

Out of the Ordinary since 1974

Investec Bank (Mauritius) Limited

Unaudited financial report for
the period ended 30 June 2024



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Unaudited condensed financial statements for the quarter ended 30 June 2024

The unaudited financial statements for the period ended 30 June 2024 have 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).

Results overview

The Group reported strong results for the 3 months ended 30 June 2024 as net profit after tax increased to US\$21.8 million, 23.2% over the same period last year, mainly due to the growth in net interest income.

Net interest income increased by 26.8% from US\$18.2 million for the period ended 30 June 2023 to US\$23.1 million for the period ended 30 June 2024 as a result of growth in interest earning assets and higher interest margins.

Expected credit losses (ECL) of US\$1.4 million were reversed during the period, due to the repayment of impaired assets and adjustment to the probability of defaults of some asset classes, compared to a charge of US\$0.3 million in the comparative period.

Operating costs increased by 16.3%, from US\$3.8 million for the period ended 30 June 2023 to US\$4.4 million for the period ended 30 June 2024. The increase is in line with our projections and the cost-to-income ratio remains low at 15.2% compared to 15.6% for the same period last year.

Total assets increased by 14% over the comparative period, from US\$2.4 billion to US\$2.7 billion as at 30 June 2024. Loans to customers grew by 3.2% to reach US\$1,191 million while deposits from customers grew by 6.36% over the same period last year.

Shareholder's equity increased by 9.5% from US\$515.7 million as at 30 June 2023 to US\$564.4 million as at 30 June 2024 as a result of the increase in retained earnings.

The capital base stood at US\$524.7 million as at 30 June 2024 and the capital adequacy ratio stood at 30.4%, well above regulatory requirements.

The group continues to hold high levels of liquidity; the Liquidity Coverage Ratio (LCR) stood at 293% as at 30 June 2024.

Operating environment

The global economic environment continued to be marked by high inflation, high interest rates and continued geopolitical tension. The global economy continued to face multiple shocks as the Israel-Hamas war has heightened geopolitical tension in the Middle East while the Russia-Ukraine war remains ongoing with no sign of immediate ceasefire.

The high interest environment has persisted as inflation levels, despite falling, have remained above targets globally. The Federal Reserve Bank has kept interest rates unchanged while a rate cut is expected later in the year.

The Mauritian economy has grown by 7% for the year 2023-2024 supported by a strong recovery and performance in the tourism and financial sectors.

The bank continues to hold high levels of capital and liquidity while pursuing its strategic objectives.



Lourens van Rensburg
Chairman
Board of directors



Ramdeo (Dev) Erriah
Director



Grant Michael Parsons
Chief executive officer/Director

Consolidated and separate balance sheets

US\$'000	GROUP			BANK		
	30 JUNE 2024	31 MARCH 2024	30 JUNE 2023	30 JUNE 2024	31 MARCH 2024	30 JUNE 2023
Assets						
Cash and balances at central bank	22 259	22 360	19 028	22 259	22 360	19 028
Due from banks	396 072	292 701	344 373	396 072	292 701	344 373
Reverse repurchase agreements	487 245	170 818	325 669	487 245	170 818	325 669
Sovereign debt securities	484 142	432 229	392 598	484 142	432 229	392 598
Bank debt securities	38 753	75 141	63 467	38 753	75 141	63 467
Other debt securities	63 932	82 514	77 021	63 932	82 514	77 021
Derivative financial instruments	5 301	3 368	9 480	5 301	3 368	9 480
Investment securities	11 088	11 356	4 130	10 613	10 890	3 814
Loans and advances to customers	1 191 245	1 285 587	1 154 664	1 191 245	1 285 587	1 154 664
Investment in associate	368	1 148	1 036	368	1 148	1 036
Deferred taxation asset	1 077	1 077	328	1 077	1 077	328
Other assets	6 960	7 371	3 961	6 953	7 311	3 692
Amount due from group companies	196	—	137	196	17	137
Property, plant and equipment	2 148	2 224	202	2 148	2 224	202
Investment in subsidiary	—	—	—	467	467	467
Total assets	2 710 786	2 387 894	2 396 095	2 710 771	2 387 852	2 395 976
Liabilities						
Derivative financial instruments	3 096	5 792	—	3 096	5 792	2 499
Repurchase agreements	36 392	53 939	210 986	36 392	53 939	—
Borrowings from banks	301 065	69 942	2 499	301 065	69 942	210 986
Deposits from customers	1 464 396	1 379 968	1 376 806	1 468 719	1 383 930	1 380 107
Debt securities in issue	311 145	307 671	257 120	311 145	307 671	257 120
Amount due to group companies	8 116	5 706	7 912	7 921	5 706	7 774
Current taxation liabilities	10 853	6 970	8 293	10 817	6 942	8 266
Other liabilities	11 217	12 012	16 813	10 652	11 439	16 580
Total liabilities	2 146 280	1 842 000	1 880 429	2 149 807	1 845 361	1 883 332
Equity						
Ordinary share capital	56 478	56 478	56 478	56 478	56 478	56 478
Other reserves	75 278	85 430	74 979	75 278	85 430	74 979
Retained income	432 750	403 986	384 209	429 208	400 583	381 187
Shareholder's equity	564 506	545 894	515 666	560 964	542 491	512 644
Total liabilities and equity	2 710 786	2 387 894	2 396 095	2 710 771	2 387 852	2 395 976

