

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 17 INVESTMENT SECURITIES

	THE GROUP			THE BANK		
	2021	2020	2019	2021	2020	2019
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Financial assets held for trading measured at fair value through profit or loss (Note 17(a))	5,534,813	2,046,878	5,715,984	5,534,813	2,042,480	4,843,845
Debt instruments measured at fair value through other comprehensive income (Note 17(b))	-	-	3,571,880	-	-	3,571,880
Debt instruments measured at amortised cost (Note 17(c))	39,859,873	46,612,747	36,884,143	39,859,873	46,612,747	36,884,143
Equity Investments designated at fair value through other comprehensive income (Note 17(d))	13,804	36,940	31,945	13,804	9,673	8,303
Equity Investment measured at fair value through profit or loss (Note 17(e))	1,705	-	-	1,705	-	-
	45,410,195	48,696,565	46,203,952	45,410,195	48,664,900	45,308,171

### (a) FINANCIAL ASSETS HELD FOR TRADING MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	THE GROUP			THE BANK		
	2021	2020	2019	2021	2020	2019
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Trading assets:						
Government of Mauritius debt securities	2,805,517	850,043	1,416,463	2,805,517	850,043	1,416,463
Bank of Mauritius bonds and notes	1,038,656	920,011	3,427,026	1,038,656	920,011	3,427,026
Local securities: corporate bonds and notes	150,253	-	-	150,253	-	-
Unquoted equity investments	-	4,398	58,356	-	-	-
Quoted equity investments	-	-	813,783	-	-	-
Foreign securities: corporate bonds and notes	1,540,387	272,426	356	1,540,387	272,426	356
	5,534,813	2,046,878	5,715,984	5,534,813	2,042,480	4,843,845

### (b) DEBT INSTRUMENTS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	THE GROUP AND THE BANK		
	2021	2020	2019
	MUR'000	MUR'000	MUR'000
Foreign securities treasury bills and bonds	-	-	3,571,880
	-	-	3,571,880

No loss allowance is recognised in the statement of financial position for debt instruments measured at FVTOCI as the carrying amount is at fair value. The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's internal credit rating system and year-end stage classification. The balances were classified in stage 1 and 12-month ECL was calculated hereon.

#### External rating grade

	THE GROUP AND THE BANK		
	2021	2020	2019
	MUR'000	MUR'000	MUR'000
Performing:			
Credit rating A+ to A-	-	-	3,571,880
Carrying amount	-	-	3,571,880
Loss allowance	-	-	(1,074)
Total gross carrying amount at 30 June	-	-	3,570,806

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 17 INVESTMENT SECURITIES (Cont'd)

An analysis of changes in the carrying amount and the corresponding ECLs is, as follows:

#### Gross carrying amount

Carrying amount at 1 July	
Financial assets that have been repaid	
Other movements	
Fair value movement	
Carrying amount at 30 June	

#### Allowance for impairment loss

Loss allowance as at 1 July	
Financial assets that have been repaid	
Other movements	
Loss allowance as at 30 June	

### (c) DEBT INSTRUMENTS MEASURED AT AMORTISED COST

Government of Mauritius treasury bills and bonds	
Bank of Mauritius bonds and notes	
Local Securities: corporate bonds and notes	
Foreign securities: corporate bonds and notes	
Foreign securities: sovereign bills, bonds and notes	

Less: allowance for impairment losses

The table below shows the credit quality and the maximum exposure to credit risk based on the Bank's external rating system and year-end stage classification. The balances were classified in stage 1 and 12-month ECL was calculated hereon. The amounts presented are gross of impairment allowances.

#### External rating grade

Performing:	
Credit rating AAA	
Credit rating AA+ to AA-	
Credit rating A+ to A-	
Credit rating BBB+ to BBB-	
Credit rating BB+ to BB-	
Credit rating B+ to B-	
Total gross carrying amount	
Loss allowance	
Carrying amount at 30 June	

	THE GROUP AND THE BANK		
	2021	2020	2019
	MUR'000	MUR'000	MUR'000
Carrying amount at 1 July	-	3,571,880	4,055,941
Financial assets that have been repaid	-	(3,569,000)	(570,480)
Other movements	-	-	83,845
Fair value movement	-	(2,880)	2,574
	-	-	3,571,880

