under management and further its overall business objectives.

Despite global challenges, exceptional client service has been maintained against a backdrop of an increasing client base and reduced staff headcount. Importantly, following the successful implementation of its new strategy, the bank is now well positioned to deliver revenue growth and profitability over the coming years, serving as the premier wealth management platform for the Investec Group. For this, we congratulate and thank the combined executive and staff team.

Finally, we thank all our clients for their continued support and business.

For and on behalf of the Board of Directors,

Mark Currie
Chairman

Comment on business activities

Commission and Service Activities

The Bank's range of services comprises discretionary portfolio management, execution services relating to our client-controlled portfolios, custody services, term deposits and fiduciary transactions. The Bank's main revenue is generated from managing clients' portfolios. It earns an ancillary part of its commission income from securities trading on behalf of clients.

Derivatives contracts concluded with clients are hedged by matching transactions with the Investec Group or with counterparties of high credit standing.

Balance Sheet Activities

The Bank engages in balance sheet transactions primarily linked to investment management business for private clients. The Bank takes deposits as part of client investment business. Lending is primarily offered as an ancillary product to investment management for private clients. The Bank has now broadened its lending to include lending to Swiss corporations and investing in lending deals originated by the Investec Group. Interbank business is conducted with group companies and third-party banks as part of cash management. As part of liquidity management, cash balances are placed with the Swiss National Bank and invested in debt instruments.

Trading

The Bank's trading activities consist of foreign exchange and precious metals dealing activities that are limited to execution on behalf of clients and hedging our own balance sheet. The Bank does not engage in any proprietary trading activity.

Outsourcing of Business Activities

The Bank outsourced the printing and dispatch of client statements to Tata Consultancy Services Switzerland Ltd, Zurich ("TCS"). The IT application operation and management of the banking system "TCS BaNCS" is outsourced to TCS and hosting of the banking system, as well as auxiliary applications, is outsourced to Swisscom (Switzerland) Ltd. All applications and data remain in Switzerland under the rules of the Swiss Financial Market Supervisory Authority (FINMA) and strict oversight and control by the Bank. In addition, the Bank continued outsourcing of the SWIFT interbank services to Anasys AG, Zurich, and the document archiving to Kinesys AG, Dübendorf. The outsourcing agreements with these counterparties are documented in writing as required by FINMA and the employees of these service providers are obliged to comply with Swiss banking secrecy in order to ensure full confidentiality.

Employees

As at 31 March 2023, the Bank had 35.70 Full Time Equivalent ("FTE") staff members (including contractors) versus 39.80 in the prior year.

Information on capital and liquidity ratios

Capital and Liquidity ratios according to FINMA Circular 2020/01

	31.03.2023	31.12.2022	30.09.2022	30.06.2022	31.03.2022
Eligible capital (CHFk)					
Common Equity Tier 1 capital (CET1)	59 162				55 072
Common Equity Tier 1 capital without the effects of the transitional provisions for expected losses	–				–
Tier 1 capital (T1)	59 162				55 072
Tier 1 capital without the effects of the transitional provisions for expected losses	–				–
Total capital, total	59 162				55 072
Total capital without the effects of the transitional provisions for expected losses	–				–
Risk-weighted assets (RWA) (CHFk)					
RWA	235 960				240 014
Minimum capital (CHF)	18 877				19 201
Risk-based capital ratios (in % of RWA)					
CET1 ratio (%)	25.1				22.9
CET 1 ratio without the effects of the transitional provisions for expected losses (%)	0.0				0.0
Tier 1 capital ratio (%)	25.1				22.9
Tier 1 capital without the effects of the transitional provisions for expected losses (%)	0.0				0.0
Total capital ratio (%)	25.1				22.9
Total capital ratio without the effects of the transitional provisions for expected losses (%)	0.0				0.0
CET 1 buffer capital requirements (in % of RWA)					
Capital buffer in accordance with Basel Minimum Standards (as of 2019: 2.5%) (%)	2.5				2.5
Countercyclical buffer (Article 44a CAO) in accordance with the Basel Minimum Standards (%)	0.0				0.0
Additional capital buffer due to national or international systemic importance (%)	0.0				0.0
Overall buffer requirements in accordance with the Basel Minimum Standards in CET1 quality (2%)	2.5				2.5
Available CET1 to cover buffer requirements in accordance with Basel Minimum Standards (after deducting CET1 from the cover of the minimum requirements and possibly to cover the TLAC requirements) (%)	17.1				14.9
Target capital ratios according to Annex 8 CAO (in % of RWA)					
Capital buffer according to Annex 8 CAO (%)	2.5				2.5
Countercyclical buffer (Articles 44 and 44a CAO) (%)	0.0				0.0
CET1 target ratio (in %) according to Annex 8 CAO plus countercyclical buffer in accordance with Articles 44 and 44a CAO	7.0				7.0
T1 target ratio (in %) according to Annex 8 CAO plus countercyclical buffer in accordance with Articles 44 and 44a CAO	8.5				8.50
Total capital target ratio (in %) according to Annex 8 CAO plus countercyclical buffer in accordance with Articles 44 and 44a CAO	10.5				10.5
Basel III leverage ratio					
Total exposure (CHFk)	438 570				489 246
Basel III leverage ratio (Tier 1 capital in % of the total exposure) (see footnote)	13.5				11.3
Basel III leverage ratio (Tier 1 capital in % of the total exposure) without the effects of the transitional provisions for expected losses	–				–
Liquidity Coverage Ratio (LCR)					
LCR numerator: Total high quality liquid assets (HQLA) (CHFk)	49 237	51 120	50 674	52 122	56 042
LCR denominator: Total of net cash outflow (CHFk)	14 918	14 285	14 831	17 667	18 928
LCR (in %)	330	358	342	295	296
Net stable funding ration (NSFR)					
Available stable refinancing (in CHFk)	245 871				264 397
Required stable refinancing (in CHFk)	172 992				143 176
Net stable funding ratio (NSFR) (in %)	142				185

Annual financial statements



Balance sheet as at 31 March 2023 and 31 March 2022

As at 31 March in CHF	Notes	2023	2022
Assets			
Liquid assets		22 644 570	64 707 230
Amounts due from banks		101 835 682	139 107 163
Amounts due from customers	1	202 194 493	197 889 819
Positive replacement values of derivative financial investments	2, 3, 13	828 024	134 118
Financial investments	4	59 458 037	40 809 818
Accrued income and prepaid expenses		4 345 852	2 587 274
Tangible fixed assets	5	377 282	626 942
Other assets	6, 7	1 231 841	4 454 041
Total assets	13, 14, 15, 16, 17	392 915 782	450 316 406
Liabilities			
Amounts due to banks		97 668 704	90 899 996
Amounts due in respect of customer deposits		228 719 171	300 473 666
Negative replacement values of derivative financial instruments	2, 3, 13	161 056	597 287
Accrued expenses and deferred income		2 702 029	1 719 688
Other liabilities	6, 8	3 813 109	1 296 962
Provisions	8	689 867	256 777
Total liabilities		333 753 937	395 244 376
Equity			
Share capital	9, 10, 11, 12	83 000 000	83 000 000
Statutory retained earnings reserve		4 423 975	4 423 975
Voluntary retained earnings reserve		1 300 000	1 300 000
Loss carried forward		(33 651 944)	(33 702 577)
Profit/(loss) (for the period)		4 089 814	50 633
Total equity		59 161 845	55 072 031
Total liabilities and equity	13, 14, 17	392 915 782	450 316 406

Off-balance sheet transactions as at 31 March 2023 and 31 March 2022

As at 31 March in CHF	Notes	2023	2022
Contingent liabilities	1, 18	3 162 740	1 922 139
Irrevocable commitments	1, 19	26 545 002	20 984 292

Irrevocable commitments for the year ending 31 March 2023 and 31 March 2022 include undrawn commitments on Corporate Lending deals.

