Out of the Ordinary since 1974

INVESTEC LIMITED GROUP AND
INVESTEC BANK LIMITED GROUP

Pillar 3 annual disclosure report 2024

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Introduction

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ABOUT THIS REPORT

The 2024 combined Investec Limited group and Investec Bank Limited group Pillar 3 report covers the period 1 April 2023 to 31 March 2024

Scope and framework of Pillar 3 disclosures

This document encompasses the Investec Limited Group (the Group), including both regulated and unregulated entities, which is equivalent to the scope of the Group controlling company as defined by the South African Reserve Bank for consolidated regulatory reporting purposes. Comparative tables relating to the Investec Bank Limited Group (the Bank) are also presented in this report, where these disclosures are considered to be meaningful to the user and materially different from the Group. References to Investec in this report encompass both the Bank and Group.

In terms of Regulation 43(1) of the Regulations, Investec is required to disclose in its annual financial statements (AFS) and other disclosures to the public, reliable, relevant and timely qualitative and quantitative information that enables users of that information, among other things, to make an accurate assessment of the Group's financial condition, including, but not limited to, its capital adequacy position, liquidity position, financial performance, leverage ratio, ownership, governance, business activities, risk profile and risk management practices.

In this regard the Basel Committee on Banking Supervision (BCBS) issued a revised Pillar 3 framework in January 2015 and the consolidated and enhanced framework in March 2017, as well as the updated framework on Pillar 3 disclosure requirements in December 2018. The South African Prudential Authority (PA) also removed all disclosure requirements from the Regulations and previous Banks Act directives (related to Pillar 3 disclosure requirements) in Directive 1 of 2019 (the Directive), in order to create a single point of reference for the Pillar 3 disclosures, to ensure that the internationally agreed Pillar 3 framework is fully implemented in South Africa. The provisions of the Directive are not related to any disclosure requirements that may be required by the Johannesburg Stock Exchange Limited (JSE) in respect of the Stock Exchange News Service (SENS).

In line with the Directive, retrospective disclosures (that require the disclosure of data points for the current and previous reporting periods) are not required when metrics for new standards are reported for the first time. The Pillar 3 reports are published on Investec's Investor Relations website in line with the required frequency of disclosures per the Directive.

Current regulatory framework

Investec Limited applies the Basel Framework at every tier within the banking group and also on a fully consolidated basis. Investec Limited is regulated by the South African Prudential Authority (PA) in terms of the Banks Act 1990 (Act No. 94 of 1990) and the Regulations relating to Banks (the Regulations).

Investec Limited is designated by the South African PA, as a Systemically Important Financial Institution as well as a Domestically Significant Important Bank (D-SIB) in South Africa.

Investec Limited and its subsidiaries have not been designated as a Financial Conglomerate.

Regulated subsidiaries of Investec Limited are subject to additional regulations as implemented by local regulators in their respective jurisdictions. Management within each regulated entity pays close attention to prevailing local regulatory rules as determined by their respective regulators.

Investec Limited's minimum CET1 requirement at 31 March 2024 is 8.0%, comprising a 4.5% Pillar 1 minimum requirement, a 0.5% Pillar 2A add-on, a 2.5% capital conservation buffer, a 0.5% D-SIB buffer and a 0% countercyclical capital buffer (CCyB). As at 31 March 2024, Investec Limited's institution-specific CCyB, held for purposes of the reciprocity requirement, was 0.0425% of risk weighted exposures.

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Significant regulatory developments in the period

The Financial Sector Laws Amendment Act (FSLAA) was promulgated on 28 January 2022. The FSLAA aims to, amongst other things, introduce South Africa's first comprehensive deposit insurance scheme and create a new subordinated class of loss-absorbing instruments (referred to as "FLAC" instruments) to facilitate the application of statutory bail-in power in order to assist with the implementation of the resolution framework for 'designated institutions'. The Finance Minister published the commencement schedule in March 2023, establishing the Corporation for Deposit Insurance (CODI) as a legal entity and the South African Reserve Bank as the Resolution Authority for designated institutions with effect from 1 June 2023, on which date the resolution framework also became effective. CODI is fully operational in South Africa from April 2024 and would be able to compensate qualifying depositors in the event of their bank failing.