Consolidated and separate income statements

FOR THE PERIOD / YEAR ENDED US\$'000	GROUP			BANK		
	PERIOD ENDED 30 JUNE 2024	YEAR ENDED 31 MARCH 2024	RESTATED * PERIOD ENDED 30 JUNE 2023	PERIOD ENDED 30 JUNE 2024	YEAR ENDED 31 MARCH 2024	RESTATED * PERIOD ENDED 30 JUNE 2023
Interest income	42 231	158 728	35 409	42 231	158 742	35 409
Interest expense	(19 175)	(78 797)	(17 235)	(19 218)	(78 929)	(17 259)
Net interest income	23 056	79 931	18 174	23 013	79 813	18 150
Fee income	2 080	10 314	2 467	1 784	9 068	2 094
Fee expense	(686)	(2 233)	(506)	(686)	(2 233)	(506)
Net fee income	1 394	8 081	1 961	1 098	6 835	1 588
Investment income	674	409	—	665	355	—
Trading income	3 529	11 986	3 845	3 528	11 982	3 839
Other operating income	9	—	—	9	—	—
Total operating income before expected credit loss	28 662	100 407	23 980	28 313	98 985	23 576
Expected credit loss reversal / (charge)	1 399	(1 565)	(268)	1 399	(1 565)	(268)
Operating income	30 061	98 842	23 712	29 712	97 420	23 308
Operating costs	(4 366)	(16 480)	(3 752)	(4 165)	(15 754)	(3 635)
Operating profit	25 695	82 362	19 960	25 547	81 666	19 673
Share of profit / (loss) in associate	—	142	127	—	142	127
Profit before taxation	25 695	82 504	20 087	25 547	81 808	19 800
Taxation	(3 883)	(11 490)	(2 383)	(3 874)	(11 448)	(2 368)
Profit after taxation	21 812	71 014	17 705	21 673	70 360	17 432
Analysed as follows:						
Transfer to regulatory general risk reserve	(6 952)	9 184	1 135	(6 952)	9 184	1 135
Transfer to retained earnings	28 764	61 829	16 569	28 625	61 176	16 297
Profit attributable to equity holder of the bank	21 812	71 014	17 705	21 673	70 360	17 432

* Interest on derivatives has been reclassified from Interest to Trading income

Consolidated and separate statements of other comprehensive income

FOR THE PERIOD / YEAR ENDED US\$'000	GROUP			BANK		
	PERIOD ENDED 30 JUNE 2024	YEAR ENDED 31 MARCH 2024	PERIOD ENDED 30 JUNE 2023	PERIOD ENDED 30 JUNE 2024	YEAR ENDED 31 MARCH 2024	PERIOD ENDED 30 JUNE 2023
Profit after taxation	21 812	71 014	17 705	21 673	70 360	17 432
Other comprehensive income:						
Items reclassified to the income statement						
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	(3 865)	2 119	368	(3 865)	2 119	368
Fair value movement recycled to Income statement	665	368		665	368	
Foreign currency adjustments on translation of investment in associate	—	225	(58)	—	225	(58)
Items that will never be reclassified to income statement						
Share based payments adjustments	—	(782)	43	—	(782)	39
Employee benefit liability adjustment	—	20		—	16	
Deferred tax adjustment	—	322		—	322	
Total other comprehensive income	(3 200)	2 272	352	(3 200)	2 268	349
Total comprehensive income attributable to equity holder of the bank	18 612	73 286	18 057	18 473	72 628	17 780