Undrawn commitments on Corporate Lending deals represent CHF 4 190k for the year ending 31 March 2023 compared with CHF 5 791k for the year ending 31 March 2022.

Income statement for the years ending 31 March 2023 and 31 March 2022

As at 31 March in CHF	Notes	2022/2023	2021/2022
Revenues and expenses from ordinary banking activities			
Result from interest operations			
Interest and discount income		11 200 094	3 936 716
Interest and dividend income from financial investments		2 143 814	1 663 640
Interest expense		(3 188 685)	(559 008)
Gross result from interest operations		10 155 223	5 041 348
Subtotal net result from interest operations	23	10 155 223	5 041 348
Result from commission business and services			
Commission income from securities trading and investment activities		8 545 070	8 066 401
Commission income from lending activities		52 544	45 816
Commission income from other services		210 613	161 238
Commission expense		(794 762)	(824 273)
Subtotal result from commission business and services		8 013 464	7 449 182
Result from trading activities and the fair value option	22	1 460 124	1 472 617
Other result from ordinary activities			
Other ordinary income		8 767	4 573
Subtotal other result from ordinary activities		8 767	4 573
Total revenues		19 637 577	13 967 720
Operating expenses			
Personnel expenses	24	(9 702 639)	(8 341 862)
General and administrative expenses	25	(5 298 248)	(4 934 307)
Subtotal operating expenses		(15 000 886)	(13 276 169)
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets			
		(366 835)	(444 880)
Changes to provisions and other value adjustments and losses			
		(20 650)	(31 130)
Operating result		4 249 205	215 541
Extraordinary expenses			
	26	(17 859)	(23 346)
Taxes			
	28	(141 532)	(141 562)
Profit/(Loss) for the year		4 089 814	50 633

Carrying forward of losses for the years ending 31 March 2023 and 31 March 2022

As at 31 March in CHF	Notes	2022/2023	2021/2022
Carrying forward of losses			
Profit/(Loss) for the year		4 089 814	50 633
Loss carried forward		(33 651 944)	(33 702 577)
Net loss		(29 562 130)	(33 651 944)
Offsetting voluntary retained earnings		1 300 000	–
Offsetting statutory retained earnings		4 423 975	–
New amount carried forward		(23 838 155)	(33 651 944)

Pursuant to Art. 674 para. 1 item 2, losses have been offset against voluntary retained earnings. In accordance with Art. 674 para. 1 item 3, the remaining losses are offset against the statutory retained earnings or carried forward.

Statement of changes in equity

In CHF	Share capital	Capital reserve	Retained earnings reserve	Reserves for general banking risks	Currency translation reserves	Voluntary retained earnings reserves and loss carried forward	Own shares	Minority interests	Result of the period	Total
Equity at the start of the current period	83 000 000	–	4 423 975	–	–	(32 402 577)	–	–	50 633	55 072 031
Other allocations to (transfers from) other reserves	–	–	–	–	–	50 633	–	–	(50 633)	–
Profit/(loss) for the year	–	–	–	–	–	–	–	–	4 089 814	4 089 814
Equity at the end of the current period	83 000 000	–	4 423 975	–	–	(32 351 944)	–	–	4 089 814	59 161 845

Notes to the financial statements

General business

Investec Bank (Switzerland) AG, whose registered office is in Zurich, is a wholly owned subsidiary of Investec Bank plc, UK, a globally active financial services group. Investec Bank (Switzerland) AG is mainly active in the private banking business including wealth and investment and other related services. The geographic areas covered by the Bank include Switzerland and abroad, in particular UK, Europe, Southern Africa and Eastern Africa.

General principles

Accounting policies and valuation principles are based on provisions according to the Swiss Code of Obligations, the Federal Law on Banks and Saving Banks and its related ordinance, the guidelines of the Swiss Financial Market Supervisory Authority (FINMA), the Bank's articles of association and the statutory regulations. Single positions inherent in any given balance sheet item are valued individually.

Accounting standards

The Bank has implemented the accounting standards per the FINMA Circular 2020/1 – Accounting for Banks effective 1 January 2020. Investec has prepared reliable assessment statutory single-entity financial statements in accordance with Art. 25 para. 1 let. a BO.

Recording of transactions

All transactions are recorded in the financial statements of the Bank on trade date and valued on this date. Spot transactions are recorded based on the trade date principle. Forward and Swap contracts are recorded as off-balance sheet transactions on trade date until expiry date. Between the trade and the execution date the replacement values of Forward and Swap transactions are recorded as separate line in the balance sheet.

Foreign currencies

Transactions in foreign currencies are recorded with the exchange rate of the day they take place. Assets in foreign currencies are converted at the exchange rate of the effective balance sheet date and the valuation differences are taken to the income statement. Exchange rate fluctuations between the trade date and settlement date of a transaction are recorded in the income statement.

Currency	31.03.2023	31.03.2022
USD	0.91339	0.92100
EUR	0.99210	1.02221
GBP	1.12977	1.21053

Liquid assets, amounts due from banks, amounts due from customers, mortgage loans, amounts due to banks, and amounts due in respect of customer deposits

These transactions and balances are recorded at their nominal value. Doubtful accounts receivable, where it is unlikely that the debtor will be able to meet future commitments, are evaluated on an individual basis and any impairment is netted with the respective account in the balance sheet. The impairment is calculated using the difference between the book value of the receivable and the amount expected to be received considering the counterparty risk as well as the net proceeds realisable from the sale of any collateral. There is no provision for general reserves. Interest and commissions outstanding for more than 90 days are considered overdue.

Financial investments

Securities that are not held for trading purposes are valued at the lower of cost or market value, if they are not intended to be held to maturity. Any upward or downward re-measurement of value is taken to "Other ordinary income" or "Other ordinary expenses". If a security's market value has fallen below cost but subsequently rises again it may only be written up as far as its cost value.