The South African Prudential Authority (PA) revised the implementation of the outstanding Basel III regulatory reforms in South Africa on the dates set out in Guidance Note 3 of 2023. The regulatory reforms, such as the revised standardised approach and internal ratings-based approach for credit risk, revised leverage ratio, revised operational risk and revised market risk and credit valuation adjustment frameworks are proposed for implementation at 1 July 2025. The proposed implementation phase-in of the output floor begins on 1 July 2025 at 60% till 1 January 2028 where it is expected to be fully phased-in at 72.5%.

The SARB requires that banks maintain a positive cycle-neutral countercyclical capital buffer (PCN CCyB) to serve as a macro prudential tool that can be released in the event of sudden shocks, including those unrelated to the credit cycle. The PCN CCyB would be built-up and maintained when risks are assessed to be neither subdued nor elevated. Furthermore, the SARB would continually assess the appropriateness of the PCN CCyB and release the buffer when appropriate risks are identified. A proposed directive has been issued by the South African PA, directing banks to implement a positive cycle-neutral CCyB (PCN CCyB) effective 1 January 2026. The PCN CCyB shall be 1 per cent of risk weighted exposures as determined. The PCN CCyB shall have a 12-month implementation lead time, commencing on 1 January 2025 and ending on 31 December 2025.

The South African PA proposed a leverage ratio buffer. The proposal will require D-SIB banks to meet the minimum leverage ratio buffer requirements, equivalent to 50% of the respective bank's higher loss-absorbency (HLA) requirement, in addition to the minimum leverage ratio requirement specified in the Regulations Relating to Banks.

Investec Limited continues to assess and monitor the impact of new regulations and regulatory reforms through participation in industry quantitative impact study submissions to the PA, contributing to industry consultations, discussions at the Banking Association of South Africa and quantifying the impact of the reforms and presenting the impact on Investec Limited at capital committees, BRCC and its Board.

Pillar 3 assurance and disclosure policy

In accordance with the Regulations, the Board of Directors and senior management are responsible for establishing and maintaining an effective internal control structure in respect of Pillar 3 disclosures. In this regard, the Board and senior management have ensured that appropriate review and sign-off of the relevant Pillar 3 disclosures has taken place, as outlined in the Pillar 3 disclosure policy, prior to its release on the Investec website.

Quantitative and qualitative disclosures in the Pillar 3 report

The following regulatory risk measurement approaches are applied by Investec for purposes of capital adequacy:

- Credit risk for Investec Bank Limited using a combination of the Internal Ratings-Based Approach (IRB), and the Standardised Approach (SA)
- Credit risk for Investec Bank Mauritius and non-bank subsidiaries using the SA
- Counterparty credit risk exposure using the SA for Counterparty Credit Risk (CCR)
- Operational risk capital requirement is calculated on the SA
- Equity risk for equity instruments in the banking book is calculated by applying the simple risk weight method
- Market risk is calculated using a combination of the Internal Models Approach (IMA) and the Standardised Approach

In this regard, all tables and disclosures may not be relevant to Investec and are excluded from this Pillar 3 report.

Board-approved disclosure policy

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Board-approved disclosure policy

The Board of Investec Limited recognises that effective communication is integral to building stakeholder value and is committed to providing meaningful, transparent, timely and accurate financial and non-financial information to primary stakeholders. The purpose is to help these stakeholders make meaningful assessments and informed investment decisions about Investec Limited and its subsidiaries.

Investec endeavours to:

a. Present a balanced and understandable assessment of its position by addressing material matters of significant interest and concern

b. Highlight the key risks to which it considers itself exposed and its responses to minimise the impact of the risks

c. Show a balance between the positive and negative aspects of the Group's activities in order to achieve a comprehensive and fair account of its performance.

The Board appreciates the importance of ensuring an appropriate balance in meeting the diverse needs and expectations of all the Group's stakeholders and building lasting relationships with them. Investec has developed a framework to ensure that it complies with all relevant public disclosure obligations and to uphold the Board's communication and disclosure philosophy. The Investor Relations division (IR) is responsible for working with the other divisions in the Group to ensure that the Group meets its various annual, interim and quarterly public reporting/disclosure requirements.

IR has a detailed log of all these various disclosure requirements in terms of the Banks Act or other public reporting requirements and due dates for when such disclosures are required to be made public. This log is reviewed on an annual basis. All public announcements and releases; annual, interim and quarterly disclosures are reviewed and approved by the Board and/or appropriate senior management prior to their release. The reports go through a rigorous review and sign-off process by the Board, executives, management and internal audit. On an annual basis, members of IR, company secretarial, finance, the executive, Board and Board sub-committees (where applicable) will assess the appropriateness of all information that is publicly disclosed.