Consolidated and separate statements of changes in equity

US\$'000	ORDINARY SHARE CAPITAL	OTHER RESERVES				RETAINED INCOME	TOTAL EQUITY
		FOREIGN CURRENCY TRANSLATION RESERVE	FAIR VALUE RESERVE	REGULATORY GENERAL RISK RESERVE	STATUTORY RESERVE		
GROUP							
At 1 April 2024	56 478	(717)	1 239	28 430	56 478	403 986	545 894
Movement in reserves							
1 April 2024 – 30 June 2024							
Profit after taxation	—	—	—	—	—	21 812	21 812
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	(3 865)	—	—	—	(3 865)
Fair value movement recycled to Income statement	—	—	665	—	—	—	665
Total comprehensive income	—	—	(3 200)	—	—	21 812	18 612
Transfer to regulatory general risk reserve	—	—	—	(6 952)	—	6 952	—
At 30 June 2024	56 478	(717)	(1 962)	21 478	56 478	432 750	564 506
At 1 April 2023	56 478	(942)	(1 248)	19 246	56 478	367 596	497 609
Movement in reserves							
1 April 2023 – 31 March 2024							
Profit after taxation	—	—	—	—	—	71 014	71 014
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	2 119	—	—	—	2 119
Fair value movement recycled to Income statement	—	—	368	—	—	—	368
Foreign currency translation on investment in associate	—	225	—	—	—	—	225
Employee benefit liability adjustment	—	—	—	—	—	(782)	(782)
Share based payments adjustments	—	—	—	—	—	20	20
Deferred tax adjustment	—	—	—	—	—	322	322
Total comprehensive income	—	225	2 487	—	—	70 574	73 286
Ordinary dividend paid	—	—	—	—	—	(25 000)	(25 000)
Transfer to regulatory general risk reserve	—	—	—	9 184	—	(9 184)	—
At 31 March 2024	56 478	(717)	1 239	28 430	56 478	403 986	545 894

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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 TRANSLATION 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 – 30 June 2023							
Profit after taxation	—	—	—	—	—	17 705	17 705
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	368	—	—	—	368
Foreign currency adjustments on translation of investment in associate	—	(58)	—	—	—	—	(58)
Employee benefit liability adjustment	—	—	—	—	—	43	43
Total comprehensive income	—	(58)	368	—	—	17 748	18 058
Transfer to regulatory general risk reserve	—	—	—	1 135	—	(1 135)	—
At 30 June 2023	56 478	(1 000)	(880)	20 381	56 478	384 209	515 666
BANK							
At 1 April 2024	56 478	(717)	1 239	28 430	56 478	400 583	542 491
Movement in reserves 1 April 2024 – 30 June 2024							
Profit after taxation	—	—	—	—	—	21 673	21 673
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	(3 865)	—	—	—	(3 865)
Fair value movement recycled to Income statement	—	—	665	—	—	—	665
Foreign currency adjustments on translation of investment in associate	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	—	—	—
Share based payments adjustments	—	—	—	—	—	—	—
Total comprehensive income	—	—	(3 200)	—	—	21 673	18 473
Transfer to regulatory general risk reserve	—	—	—	(6 952)	—	6 952	—
At 30 June 2024	56 478	(717)	(1 961)	21 478	56 478	429 208	560 964