Notes to the financial statements

Tangible fixed assets

Investments in new tangible fixed assets are capitalised and valued at historical cost if they exceed CHF 50 000 and will be used for a period longer than one financial year. Depreciation is recorded on a straight-line basis over the estimated lifetime of the asset.

The tangible fixed assets are reviewed each year, changes in the lifetime or impairments to the net book value are amortised over the remaining lifetime or booked as extraordinary depreciation. Both regular and extraordinary depreciation is recorded in the income statement in the line "Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets". If the reason for extraordinary depreciation no longer exists, the net asset value may be adjusted upwards.

The lifetime of the asset categories have been defined as follows:

– Software, IT and communication equipment	max. 3 years
– Furniture and other office equipment	max. 3 years
– Other fixed assets, including In-house developed software	max. 5 years

Realised profits from divestment of tangible fixed assets are recorded in "Extraordinary income" whereas realised losses are recorded in "Extraordinary expenses".

Accruals and deferrals

Interest income and expenses, commission income and expenses, personnel and other operating expenses are accrued for the respective financial year.

Provisions

In accordance with the principle of prudence, specific provisions and reserves are made for any recognisable risks if an outflow of funds is probable. Existing provisions are reassessed at each balance sheet date. Based on this reassessment, the provisions are increased, left unchanged, or released.

Positions are recorded as follows via the individual items in the income statement:

- Provision for deferred taxes: "Taxes"
- Pension provision: "Personnel expenses"
- Other provisions: "Changes in provisions and other valuation adjustments and losses, except provisions for restructuring"

Provisions are released via the income statement if they are no longer needed on business grounds and cannot be used for other similar purposes at the same time.

Taxes

Taxes on the results of the current accounting period are determined in accordance with local tax laws and recorded as expenses in the relevant financial year.

Pension funds

Liabilities for pension funds are treated according to SWISS GAAP FER 16.

Contingent liabilities, irrevocable commitments, guarantees and other commitments

These positions are stated as off-balance sheet items at their nominal values. In accordance with the principle of prudence, adequate provisions are recorded for known risks.

Derivative financial instruments

Derivative financial instruments are used to limit the currency and interest rate risks on own positions as well as on trades for clients. With the exception of currency swaps and forward contracts, the Bank does not hold any derivative financial instruments on its own account. Derivative financial instruments are valued at fair value. The positive and negative replacement values of the transactions that are open on the balance sheet date are recorded as such in a separate line on the face of the balance sheet. The notional amount is disclosed in the notes to the financial statements. There is no hedge accounting applied by the Bank.

Notes to the financial statements

Cash flow statement

The Bank is exempt from preparing a cash flow statement according to the Art. 25 para. 3 BO as the Bank prepares statutory single-entity financial statements with reliable assessment.

Impact of negative interest rates on the Bank's business

Negative interest on assets is disclosed as a reduction in interest and discount income. Negative interest on deposits is disclosed as a reduction in interest expense.

Events after the balance sheet date

No events that would adversely affect the results of the Bank occurred after the balance sheet date.

Risk management

The risk management and risk control framework

Risk management is a key function of the Bank. It is based on the policies approved by the BoD, which are reviewed annually to ensure that new business activities as well as market, regulatory or other developments are adequately addressed. The BoD regularly reviews the key risks faced by our Bank, including client investment, credit, market, liquidity and operational risks. Key risk indicators, risk mitigation measures and internal controls are in place. Particular emphasis is given to ensuring ongoing monitoring and pro-active management of these risks and accurately determining their impact on the Bank's financial position. The principle of segregation of duties is strictly respected, i.e. the responsibility for risk control is separated from responsibility for trading and other front-office activities.

All corporate bodies responsible as well as the parent bank are regularly informed of the Bank's financial position, liquidity and earnings, and the associated risks.

Client investment risk

Client investment risk is a key risk for the Bank's private banking activities. The Bank and its governing bodies address client investment risks by a systematic identification and assessment of larger asset allocation deviations, risk exposures and client portfolio performance deviations against defined benchmark targets, as well as using key risk indicators.

Credit risk

Credit risk management ensures that controls cover the risk that credit exposures could give rise to a loss if counterparties fail to meet their contractual obligations. Default risk is limited by applying customer and bank limits. Credit approval is subject to quality requirements following internal guidelines. Credit risks are limited and subject to regular analysis and risk-oriented review processes. The credit exposure to clients and companies is assured against collateral or balance sheet assets while applying adequate margins and covenants.

Risks are managed and monitored primarily by valuing collateral at fair market value and monitoring covenants. The principles for determining collateral and margin values are set locally and approved by the Group as well as by our local BoD. The individual loan-to-value ratios for Lombard lending depends on the type of product, its marketability, liquidity, rating, volatility, etc., allowing for customary security margins. Corporate lending debt exposure is monitored in conjunction with Investec Bank plc. Investments into debt instruments are monitored on a regular basis for any indications of credit impairment.

Market risk

Market risk for the Bank arises from executing client trades across our balance sheet. Client trading is limited to foreign exchange forward and swap contracts and precious metals trading. All open client positions are hedged. This is monitored by an independent control unit, which checks the exposure against the relevant exposure limits.

Balance sheet risk

Balance sheet risk management encompasses the independent monitoring and prudential management of the financial risks relating to our asset and liability portfolios. These comprise liquidity risk and non-trading interest rate and foreign exchange risks on the balance sheet.

Liquidity risk is the risk that we have insufficient capacity to fund increase in assets, or are unable to meet our obligations as they fall due, without incurring unacceptable losses. Non-trading interest rate risk is the impact on net interest earnings and sensitivity to economic value as a result of unexpected adverse movements in interest rates.

Liquidity risk metrics and ratios are used to assess potential risks to the liquidity position.

Notes to the financial statements

Non-trading interest rate and foreign exchange risk (and the associated capital requirements) are ascertained using the standardised measurement method. The management of interest rate risk is based on applying interest rate shifts prescribed by FINMA to the interest rate curve to determine the value effect as well as on the income effect on annual income.

Balance sheet risk management, including the long-term investment of the Bank's own capital, is the responsibility of the Asset and Liability Committee ("ALCO") with the treasury function mandated to manage these risks. All limits used to monitor this risk are subject to the approval by the BoD. The Bank also reports into the Investec Bank plc ALCO where oversight is exercised.

The Bank's own capital is invested in product categories predefined by Investec Bank plc Asset and Liability Committee. On the balance sheet date, the Bank's own capital was held at the Swiss National Bank and used to fund the Bank's loan portfolio and other financial investments.

Compliance with all requirements and limits is monitored in a timely manner by independent control unit. The risk reports are discussed every month at ALCO and every quarter at the meetings of the BoD.

Operational risk

Operational risks reflect the probability of direct or indirect loss due to the inadequacy or failure of internal processes, persons or systems or as a result of external events. Given that operational risks may be encountered in all areas, all members of staff and offices involved in a business process are expected to assess and manage the operational risks within their area of responsibility. Of particular importance is the appropriate segregation of duties and the adherence to the four-eyes principle where required. Furthermore, operational risks are mitigated by the use of instruments such as policies and guidelines, definition of approval requirements, organisational charts, job descriptions as well as process and control descriptions. Automation facilitating the transactions processing and controls is also key in order to reduce risks. Effectiveness of controls is regularly evaluated.