The Pillar 3 disclosures provided are in line with the requirements of the Basel Committee on Banking Supervision's standards on revised Pillar 3 disclosure requirements. These disclosures comprise certain Pillar 3 disclosures of Investec Limited and its banking subsidiaries on a consolidated basis as required in terms of Regulation 43 of the Regulations and/or issued Banks Act directives.

The Board is satisfied that:

a. the information provided in this report was subject to the same level of internal review and internal control processes as the information provided for financial reporting purposes

b. disclosures in this report have been prepared in accordance with the Board-agreed internal control processes related to public disclosures.

Nishlan Samujh

Vanessa Olver

27 June 2024

Linkage between financial statements and regulatory exposure

03

LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES

Tables LI1 and LI2 relate to the balance sheet of Investec Limited Group. From a regulatory risk perspective, the carrying values under the scope of regulatory consolidation between the Bank and the Group are largely the same, and disclosures related to the bank have therefore been omitted for purposes of the LI1 and LI2 tables below.

A further breakdown of columns a and b for Investec Bank Limited Group is provided on page 85.

LI1: DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK

	a	b	c	d	e	f	g
R'million	Carrying value as reported in published financial statements(1)(4)	Carrying value under scope of regulatory consolidation(4)	Subject to credit risk framework	Subject to CCR framework(2)	Subject to securitisation framework	Subject to market risk framework(2)	Not subject to capital requirements or is subject to deduction from capital(3)
31 March 2024							
Assets							
Cash and balances at central banks	14 795	14 795	14 795	—	—	—	—
Loans and advances to banks	9 217	8 497	8 497	—	—	—	—
Non-sovereign and non-bank cash placements	10 818	10 818	10 818	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	77 665	77 665	—	69 350	—	8 315	—
Sovereign debt securities	72 241	72 142	72 142	—	—	—	—
Bank debt securities	8 301	8 199	8 199	—	—	—	—
Other debt securities	10 539	10 271	9 042	—	1 229	—	—
Derivative financial instruments	9 984	9 984	—	9 984	—	—	—
Securities arising from trading activities	34 477	34 477	—	—	—	34 477	—
Loans and advances to customers	337 232	337 232	337 232	—	—	—	—
Own originated loans and advances to customers securitised	6 446	6 446	5 006	—	1 440	—	—
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	3 708	0	—	—	—	—	—
Investment portfolio	16 053	16 046	8 144	—	—	529	7 373
Interests in associated undertakings and joint venture holdings	28	28	28	—	—	—	—
Current tax assets	106	106	106	—	—	—	—
Deferred taxation assets	2 040	2 040	1 798	—	—	—	242
Other assets	23 078	23 023	23 023	—	—	—	—
Property and equipment	3 956	3 956	3 956	—	—	—	—
Investment properties	2 539	2 539	2 539	—	—	—	—
Goodwill	171	171	—	—	—	—	171
Software	123	123	—	—	—	—	123
Non-current assets held for sale	534	534	534	—	—	—	—
	644 051	**639 092**	**505 859**	**79 334**	**2 669**	**43 321**	**7 909**

LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES CONTINUED

LI1: DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CONTINUED

	a	b	c	d	e	f	g
R'million	Carrying values as reported in published financial statements[(1)(4)]	Carrying value under scope of regulatory consolidation[(4)]	Subject to credit risk framework	Subject to CCR framework[(2)]	Subject to securitisation framework	Subject to market risk framework[(2)]	Not subject to capital requirements or is subject to deduction from capital[(3)]
31 March 2024							
Liabilities							
Deposits by banks	31 065	31 065	—	—	—	—	31 065
Derivative financial instruments	14 293	14 293	—	14 293	—	—	—
Other trading liabilities	32 368	32 368	—	—	—	32 368	—
Repurchase agreements and cash collateral on securities lent	19 890	19 890	—	19 890	—	4 121	—
Customer accounts (deposits)	448 458	448 458	—	—	—	—	448 458
Debt securities in issue	6 715	6 715	—	—	—	—	6 715
Liabilities arising on securitisation of own originated loans and advances	4 997	4 997	—	—	—	—	4 997
Current taxation liabilities	845	845	—	—	—	—	845
Deferred taxation liabilities	375	329	—	—	—	—	328
Other liabilities	18 942	18 395	—	—	—	—	18 396
Liabilities to customers under investment contracts	3 711	—	—	—	—	—	—
	581 659	**577 355**	**—**	**34 183**	**—**	**36 489**	**510 804**
Subordinated liabilities	7 283	7 283	—	—	—	—	—
	588 942	**584 638**	**—**	**34 183**	**—**	**36 489**	**510 804**