	THE GROUP AND THE BANK		
	2021	2020	2019
	MUR'000	MUR'000	MUR'000
Loss allowance as at 1 July	-	1,074	547
Financial assets that have been repaid	-	(1,074)	(77)
Other movements	-	-	604
	-	-	1,074

	THE GROUP AND THE BANK		
	2021	2020	2019
	MUR'000	MUR'000	MUR'000
Government of Mauritius treasury bills and bonds	12,177,847	12,250,207	7,291,728
Bank of Mauritius bonds and notes	3,432,443	2,279,722	5,056,172
Local Securities: corporate bonds and notes	1,952,332	2,370,619	1,792,723
Foreign securities: corporate bonds and notes	5,119,520	7,499,416	-
Foreign securities: sovereign bills, bonds and notes	17,218,935	22,220,576	22,751,899
	39,901,077	46,620,540	36,892,522
	(41,204)	(7,793)	(8,379)
	39,859,873	46,612,747	36,884,143

	THE GROUP AND THE BANK		
	2021	2020	2019
	MUR'000	MUR'000	MUR'000
Performing:			
Credit rating AAA	32,851,989	37,518,100	28,837,100
Credit rating AA+ to AA-	1,391,701	3,152,204	3,846,157
Credit rating A+ to A-	3,293,560	3,579,616	2,416,542
Credit rating BBB+ to BBB-	411,496	100,025	-
Credit rating BB+ to BB-	1,519,096	2,270,595	1,792,723
Credit rating B+ to B-	433,235	-	-
Total gross carrying amount	39,901,077	46,620,540	36,892,522
Loss allowance	(41,204)	(7,793)	(8,379)
	39,859,873	46,612,747	36,884,143

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 17 INVESTMENT SECURITIES (Cont'd)

An analysis of changes in the gross carrying amount and the corresponding ECLs is, as follows:

### Gross carrying amount

Gross carrying amount at 1 July
New financial assets originated
Financial assets that have been repaid
Financial assets that have been derecognised
Other movements
Gross carrying amount at 30 June

THE GROUP AND THE BANK		
2021	2020	2019
MUR'000	MUR'000	MUR'000
46,620,540	36,892,522	27,360,177
26,062,877	36,825,566	25,605,260
(32,994,190)	(26,742,405)	(16,047,518)
-	(595,253)	(89,762)
211,850	240,110	64,365
<b>39,901,077</b>	<b>46,620,540</b>	<b>36,892,522</b>

An analysis of the movement of the loss allowance is as follows:

### Allowance for impairment losses

Loss allowance as at 1 July
New financial assets originated
Financial assets that have been repaid
Financial assets that have been derecognised
Other movements
Loss allowance as at 30 June

THE GROUP AND THE BANK		
2021	2020	2019
MUR'000	MUR'000	MUR'000
7,793	8,379	6,029
1,343	3,403	6,284
(1,748)	(3,135)	(2,980)
-	-	(45)
33,816	(854)	(909)
<b>41,204</b>	<b>7,793</b>	<b>8,379</b>

### (d) EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	THE GROUP			THE BANK		
	2021	2020	2019	2021	2020	2019
	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000	MUR'000
Equity securities:						
At 1 July	36,940	31,945	18,559	9,673	8,303	-
Reclassification from other assets	-	-	7,181	-	-	7,181
Additions	2,649	-	-	2,649	-	-
Disposal of subsidiary	(49)	-	-	-	-	-
Fair value movement	(25,736)	4,995	6,205	1,482	1,370	1,122
At 30 June	<b>13,804</b>	<b>36,940</b>	<b>31,945</b>	<b>13,804</b>	<b>9,673</b>	<b>8,303</b>

The investments are expected to be held for the long term for strategic purposes and have been designated at FVTOCI. There was no disposal during the year. No dividend income was recognised on these investments during the year under review (2020 and 2019: Nil).

### (e) EQUITY INVESTMENT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Acquisition during the year
Fair Value Movement
At 30 June

THE GROUP AND THE BANK		
2021	2020	2019
MUR'000	MUR'000	MUR'000
9	-	-
1,696	-	-
<b>1,705</b>	<b>-</b>	<b>-</b>