In order to foster a proactive approach to the management and control of operational risks, the Bank has implemented an Internal Control Framework to strengthen employees' risk and control awareness. The Risk Controller initiates, oversees and monitors these processes and reports results to the Executive Management Committee, Investec Bank plc Operational Risk and the BoD.

Compliance and legal risk

Compliance risk is defined as the current or prospective risk to earnings and capital arising from violations or non-compliance with laws, rules, regulations, agreements, prescribed practices or ethical standards and can lead to fines, damages and/or the voiding of contracts and can diminish an institution's reputation. Legal risk is the risk of financial or reputational loss that can result from lack of awareness or misunderstanding of, ambiguity in, or reckless indifference to, the way law and regulation apply to our business, our relationships, processes, products and services. The Legal and Compliance department captures, analyses and assesses the Bank's legal, regulatory and financial crime risks and defines mitigating controls.

The department manages these risks through the following:

- Identifying material rules and regulations where non-compliance could lead to endangerment of the Bank's assets;
- Advising and supporting the EM Committee and the Bank's BoD concerning the adherence to material rules and regulations as well as acting to implement effective procedures for compliance with applicable material rules and regulations, and the setup of the corresponding controls;
- Monitoring the coverage of new or changed material rules and regulations by our business including potential implementation plans for appropriate controls;
- Assessing the coverage of all existing material rules and regulations by the bank's business and existence of a corresponding control environment; and
- Reporting regularly to the EM Committee and the Bank's BoD.

The department also ensures, in collaboration with the Risk Management department, that directives and regulations are updated and implemented in line with new legal and regulatory developments.

Training in relation to various compliance topics like cross-border financial services, financial crime and Know Your Client ("KYC") is provided to employees at regular intervals.

Notes to the financial statements

Table 1: Presentation of collateral for loans/receivables and off-balance-sheet transactions, as well as impaired loans/receivables

Overview of collateral		Type of collateral			Total in CHF
		Secured by mortgage in CHF	Other collateral in CHF	Unsecured in CHF	
Loans (before netting with value adjustments)					
Amounts due from customers		–	202 194 493	–	202 194 493
Mortgages					
– Residential properties		–	–	–	–
– Commercial and industrial premises		–	–	–	–
Total loans (before netting with value adjustments)	31.03.2023	–	202 194 493	–	202 194 493
	31.03.2022	–	197 889 819	–	197 889 819
Total loans (after netting with value adjustments)	31.03.2023	–	202 194 493	–	202 194 493
	31.03.2022	–	197 889 819	–	197 889 819
Off-balance sheet					
Contingent liabilities		–	3 162 740	–	3 162 740
Irrevocable commitments		–	25 721 162	823 840	26 545 002
Obligations to pay up shares and make further contributions		–	–	–	–
Credit commitments		–	–	–	–
Total off-balance sheet	31.03.2023	–	28 883 902	823 840	29 707 742
	31.03.2022	–	22 464 432	442 000	22 906 432
Impaired loans/receivables					
		Gross debt amount in CHF	Estimated liquidation value of collateral in CHF	Net debt amount in CHF	Individual value adjustments in CHF
Total	31.03.2023	–	–	–	–
	31.03.2022	–	–	–	–

Table 2: Breakdown of trading portfolios and other financial instruments at fair value (assets and liabilities)

Investec Bank Switzerland AG does not have any trading portfolios or other financial instruments at fair value as at 31 March 2023 and 31 March 2022.

Notes to the financial statements

Table 3: Presentation of derivative financial instruments (assets and liabilities)

		Trading Instruments			Hedging Instruments		
		Positive replacement values in CHF	Negative replacement values in CHF	Contract volume in CHF	Positive replacement values in CHF	Negative replacement values in CHF	Contract volume in CHF
Interest rate instruments							
– Forward contracts		–	–	–	–	–	–
Equity securities							
– Forward contracts		–	–	–	–	–	–
Foreign exchange/precious metals							
– Forward contracts		19 772	(143 601)	8 480 835	151 804	(17 456)	8 598 621
– Combined interest rate/currency swaps		–	–	–	656 448	–	15 102 100
Total	31.03.2023	19 772	(143 601)	8 480 835	808 252	(17 456)	23 700 721
	31.03.2022	103 226	(29 140)	12 816 503	30 892	(568 087)	70 964 199
Of which value determined using a valuation model in CHF							
31.03.2023		19 772	(143 601)		808 252	(17 456)	
31.03.2022		103 226	(29 140)		30 892	(568 087)	
		31.03.2023			31.03.2022		
		Central clearing houses in CHF	Banks and securities in CHF	Other customers in CHF	Central clearing houses in CHF	Banks and securities in CHF	Other customers in CHF
Positive replacement values (after netting agreements)		–	808 252	19 772	0	30 892	103 226

Notes to the financial statements

Table 4: Breakdown of financial investments

	Book value 31.03.2023 in CHF	Book value 31.03.2022 in CHF	Fair value 31.03.2023 in CHF	Fair value 31.03.2022 in CHF
Debt securities*	28 244 275	30 263 275	27 721 658	30 378 015
Swiss Government Bond	31 193 258	10 339 018	30 981 000	10 302 000
	59 437 533	40 602 293	58 702 658	40 680 015
– of which, held until maturity	59 437 533	40 602 293	58 702 658	33 658 756
Equity securities	20 505	207 526	20 505	207 526
– of which, qualified participations	–	–	–	–
Total*	59 458 037	40 809 818	58 723 162	40 887 541
of which, securities eligible for repo transactions in accordance with liquidity requirements	31 193 258	10 339 018	30 981 000	10 302 000

*Debt securities consist of one counterparty which is unrated.

The fair value of the debt securities held until maturity is lower (prior year higher) than its book value due to change in market rates.

Table 5: Presentation of tangible fixed assets

	Acquisition cost in CHF	Accumulated depreciation in CHF	Book value 31.03.2022 in CHF	2022/2023					Book value 31.03.2023 in CHF
				Reclass-ification in CHF	Additions in CHF	Disposals in CHF	Depreciation in CHF	Reversals in CHF	
Proprietary or separately acquired software	3 482 708	(2 855 766)	626 942	–	117 175	–	(366 836)	–	377 282
Other tangible fixed assets	15 550	(15 550)	–	–	–	–	–	–	–
Total tangible fixed assets			626 942	–	117 175	–	(366 836)	–	377 282

*Depreciation on a specific project was performed on a 3 year basis in line with the duration of the contract rather than 5 years.