1. Carrying values reported in column (a) correspond to values reported in the financial statements net of impairments and write-offs. Values in columns (c) to (g) are based on column (b), the sum of which may not be equal to column (b) as some exposures are subject to regulatory capital charges in more than one risk category.
2. Exposures subject to the counterparty credit risk (CCR) framework in column (d) include exposures in the banking and trading books in line with regulatory requirements. CCR exposures in the trading book also considered for market risk requirements are included in both columns (d) and (f). All exposures in our trading book were disclosed as being subject to the market risk framework.
3. Intangible assets, goodwill, investment in Investec plc and threshold items (investments in significant financial entities and deferred tax assets below the 10% of the specified CET1) are excluded from regulatory capital and are subject to deduction from capital.
4. The difference between columns (a) and (b) arises mainly from our investment in Investec Employee Benefits Group, which is deconsolidated for regulatory purposes. There were no other differences noted between columns (a) and (b).

TABLE LIA: EXPLANATIONS OF DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY EXPOSURE AMOUNTS

The differences observed between accounting carrying value (as defined in LI1) and amounts considered for regulatory purposes are provided above. The risk management software is fully integrated with source trading systems, allowing valuation in risk and trading systems to be fully aligned. All valuation models are subject to independent validation ensuring models used for valuation and risk are validated independently of the front office.

For a description of our valuation principles and methodologies refer to pages 49 to 52 of the Investec Group's integrated and strategic annual report 2024 specifically to the Volume 3 for factors taken into consideration in determining fair value.

LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES CONTINUED

LI1: DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CONTINUED

	a	b	c	d	e	f	g
R'million	Carrying values as reported in published financial statements[1][4]	Carrying value under scope of regulatory consolidation[4]	Subject to credit risk framework	Subject to CCR framework[2]	Subject to securitisation framework	Subject to market risk framework[2]	Not subject to capital requirements or is subject to deduction from capital[3]
31 March 2023[5]							
Assets							
Cash and balances at central banks	22 761	22 761	22 761	—	—	—	—
Loans and advances to banks	12 323	11 386	11 387	—	—	—	—
Non-sovereign and non-bank cash placements	9 705	9 705	9 705	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	58 291	58 291	—	54 013	—	4 278	—
Sovereign debt securities	69 833	69 833	69 833	—	—	—	—
Bank debt securities	15 499	15 397	15 156	—	—	—	241
Other debt securities	11 676	11 676	10 125	—	1 551	—	—
Derivative financial instruments	16 025	16 025	—	16 025	—	—	—
Securities arising from trading activities	37 495	37 495	37 495	—	—	37 495	—
Loans and advances to customers	319 151	318 909	318 909	—	—	—	—
Own originated loans and advances to customers securitised	5 988	5 988	5 142	—	846	—	—
Other loans and advances	1	1	1	—	—	—	—
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	2 433	—	—	—	—	—	—
Investment portfolio	22 675	15 438	10 246	—	—	531	4 661
and joint venture holdings	30	38	38	—	—	—	—
Current tax asset	1	1	1	—	—	—	—
Deferred taxation assets	2 220	2 220	2 220	—	—	—	—
Other assets	23 999	23 811	23 810	—	—	—	—
Property and equipment	3 457	3 457	3 457	—	—	—	—
Investment properties	15 853	5 632	5 632	—	—	—	—
Goodwill	171	171	—	—	—	—	171
Software	131	131	—	—	—	—	131
Other acquired intangible assets	13	13	—	—	—	—	13
Non-current assets held for sale	785	—	—	—	—	—	—
	650 516	**628 379**	**545 918**	**70 038**	**2 397**	**42 304**	**5 217**

LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES CONTINUED

LI1: DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CONTINUED

	a	b	c	d	e	f	g
R'million	Carrying values as reported in published financial statements(1)(4)	Carrying value under scope of regulatory consolidation(4)	Subject to credit risk framework	Subject to CCR framework(2)	Subject to securitisation framework	Subject to market risk framework(2)	Not subject to capital requirements or is subject to deduction from capital(3)
31 March 2023[5]							
Liabilities							
Deposits by banks	31 789	27 725	—	—	—	—	27 725
Derivative financial instruments	18 473	18 519	—	18 519	—	—	—
Other trading liabilities	27 434	27 434	—	—	—	27 434	—
Repurchase agreements and cash collateral on securities lent	17 967	17 967	—	17 967	—	3 710	—
Customer accounts (deposits)	447 864	447 864	—	—	—	—	448 513
Debt securities in issue	7 747	3 840	—	—	—	—	3 840
Liabilities arising on securitisation of own originated loans and advances	3 594	3 594	—	—	—	—	3 594
Current taxation liabilities	647	646	—	—	—	—	646
Deferred taxation liabilities	95	95	—	—	—	—	95
Other liabilities	23 727	22 403	—	—	—	—	22 403
Liabilities to customers under investment contracts	2 433	—	—	—	—	—	2 433
	581 770	**570 087**	**—**	**36 486**	**—**	**31 144**	**509 249**
Subordinated liabilities	7 748	7 748	—	—	—	—	—
	589 518	**577 835**	**—**	**36 486**	**—**	**31 144**	**509 249**

1. Carrying values reported in columns (a) correspond to values reported in the financial statements net of impairments and write-offs. Values in columns (c) to (g) are based on column (b), the sum of which may not be equal to column (b) as some exposures are subject to regulatory capital charges in more than one risk category.
2. Exposures subject to the counterparty credit risk (CCR) framework in column (d) include exposures in the banking and trading books in line with regulatory requirements. CCR exposures in the trading book also considered for market risk requirements are included in both columns (d) and (f). All exposures in our trading book were disclosed as being subject to the market risk framework.
3. Intangible assets, goodwill, investment in Investec plc and threshold items (investments in significant financial entities and deferred tax assets below the 10% of the specified CET1) are excluded from regulatory capital and are subject to deduction from capital.
4. The difference between columns (a) and (b) arises mainly from our investment in Investec Property Fund that is fully consolidated for accounting purposes, whereby 100% of assets and liabilities are brought onto the balance sheet and the minority portion is removed on the minority interest line. For regulatory purposes only the portion of assets and liabilities that Investec Limited holds in Investec Property Fund is brought on the regulatory balance sheet and the Investec Employee Benefits Group is also deconsolidated for regulatory purposes. There were no other differences noted between columns (a) and (b)
5. The 2023 comparative balance sheet has been restated. Refer to page 168 of the Investec Group's 2024 annual financial statements for detail of the restatements.

LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES
CONTINUED

LI2: MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING VALUES IN FINANCIAL STATEMENTS

The table below reports the main sources of differences between the financial statements carrying value amounts and the exposure amounts used for regulatory purposes.

		b	c	d	e
		Items subject to:			
R'million		Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
At 31 March 2024					
1	**Asset carrying value amount under scope of regulatory consolidation (as per template LI1)**	**505 859**	**2 669**	**79 334**	**43 321**
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	—	—	(34 183)	(36 489)
3	**Net carrying value amount of exposures under scope of regulatory consolidation**	**505 859**	**2 669**	**45 151**	**6 832**
4	Less: Differences in valuations	3 920	—	—	—
5	Less: Differences due to consideration of provisions	2 803	—	—	—
6	**On-balance sheet amount under regulatory scope of consolidation before CCF and CRM**	**499 136**	**2 669**	**45 151**	**6 832**
7	Plus: Off-balance sheet amount before CCF and CRM	133 398	—	—	—
8	**Exposure amounts considered for regulatory purposes**	**632 534**	**2 669**	**45 151**	**6 832**
At 31 March 2023					
1	**Asset carrying value amount under scope of regulatory consolidation (as per template LI1)[f]**	**545 918**	**2 397**	**70 038**	**42 304**
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	—	—	(36 486)	(31 144)
3	**Net carrying value amount of exposures under scope of regulatory consolidation**	**545 918**	**2 397**	**33 552**	**11 160**
4	Less: Differences in valuations	23 373	—	—	—
5	Less: Differences due to consideration of provisions	3 298	—	—	—
6	**On-balance sheet amount under regulatory scope of consolidation before CCF and CRM**	**519 247**	**2 397**	**33 552**	**11 160**
7	Plus: Off-balance sheet amount before CCF and CRM	125 111	—	—	—
8	**Exposure amounts considered for regulatory purposes**	**644 358**	**2 397**	**33 552**	**11 160**