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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 TRANSLATION 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	494 864
Movement in reserves							
1 April 2023 – 31 March 2024							
Profit after taxation	—	—	—	—	—	70 360	70 360
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	2 119	—	—	—	2 119
Fair value movement recycled to Income statement	—	—	368	—	—	—	368
Foreign currency translation on investment in associate	—	225	—	—	—	—	225
Employee benefit liability adjustment	—	—	—	—	—	(782)	(782)
Share based payments adjustments	—	—	—	—	—	16	16
Deferred tax adjustment	—	—	—	—	—	322	322
Total comprehensive income	—	225	2 487	—	—	69 916	72 628
Ordinary dividend paid	—	—	—	—	—	(25 000)	(25 000)
Transfer to regulatory general risk reserve	—	—	—	9 184	—	(9 184)	—
At 31 March 2024	56 478	-717	1 239	28 430	56 478	400 583	542 491
At 1 April 2023	56 478	(942)	(1 248)	19 246	56 478	364 851	494 864
Movement in reserves							
1 April 2023 – 30 June 2023							
Profit after taxation	—	—	—	—	—	17 432	17 432
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	368	—	—	—	368
Foreign currency adjustments on translation of investment in associate	—	(58)	—	—	—	—	(58)
Other comprehensive income	—	—	—	—	—	—	—
Share based payments adjustments	—	—	—	—	—	39	39
Total comprehensive income	—	(58)	368	—	—	17 472	17 780
Transfer to regulatory general risk reserve	—	—	—	1 135	—	(1 135)	—
At 30 June 2023	56 478	(1 000)	(880)	20 381	56 478	364 851	512 644

Consolidated and separate cash flow statements

FOR THE PERIOD / YEAR ENDED US\$'000	GROUP			BANK		
	PERIOD ENDED 30 JUNE 2024	YEAR ENDED 31 MARCH 2024	PERIOD ENDED 30 JUNE 2023	PERIOD ENDED 30 JUNE 2024	YEAR ENDED 31 MARCH 2024	PERIOD ENDED 30 JUNE 2023
Profit before tax	25 695	82 504	20 087	25 547	81 808	19 800
Adjustment for non-cash items	(946)	(274)	(11 084)	(952)	(274)	(11 088)
Profit before taxation adjusted for non-cash items	24 749	82 230	9 003	24 595	81 534	8 712
Taxation paid	—	(10 857)	—	—	(10 831)	—
Decrease/(increase) in operating assets	80 707	(169 984)	(12 442)	80 688	(170 048)	(12 278)
Increase/(decrease) in operating liabilities	83 401	(28 041)	(21 016)	83 574	(27 454)	(20 891)
Net cash (inflow)/outflow from operating activities	188 858	(126 652)	(24 455)	188 857	(126 799)	(24 457)
Repayment/(acquisition) of debt securities	52 500	(30 150)	(10 000)	52 500	(30 150)	(10 000)
(Acquisition)/repayment of sovereign debt securities	(52 000)	(14 920)	30 000	(52 000)	(14 920)	30 000
Purchase of investment securities	—	(7 224)	—	—	(7 077)	—
Proceeds on capital reduction of investment in associate	780	915	915	780	915	915
Acquisition of equipment	(34)	(915)	—	(34)	(915)	—
Net cash inflow/(outflow) from investing activities	1 246	(52 294)	20 915	1 246	(52 147)	20 915
Cash flow from financing activities						
Repurchase agreement	(17 045)	—	(53 048)	(17 045)	—	(53 048)
Borrowings from banks	230 805	(175 000)	(35 000)	230 805	(175 000)	(35 000)
Reverse repurchase agreement	(315 631)	205 000	50 000	(315 631)	205 000	50 000
Debt securities in issue	—	53 185	—	—	53 185	—
Ordinary dividend paid	—	(25 000)	—	—	(25 000)	—
Payment of lease liabilities	(74)	(314)	(69)	(74)	(314)	(69)
Net cash inflow from financing activities	(101 945)	57 871	(38 117)	(101 945)	57 871	(38 117)
Effects of exchange rates on cash and cash equivalents	248	1 181	(1 670)	248	1 181	(1 670)
Net increase (decrease) in cash and cash equivalents	88 406	(119 894)	(43 329)	88 406	(119 894)	(43 329)
Cash and cash equivalents at beginning of the period/year	206 359	326 253	326 253	206 359	326 253	326 253
Cash and cash equivalents at end of the period/year	294 765	206 359	282 924	294 765	206 359	282 924

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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	22 259	22 360	19 028	22 259	22 360	19 028
Due from banks (excluding placements with maturity greater than 3 months)	272 078	183 452	263 577	272 078	183 452	263 577
Expected credit loss on cash and cash equivalents	428	547	319	428	547	319
Cash and cash equivalents at end of the period/year	294 765	206 359	282 924	294 765	206 359	282 924