Operating lease commitments	31.03.2023				31.03.2022			
	Greater than Less than 1 year in CHF	Less than 1 year, 5 years in CHF	Greater than 5 years in CHF	Total in CHF	Greater than Less than 1 year in CHF	Less than 1 year, 5 years in CHF	Greater than 5 years in CHF	Total in CHF
Rental lease commitments for bank premises	440 983	1 549 721	–	1 990 704	462 538	1 690 605	281 767	2 434 911
– of which are cancellable within 1 year	–	–	–	–	–	–	–	–

Notes to the financial statements

Table 6: Breakdown of other assets and other liabilities

	31.03.2023		31.03.2022	
	Other Assets in CHF	Other Liabilities in CHF	Other Assets in CHF	Other Liabilities in CHF
Compensation account	–	–	–	–
Indirect taxes	168 903	546 600	115 455	324 200
Pension scheme accrual	–	268 402	–	246 937
Miscellaneous assets and liabilities	1 062 938	2 998 107	4 338 586	725 825
Total other assets and liabilities	1 231 841	3 813 109	4 454 041	1 296 962

Table 7: Disclosures on the economic situation of the pension schemes

Investec Bank (Switzerland) AG does not have its own pension scheme. There are no liabilities relating to the pension scheme of the Bank and no equity instruments of the Bank held by the respective pension scheme. There are no reserves for the contribution to the pension plan by the employer (employer contribution reserves) available.

The Bank's pension scheme is with AXA Foundation for Occupational Benefits since 1 January 2007.

Following the transformation of AXA Foundation for Occupational Benefits from a full insurance model to a semi-autonomous model with pooled assets on 1 January 2019, the longevity and investment risks are no longer re-insured, but borne by the AXA Foundation. This means that since 1 January 2019, nominal value and interest are guaranteed in case of a member leaving the pension scheme (vested rights) or going into retirement only. In all other cases, the longevity and investment risks are borne by the pension fund and its members.

Presentation of the economic benefit/obligation and pension expenses

	Overfunding/ underfunding at end of current year in CHF	Economic interest of the bank/financial group in CHF 31.03.2023	Economic interest of the bank/financial group in CHF 31.03.2022	Change in economic interest (economic benefit/ obligation) versus previous year in CHF	Contributions paid for the current period in CHF	Pension expenses in personnel expenses in CHF 31.03.2023	Pension expenses in personnel expenses in CHF 31.03.2022

Details on the Bank's pension fund is in line with Swiss GAAP FER 16.

Notes to the financial statements

Table 8: Presentation of value adjustments and provisions, reserves for general banking risks and changes therein during the current year

	31.03.2022 in CHF	Use in conformity with designated purpose in CHF	Reclass- ification in CHF	Currency differences in CHF	Past due interest, recoveries in CHF	New creations charged to income in CHF	Releases to income in CHF	31.03.2023 in CHF
Provisions for deferred taxes	-	-	-	-	-	-	-	-
Provisions for pension benefit obligations	-	-	-	-	-	-	-	-
Provisions for expected losses	-	-	-	-	-	-	-	-
Provisions for inherent default risks	-	-	-	-	-	-	-	-
Provisions for latent default risks	-	-	-	-	-	-	-	-
Provisions for other business risks	-	-	-	-	-	-	-	-
Provisions for restructuring	-	(158 504)	-	-	-	611 802	-	453 298
Other provisions	256 777	(20 209)	-	-	-	-	-	236 568
Total provisions	256 777	(178 712)	-	-	-	611 802	-	689 867
Reserves for general banking risks	-	-	-	-	-	-	-	-
Value adjustments for default and country risks								
- of which, value adjustments for default risks in respect of impaired loans/receivables	-	-	-	-	-	-	-	-
- of which, value adjustments for latent risks	-	-	-	-	-	-	-	-

Other Provisions

Other provisions of CHF 187k are for legal costs relating to potential Madoff claims (2009) and CHF 50k for potential Stamp Tax charges.

Litigation

Other than the potential Madoff claims mentioned above, no material litigation is currently ongoing for the Bank.

Notes to the financial statements

Table 9: Presentation of the Bank's capital

Bank's capital	31.03.2023			31.03.2022		
	Total par value in CHF	Number of shares	Capital eligible for dividend in CHF	Total par value in CHF	Number of shares	Capital eligible for dividend in CHF
Share capital	83 000 000	83 000	83 000 000	83 000 000	83 000	83 000 000
- of which, paid up	83 000 000	83 000	83 000 000	83 000 000	83 000	83 000 000
Total Bank's capital	83 000 000	83 000	83 000 000	83 000 000	83 000	83 000 000
Significant shareholder:	31.03.2023		31.03.2022			
	Nominal in CHF	in %	Nominal in CHF	in %		
Investec Bank plc	83 000 000	100%	83 000 000	100%		

The parent company of Investec Bank plc is Investec 1 Limited, which is a 100% subsidiary of Investec plc, a company listed on the London Stock Exchange.

There are neither conditional nor significant shareholders without voting rights.

There are no equity rights or options in Investec Bank (Switzerland) AG held by directors or employees as it is a wholly owned subsidiary of Investec Bank plc.

Table 10: Number and value of equity securities or options on equity securities held by all executives and directors and by employees, and disclosures on any employee participation schemes

The Investec Group operates a long-term incentive plan ("LTIP") for employees, the majority of which are on an equity settled basis. The purpose of this staff share scheme is to promote an esprit de corp within the organisation, create an awareness of Investec's performance, and provide an incentive to maximise individual and group performance by allowing all staff to share in the risks and rewards of the group.

There are two plans: one has a five year vesting period where 75% of options issued vest after four years and 25% vest after five years; the other plan has a five year vesting period where 33.33% of options issued vest in year three, 33.33% in year four, and 33.33% in year five.

All LTIPs issued have a zero strike price. For 2022/2023 the amount recognised in the income statement for LTIPs was CHF 155k (2021/2022 CHF 270k).

On 13 March 2020, Investec successfully completed the demerger of Investec Asset Management ("IAM"). The overall effect of the demerger was to move IAM SA under Ninety One Limited (a South African entity incorporated specifically to act as a holding company for the IAM business going forward) and IAM UK (which together with IAM SA and their respective subsidiaries, comprise the Ninety One Business). Ninety One Plc and Ninety One Limited have then been listed as a Dual Listed Company. This demerger has had an impact on the above-mentioned LTIPs. Employees that are participants in their LTIPs will be entitled to receive the initially awarded Investec LTIPs and will also receive (in proportion to the value) the right to receive one Ninety One option for every two Investec options awarded that will vest over the same remaining vesting period as the original Investec award. The employees will continue to render services to Investec.

The weighted average share price during the year was GBP 6.63/CHF 7.63 (2021/22 GBP 5.88/CHF 7.38).

The yearly charges are calculated and recharged from Investec Group to the Bank. LTIPs are not related to the Bank's shares but to the shares of Investec plc and Ninety One plc. The amount of equity securities and options with Investec Bank (Switzerland) AG are zero.