a. Column (a) was excluded above as it does not represent a value meaningful to the Group's assessment of its exposure to risk.
b. Differences in valuations for credit risk exposures relate to certain exposures being calculated on a daily average balance basis compared to a closing day balance in the financial statements as well as variances in terms of accounting netting compared to the grossing up of exposures for regulatory purposes.
c. Carrying values of exposures in the financial statements, as per LI1 are reported net of impairments whereas the regulatory exposure amounts are considered gross of impairments. The provision amount of R3.3bn consists of both the specific and portfolio impairment values.
d. The variance between the off–balance sheet exposure in CR1 of R3.2bn and the regulatory exposures pre CRM and CCF relate to the exclusion of revocable facilities.
e. Columns (d) and (e) row 8 represent counterparty credit risk and market risk values net of assets and liabilities as measured under the accounting framework. The regulatory framework to measure counterparty credit risk exposures includes potential future exposure and a market risk value at risk (VaR) number and is therefore not comparable, although the accounting values form the basis for consideration into this regulatory frameworks.
f. The 2023 comparative balance sheet has been restated affecting asset carrying value under scope of regulatory consolidation. Refer to page 168 of the Investec Group's 2024 annual financial statements for detail of the restatements.

Overview of risk management, key prudential metrics and RWA

04

OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA

OVA: BANK RISK MANAGEMENT APPROACH

Refer to pages 8 to 27 of the Investec Annual Report 2024 - Investec risk and governance report for a description of the Group's strategy and how senior management and the board of directors assess and manage risks and the Group's risk tolerance/appetite pertaining to its main activities and all significant risks.

Philosophy and approach to risk management

The Group's comprehensive risk management process involves identifying, quantifying, managing, monitoring, mitigating and reporting the risks associated with each of the businesses to ensure the risks remain within the stated risk appetite. The Board ensures that there are appropriate resources to manage the risks arising from running our businesses.

The DLC Board Risk and Capital Committee (DLC BRCC) (comprising both Executive and Non-Executive Directors) is the Board mandated committee to monitor and oversee risk. The DLC BRCC meets at least five times per annum and recommends the overall risk appetite for the Investec Group to the Board for approval.

We monitor and control risk exposure through independent credit, market, liquidity, operational, legal, internal audit, capital and compliance teams. This approach is core to assuming a tolerable risk and reward profile, helping us to pursue controlled growth across our business.

Group risk management operates within an integrated but geographical and divisional structure, in line with our management approach, ensuring that the appropriate processes are used to address all risks across the Group.

There are specialist divisions in the UK and South Africa and smaller risk divisions in other regions tasked with promoting sound risk management practices.

Risk management units are locally responsive yet globally aware. This helps to ensure that all initiatives and businesses operate within our defined risk parameters and objectives. We continually seek new ways to enhance risk management techniques.

We believe that the risk management systems and processes we have in place are adequate to support the Group's strategy and allow the Group to operate within its risk appetite tolerance.

Group risk management objectives are to:

- Ensure adherence to our risk management culture
- Support the long-term sustainability of the Group by providing an established, independent framework for identifying, evaluating, monitoring and mitigating risk with good customer outcomes
- Set, approve and monitor adherence to underlying risk parameters and limits across the Group and ensure they are implemented and adhered to consistently within the Board-approved risk appetite
- Aggregate and monitor exposure across risk classes
- Coordinate risk management activities across the organisation, covering all legal entities and jurisdictions
- Give the Board reasonable assurance that the risks the Group is exposed to are identified and appropriately managed and controlled
- Resource risk teams suitably and with appropriate expertise and facilitate operating independence
- Establish and convene appropriate risk committees, as mandated by the Board
- Maintain compliance in relation to regulatory requirements.

OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA

The following section provides an overview of the total RWA forming the denominator of the risk-based capital requirements. Further breakdowns of RWA are presented in subsequent parts of this report.