Notes to the financial statements

Table 11: Disclosure of amounts due from/to related parties

	31.03.2023		31.03.2022	
	Amounts due from in CHF	Amounts due to in CHF	Amounts due from in CHF	Amounts due to in CHF
Holders of qualified participations	18 222 980	46 695 520	9 263 007	963 892
Group companies	–	–	–	–
Linked companies	29 189 260	66 545 114	31 128 333	91 008 651
Transactions with members of governing bodies	–	–	–	–
Other related parties	–	182 210	–	–
Total	47 412 240	113 422 844	40 391 341	91 972 544

Transactions with related parties

The Bank partially undertakes refinancing with affiliated entities and significant shareholders at market rates.

The Bank had as at 31 March 2023 CHF 34k in current accounts (31 March 2022 CHF 7 436k). Overnight deposits amounted to CHF 17 354k (31 March 2022 CHF 1 796k).

As at 31 March 2023, the total amount sub-participated on deals by the group amounted to CHF 123 789k (31 March 2022 CHF 120 169k).

As at 31 March 2023, the total amount sub-participated from the Bank to the Group amounted to CHF 37 667k (31 March 2022 CHF 31 834k).

As at 31 March 2023, off balance sheet fx derivative contract volumes with group entities amounted to CHF 23 700k (31 March 2022 CHF 70 964k).

As at 31 March 2023, positive and negative replacement values with group companies respectively amounted to CHF 835k and CHF 18k (31 March 2022 CHF 31k and CHF 568k).

As of 31 March 2023, there is no transaction with members of governing bodies (31 March 2022 CHF 0k).

All transactions with related parties were executed on the same conditions as would apply for third parties.

Table 12: Disclosure of holders of significant participations

	31.03.2023		31.03.2022	
	Nominal in CHF	% of equity	Nominal in CHF	% of equity
Holders of significant participations and groups of holders of participations with pooled voting rights				
with voting rights				
Investec Bank plc	83 000 000	100%	83 000 000	100%
without voting rights	–	0%	–	0%

Notes to the financial statements

Table 13: Presentation of the maturity structure of financial instruments

	At sight in CHF	Cancellable in CHF	Due					No maturity in CHF	Total in CHF
			within 3 months in CHF	within 3 to 12 months in CHF	within 12 months to 5 years in CHF	after 5 years in CHF			
Asset/financial instruments									
Liquid assets	22 644 570	–	–	–	–	–	–	–	22 644 570
Amounts due from banks	12 361 638	–	89 474 044	–	–	–	–	–	101 835 682
Amounts due from securities financing transactions	–	–	–	–	–	–	–	–	–
Amounts due from customers	380 364	–	56 897 852	48 244 786	42 194 941	54 476 550	–	–	202 194 493
Mortgage loans	–	–	–	–	–	–	–	–	–
Trading portfolio assets	–	–	–	–	–	–	–	–	–
Positive Replacement values of derivative financial instruments	828 024	–	–	–	–	–	–	–	828 024
Other financial instruments at fair value	–	–	–	–	–	–	–	–	–
Financial investments	20 505	–	–	–	59 437 533	–	–	–	59 458 037
Total	31.03.2023	36 235 101	–	146 371 896	48 244 786	101 632 474	54 476 550	–	386 960 807
	31.03.2022	129 040 698	–	144 579 706	109 309 040	52 382 143	7 336 563	–	442 648 149
Debt capital/ financial instruments									
Amounts due to banks	5 438 323	41 678 038	4 762 061	9 791 076	28 062 439	7 936 768	–	–	97 668 704
Liabilities from securities financing transactions	–	–	–	–	–	–	–	–	–
Amounts due in respect of customer deposits	147 983 614	47 951 142	25 161 449	7 622 966	–	–	–	–	228 719 171
Trading portfolio liabilities	–	–	–	–	–	–	–	–	–
Negative replacement values of derivative financial instruments	161 056	–	–	–	–	–	–	–	161 056
Liabilities from other financial instruments at fair value	–	–	–	–	–	–	–	–	–
Cash bonds	–	–	–	–	–	–	–	–	–
Bond issues and central mortgage institution loans	–	–	–	–	–	–	–	–	–
Total	31.03.2023	153 582 994	89 629 180	29 923 510	17 414 042	28 062 439	7 936 768	–	326 548 932
	31.03.2022	265 177 579	101 022 882	10 585 269	363 159	14 822 060	–	–	391 970 949

Notes to the financial statements

Table 14: Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle

	31.03.2023		31.03.2022	
	Domestic in CHF	Foreign in CHF	Domestic in CHF	Foreign in CHF
Assets				
Liquid assets	22 644 570	–	64 707 230	–
Amounts due from banks	17 248 960	84 586 722	24 228 276	114 878 887
Amounts due from securities financing transactions	–	–	–	–
Amounts due from customers	9 858 875	192 335 618	7 861 040	190 028 779
Mortgage loans	–	–	–	–
Trading portfolio assets	–	–	–	–
Positive replacement values of derivative financial instruments	–	828 024	7 283	126 835
Other financial instruments at fair value	–	–	–	–
Financial investments	31 213 762	28 244 275	10 354 261	30 455 558
Accrued income and prepaid expenses	2 871 558	1 474 294	1 760 725	826 549
Participations	–	–	–	–
Tangible fixed assets	377 282	–	626 942	–
Intangible assets	–	–	–	–
Other assets	169 656	1 062 185	3 938 363	515 678
Capital not paid in	–	–	–	–
Total assets	84 384 664	308 531 118	113 484 120	336 832 286
Liabilities				
Amounts due to banks	–	97 668 704	–	90 899 996
Amounts due to securities financing transactions	–	–	–	–
Amounts due in respect of customer deposits	28 925 537	199 793 634	11 685 747	288 787 919
Trading portfolio liabilities	–	–	–	–
Negative replacement values of derivative financial instruments	15 263	145 793	–	597 286
Liabilities from other financial instruments at fair value	–	–	–	–
Cash bonds	–	–	–	–
Bond issues and central mortgage institution loans	–	–	–	–
Accrued expenses and deferred income	2 278 244	423 785	1 574 316	145 372
Other liabilities	1 337 891	2 475 218	772 906	524 056
Provisions	689 867	–	256 777	–
Reserves for general banking risks	–	–	–	–
Bank's capital	83 000 000	–	83 000 000	–
Statutory capital reserve	–	–	–	–
Statutory retained earnings reserve	4 423 975	–	4 423 975	–
Voluntary retained earnings reserve	1 300 000	–	1 300 000	–
Own shares (negative item)	–	–	–	–
Loss carried forward	(33 651 944)	–	(33 702 577)	–
Profit/(loss) for the year	4 089 814	–	50 633	–
Total liabilities	92 408 647	300 507 134	69 361 777	380 954 629

Notes to the financial statements

Table 15: Breakdown of total assets by country or group of countries (domicile principle)

	31.03.2023		31.03.2022	
	Absolute in CHF	Share as %	Absolute in CHF	Share as %
Assets				
Europe				
Switzerland	85 127 265	21.7%	113 523 124	25.2%
United Kingdom	67 127 188	17.1%	65 039 234	14.4%
Germany	62 183 782	15.8%	83 352 242	18.5%
Guernsey	33 753 085	8.6%	33 493 242	7.4%
Belgium	27 056 819	6.9%	12 894 135	2.9%
Luxembourg	14 015 169	3.6%	34 975 115	7.8%
Jersey	13 825 160	3.5%	9 504 803	2.1%
Netherlands	12 905 758	3.3%	–	0.0%
Ireland	9 096 894	2.3%	8 283 788	1.8%
Cyprus	1 900 932	0.5%	–	0.0%
Isle of Man	1 332 578	0.3%	229 610	0.1%
Denmark	283 908	0.1%	318 830	0.1%
France	259 802	0.1%	192	0.0%
Greece	101 153	0.0%	102 397	0.0%
Malta	13 205	0.0%	2 291 072	0.5%
Spain	–	0.0%	4 608 539	1.0%
Other European countries	–	0.0%	3 018	0.0%
North America				
United States of America	7 406 495	1.9%	9 292 333	2.1%
St Kitts and Nevis	6 071 060	1.5%	6 494 511	1.4%
Other North American countries	305 868	0.1%	1 645 428	0.4%
U.S. Virgin Islands	–	0.0%	195 485	0.0%
Asia				
Israel	3 827 910	1.0%	3 687 446	0.8%
Malaysia	796 749	0.2%	821 163	0.2%
Japan	112 372	0.0%	1 175 700	0.3%
Other Asian countries	1 934	0.0%	21 033	0.0%
Central America				
Cayman Islands	13 017 327	3.3%	20 476 512	4.5%
British Virgin Islands	8 334 846	2.1%	13 630 584	3.0%
Bermuda	4 564 435	1.2%	3 520 853	0.8%
Panama	351 582	0.1%	136 572	0.0%
Other Central American countries	1 002	0.0%	–	0.0%
Africa				
South Africa	17 080 474	4.4%	17 813 295	4.0%
Mauritius	508 632	0.1%	1 309 868	0.3%
Other African countries	2 728	0.0%	1 146	0.0%
Australasia				
Australia	1 303 737	0.3%	1 292 401	0.3%
New Zealand	245 935	0.1%	182 734	0.0%
Total assets	392 915 782	100%	450 316 406	100%

Notes to the financial statements

Table 16: Breakdown of total assets by credit rating of country groups (risk domicile view)

	31.03.2023		31.03.2022	
	Net foreign exposure in CHF	Net foreign exposure Share as %	Net foreign exposure in CHF	Net foreign exposure Share as %
System Rates				
1	342 185 014	87.1%	386 090 586	85.7%
2	–	0.0%	–	0.0%
3	796 749	0.2%	821 163	0.2%
4	511 523	0.1%	1 330 857	0.3%
5	17 432 056	4.4%	17 949 867	4.0%
6	–	0.0%	772	0.0%
7	6 073 832	1.5%	6 494 929	1.4%
Not rated	25 916 607	6.6%	37 628 233	8.4%
	392 915 782	100%	450 316 406	100%

Explanations of the ratings system used

The Bank uses ratings from the FiRE regulatory reporting system, which is similar to the ratings used in the market.

The FiRE's rating scale uses numbers, with "1" considered as the best and "7" considered as the worst.

Notes to the financial statements

Table 17: Presentation of assets and liabilities broken down by the most significant currencies for the Bank

	Currencies in CHF				
	CHF	USD	EUR	GBP	Other
Assets					
Liquid assets	22 644 570	–	–	–	–
Amounts due from banks	760 992	70 151 438	6 098 274	20 589 495	4 235 483
Amounts due from securities financing transactions	–	–	–	–	–
Amounts due from customers	9 070 516	60 940 840	83 127 190	49 055 947	–
Mortgage loans	–	–	–	–	–
Trading portfolio assets	–	–	–	–	–
Positive replacement values of derivative financial instruments	828 024	–	–	–	–
Other financial instruments at fair value	–	–	–	–	–
Financial investments	31 209 238	4 210	72	28 244 237	281
Accrued income and prepaid expenses	2 895 327	253 226	457 168	740 132	–
Participations	–	–	–	–	–
Tangible fixed assets	377 282	–	–	–	–
Intangible assets	–	–	–	–	–
Other assets	169 656	527 039	206 672	297 331	31 143
Capital not paid in	–	–	–	–	–
Total assets shown in balance sheet	67 955 605	131 876 753	89 889 375	98 927 142	4 266 906
Delivery entitlements from spot exchange and forward forex transactions	15 726 035	8 480 835	2 773 406	5 156 793	44 487
Total assets	83 681 640	140 357 588	92 662 781	104 083 936	4 311 393
Liabilities					
Amounts due to banks	1 626	16 913 007	42 603 016	38 150 878	178
Amounts due to securities financing transactions	–	–	–	–	–
Amounts due in respect of customer deposits	20 619 129	112 178 582	46 705 539	44 971 503	4 244 419
Trading portfolio liabilities	–	–	–	–	–
Negative replacement values of derivative financial instruments	161 056	–	–	–	–
Liabilities from other financial instruments at fair value	–	–	–	–	–
Cash bonds	–	–	–	–	–
Bonds issues and central mortgage institution loans	–	–	–	–	–
Accrued expenses and deferred income	1 936 158	252 330	224 034	270 160	19 348
Other liabilities	1 290 899	2 310 494	–	195 924	15 792
Provisions	689 867	–	–	–	–
Reserves for general banking risks	–	–	–	–	–
Bank's capital	83 000 000	–	–	–	–
Statutory capital reserve	–	–	–	–	–
Statutory retained earnings reserve	4 423 975	–	–	–	–
Voluntary retained earnings reserves	1 300 000	–	–	–	–
Own shares (negative item)	–	–	–	–	–
Profit carried forward/(loss carried forward)	(33 651 944)	–	–	–	–
Profit/(loss) (result of the period)	4 089 814	–	–	–	–
Total liabilities shown in the balance sheet	83 860 579	131 654 413	89 532 589	83 588 465	4 279 736
Delivery obligations from spot exchange and forward forex transactions	622 627	8 480 835	2 771 535	19 838 173	44 153
Total liabilities	84 483 207	140 135 248	92 304 123	103 426 638	4 323 889
Net position per currency	(801 567)	222 340	358 658	657 298	(12 496)

Notes to the financial statements

Table 18: Breakdown of contingent liabilities and contingent assets

	31.03.2023 in CHF	31.03.2022 in CHF
Guarantees to secure credits and similar	3 162 740	1 922 139
Performance guarantees and similar	–	–
Irrevocable commitments arising from documentary letters of credit	–	–
Other contingent liabilities	–	–
Total contingent liabilities	3 162 740	1 922 139
Contingent assets from tax losses carried forward	–	–
Other contingent assets	–	–
Total contingent assets	–	–

Table 19: Breakdown of irrevocable commitments

	31.03.2023 in CHF	31.03.2022 in CHF
Commitments arising from acceptances	21 530 417	14 750 843
Other credit commitments	5 014 584	6 233 449
Total	26 545 002	20 984 292

The undrawn commitments on corporate lending are included within Other credit commitments.

The bank had CHF 4 190k undrawn commitments for the year ending 31 March 2023 compared with CHF 5 791k for the year ending 31 March 2022.

Table 20: Breakdown of fiduciary transactions

	31.03.2023 in CHF	31.03.2022 CHF
Fiduciary investments with third-party companies	399 677 261	181 673 329
Fiduciary investments with group companies and linked companies	–	–
Total fiduciary transactions	399 677 261	181 673 329

Notes to the financial statements

Table 21: Breakdown of managed assets and presentation of their development

Breakdown of managed assets	31.03.2023 In CHFk	31.03.2022 In CHFk
Type of managed assets		
Assets in collective investment schemes managed by the Bank	–	–
Assets under discretionary asset management agreements	569 975	568 756
Other managed assets	1 897 616	1 828 838
Total managed assets (including double counting)	2 467 591	2 397 594
Custody only assets	–	–
Total customer assets	2 467 591	2 397 594
of which, double counting	–	–

Presentation of the development of managed assets	31.03.2023 in CHFk	31.03.2022 in CHFk
Total managed assets (including double counting) at the beginning of the year	2 397 594	2 134 741
+/- net new money inflows/(outflows)	298 357	267 993
+/- price gains/(losses), interest, dividends and currency gains/(losses)	(228 361)	(5 140)
+/- other effects	–	–
Total managed assets (including double counting) at the end of the year	2 467 591	2 397 594

Assets in own-managed collective investment instruments did not exist at the balance sheet date.

Assets with asset management mandates include all client assets for which the bank had been instructed by way of an appropriate asset management mandate (directly or indirectly) to invest the clients' assets in a defined framework on their behalf.

Other managed assets include all client assets for which the bank had been instructed by way of an appropriate administration or advisory mandate (including custody and collection activities).

Custody only assets are custody accounts which are held exclusively for safekeeping/custody purposes.

Net new money comprises the acquisition of new clients, lost clients and inflows and outflows from existing clients.

Performance related changes in assets as such as share price movements, interest and dividend payments, as well as interest charged to clients.

Notes to the financial statements

Table 22: Breakdown of the result from trading activities and the fair value option

	31.03.2023 in CHF	31.03.2022 in CHF
Interest rate instruments (including funds)	–	–
Equity securities (including funds)	–	–
Foreign currencies	1 460 124	1 472 617
Commodities/precious metals	–	–
Total result from trading activities	1 460 124	1 472 617
of which, from fair value option	–	–

The trading result is derived from the wealth management business area as well as market movement of open FX swaps and forwards used for hedging.

Table 23: Disclosure of material refinancing income in the item Interest and discount income as well as material negative interest

	31.03.2023 in CHF	31.03.2022 in CHF
Positive effect of negative interest rates on the income statement	(16 017)	42 929
Negative effect of negative interest rates on the income statement	(141 926)	(495 187)
Net effect of negative interest	(157 943)	(452 258)

Table 24: Breakdown of personnel expenses

	31.03.2023 in CHF	31.03.2022 in CHF
Salaries (meeting attendance fees and fixed compensation to members of the Bank's governing bodies, salaries and benefits)	7 645 054	7 073 813
– of which, expenses relating to share-based compensation and alternative forms of variable compensation	1 389 632	962 749
Social insurance benefits	1 372 900	1 227 530
Other personnel expenses	684 684	40 520
Total personnel expenses	9 702 639	8 341 862

Notes to the financial statements

Table 25: Breakdown of general and administrative expenses

	31.03.2023 in CHF	31.03.2022 in CHF
General and administrative expenses are to be broken down as follows:		
– Office space expenses	480 245	526 008
– Expenses for information and communications technology	2 530 072	2 508 374
– Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	–	–
– Fees of audit firm(s) (Art. 961a no. 2 CO)	222 348	234 808
of which, for financial and regulatory audits	222 348	234 808
of which, for other services	–	–
– Other operating expenses	2 065 584	1 665 118
Total general and administrative expenses	5 298 248	4 934 307

Table 26: Explanations regarding material losses, extraordinary income and expenses as well as material releases of hidden reserves, reserves for general banking risks, and value adjustments and provisions no longer required

In 2022/2023, there was extraordinary expense items of CHF 18k for the SIMBA programme.

In 2021/2022, there was extraordinary expense items of CHF 23k for the SIMBA programme.

Table 27: Presentation of the operating result broken down according to domestic and foreign origin, according to the principle of permanent establishment

Investec Bank (Switzerland) AG does not have any branches abroad or companies that should be consolidated according to Art.34 of the Banking Ordinance.

Table 28: Presentation of current taxes, deferred taxes and disclosure of tax rate

	31.03.2023 in CHF	31.03.2022 in CHF
Income tax	–	–
Capital tax	141,532	141 562
Total current tax	141,532	141 562
Tax rate on capital	0.17%	0.17%

For the years ending 31 March 2023, as well as 31 March 2022, there were no income tax payable as the Bank used a portion of its accumulated losses to offset against its profit.

Net tax losses carried forward of CHF 13 177k at 31 March 2023 (CHF 23 567k as at 31 March 2022) have been accumulated over the last seven years.

Report of the statutory auditor on the financial statements

To the General Meeting of Investec Bank (Switzerland) AG, Zurich

We have audited the financial statements of Investec Bank (Switzerland) AG (the Company), which comprise the statement of financial position as at 31 March 2023 the statement of income and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the financial statements (pages 8 to 31) comply with Swiss law and the Company's articles of incorporation.

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SACH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework for banks, the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SACH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report>. This description forms an integral part of our report.


Report on other legal requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.


Furthermore, we confirm that the proposed offsetting and carry forward of the accumulated losses complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Zurich, 12 July 2023

Ernst & Young Ltd

 Roman Sandmeier
(Qualified Signature)

Licensed audit expert
(Auditor in charge)

 Georg Schweizer
(Qualified Signature)

Licensed audit expert

Our services

Wealth Management

- Bespoke discretionary management services
- Execution services on a full range of financial instruments
- Expertise in alternative investments
- Open architecture investment process

Traditional Banking

- Payments, debit and credit cards
- Term and Notice Deposits including fiduciary deposits
- Client online access
- Custody services
- Broking services across all asset classes
- Foreign exchange trading (spot, forwards, swaps) including Non-Deliverable Forwards and precious metal (physical allocated and non-allocated and on account)

Lending and Credit Services

- Lombard and cash-backed lending
- Indemnities/Guarantees
- Corporate lending