OV1: OVERVIEW OF RWA

		a	c	b	a	c	b
		Investec Limited Group			Investec Bank Limited Group		
		RWA(2)	MC(1)	RWA(7)	RWA	MC	RWA(7)
R'million		31 March 2024	31 March 2024	31 March 2023	31 March 2024	31 March 2024	31 March 2023
1	**Credit risk (excluding counterparty credit risk)**	**203 396**	**24 494**	**199 630**	**208 070**	**25 057**	**200 914**
2	Of which: Standardised Approach (SA)	78 143	9 410	76 485	82 817	9 973	77 769
3	Of which: foundation internal ratings-based (FIRB) approach	14 463	1 742	18 079	14 463	1 742	18 079
4	Of which: supervisory slotting approach	23 384	2 816	24 599	23 384	2 816	24 599
5	Of which: advanced internal ratings-based (AIRB) approach	87 406	10 526	80 467	87 406	10 526	80 467
6	**Counterparty credit risk (CCR)**	**6 723**	**810**	**7 930**	**6 705**	**807**	**7 930**
7	Of which: Standardised Approach for counterparty credit risk	6 723	810	7 930	6 705	807	7 930
8	Of which: IMM	—	—	—	—	—	—
9	Of which: other CCR	—	—	—	—	—	—
10	**Credit valuation adjustment (CVA)**	**2 637**	**318**	**3 477**	**2 637**	**318**	**3 477**
11	**Equity positions under the simple risk weight approach and the Internal Model Method during the five-year linear phase-in period**	**14 627**	**1 761**	**13 945**	**13 041**	**1 570**	**10 099**
12	**Equity investments in funds – look-through approach**	**381**	**46**	**338**	**381**	**46**	**338**
13	**Equity investments in funds – mandate-based approach**	**—**	**—**	**—**	**—**	**—**	**—**
14	**Equity investments in funds – fall-back approach**	**—**	**—**	**—**	**—**	**—**	**—**
15	**Settlement risk**	**—**	**—**	**—**	**—**	**—**	**—**
16	**Securitisation exposures in banking book**	**1 278**	**154**	**1 668**	**1 278**	**154**	**1 668**
17	Of which: securitisation IRB approach (SEC-IRBA)	779	94	1 016	779	94	1 016
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	—	—	—	—	—	—
19	Of which: Securitisation Standardised approach (SEC-SA)	499	60	652	499	60	652
20	**Market risk(6)**	**7 934**	**955**	**6 875**	**6 255**	**753**	**5 784**
21	Of which Standardised Approach (SA)	2 269	273	1 811	590	71	720
22	Of which internal model approach (IMA)	5 665	682	5 064	5 665	682	5 064
23	**Capital charge for switch between trading book and banking book**	**—**	**—**	**—**	**—**	**—**	**—**
24	**Operational risk(3)**	**37 179**	**4 477**	**32 152**	**31 022**	**3 736**	**26 942**
25	**Amounts below the thresholds for deduction (subject to 250% risk weight)(4)**	**18 024**	**2 171**	**17 585**	**3 796**	**457**	**4 111**
26	Aggregate capital floor applied(5)	—	—	—	—	—	—
27	Floor adjustment (before application of transitional cap)	—	—	—	—	—	—
28	**Floor adjustment (after application of transitional cap)**	**—**	**—**	**—**	**—**	**—**	**—**
29	**Total**	**292 179**	**35 186**	**283 600**	**273 185**	**32 898**	**261 263**

(1) MC – The minimum capital requirements in column (c) are based on the SARB minimum total capital requirements for Investec of 12.0425%; however, excludes Investec's Pillar 2B add-on in line with the Banks Act Directive 5 of 2021.
(2) RWA – Risk-weighted assets are calculated according to the Basel framework, including the 1.06 scaling factor for credit and equity exposures subject to the IRB approach, and as reported in accordance with the subsequent parts of this standard.
(3) Operational risk is calculated using the SA and is driven by the levels of income over a three-year average period, applying specific factors applicable to the nature of the business generating the income.
(4) The RWA in this line item relates to investments in significant financial entities and deferred tax assets below the 10% of the specified CET1 threshold.
(5) The capital floor adjustment is calculated in line with the Banks Act Directive 3 of 2013.
(6) Market risk RWAs for the internal models approach (IMA) are calculated using the historical Value at Risk (VaR) approach.
(7) RWAs for the comparative period have not been restated for the March 2023 balance sheet restatements.

OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA
CONTINUED

Year under review- Investec Limited group

Investec Limited remains well capitalised with capital ratios exceeding both regulatory minimums and targets. At 31 March 2024, the CET1 ratio decreased to 13.6% from 14.7% at 31 March 2023. CET1 capital decreased by R2.0 billion to R39.9 billion, largely affected by:

- Positive attributable earnings post taxation and minorities of R6.9 billion
- An increase of R0.7 billion in the Foreign currency translation reserve
- A decrease of R0.2 billion in the deduction related to the investment in the Bud Group
- A decrease of R0.2 billion in treasury shares

These increases are offset by:

- Dividends paid to ordinary shareholders and Additional Tier 1 security holders of R5.4 billion
- A net reduction of R1.9 billion due to the restatement of retained earnings. Refer to page 168 of the Investec Group's 2024 annual financial statements for detail of the restatement
- A net reduction of R1.4 billion due to additional shares repurchased as part of the DLC share buy-back programme which commenced November 2022. As at 31 March 2024 R6.8 billion of the R7 billion DLC share buy-back programme was executed
- A deduction of R1 billion following the PA's approval to amend the regulatory capital treatment of the Burstone Group Limited (previously Investec Property Fund Limited) investment from proportionate consolidation to the deduction method with limited recognition
- A R0.3 billion increase in the regulatory expected loss deduction.

RWAs increased by 3.0% from R283.6 billion (March 2023) to R292.2 billion (March 2024). RWAs for March 2023 have not been restated for the balance sheet restatements.

Credit risk RWAs, including counterparty credit risk, increased by R1.8 billion (0.8%) from 31 March 2023 to 31 March 2024. The increase was mainly driven by book growth, offset by lower RWAs due to the deconsolidation of Burstone, additional collateral and a decrease in the deferred tax asset.

Equity risk RWAs increased by R0.7 billion (5.1%) from March 2023 to March 2024, largely attributable to new investments, set off by the realisation of unlisted equity investments.

Market risk RWAs for INL increased by R1.1 billion (15.4%) from March 2023 to March 2024. The increase is primarily driven by relatively higher VaR and stressed-VaR figures entering the 60-day averaging period, with the Interest Rate Derivatives desk being the largest contributor. Additional institutional positions taken in Investec Markets Limited, accounts for the balance of the increase.

Operational risk RWAs for Investec Limited increased by R5.0 billion (15.6%) from March 2023 to March 2024. This calculation is updated bi-annually in March and September and is based on a three-year rolling gross income before impairments average balance.

The Group's leverage ratio decreased to 6.2% (March 2024) from 6.5% (March 2023). The decrease is primarily driven by a decrease in total Tier 1 capital of R1.2 billion and by an increase of R9.5 billion in the leverage exposure measure owing largely to growth in total assets.

OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA CONTINUED

KM1: KEY METRICS

The following section provides an overview of the key prudential regulatory metrics covering Investec Limited group's available capital and ratios, risk-weighted assets, leverage ratio, liquidity coverage ratio and net stable funding ratio of the Group's performance and trends over time:

		IRB scope				
		a	b	c	d	e
R'million		31 March 2024	31 December 2023	30 September 2023	30 June 2023	31 March 2023
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	39 850	38 022	38 276	43 506	41 810
2	Tier 1	43 814	41 989	41 493	46 719	45 022
3	Total capital	51 263	49 538	49 015	54 183	51 985
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)[(1)(4)]	292 179	291 569	289 148	298 788	283 600
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 (%)[(2)]	13.6	13.0	13.2	14.6	14.7
6	Tier 1 ratio (%)[(2)]	15.0	14.4	14.3	15.6	15.9
7	Total capital ratio (%)[(2)]	17.5	17.0	17.0	18.1	18.3
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	2.5	2.5
9	Countercyclical buffer requirement (%)	0.0	0.0	0.0	0.0	0.0
10	Bank G-SIB and/or D-SIB additional requirements (%)	0.5	0.5	0.5	0.5	0.5
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.0	3.0	3.0	3.0	3.0
12	CET1 available after meeting the bank's minimum capital requirements (%)	5.0	5.0	5.2	6.5	6.7
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	705 807	684 920	701 096	721 362	696 319
14	Basel III leverage ratio (%) (row 2/row 13)[(2)]	6.2	6.1	5.9	6.5	6.5
Liquidity Coverage Ratio						
15	Total HQLA	112 891	111 129	108 756	113 453	116 421
16	Total net cash outflow	70 859	63 203	60 035	63 509	75 857
17	LCR ratio (%)[(3)]	159.4	177.4	182.9	179.8	153.6
Net Stable Funding Ratio						
18	Total available stable funding	401 442	390 696	393 968	392 978	381 822
19	Total required stable funding	348 902	336 497	347 512	338 831	328 530
20	NSFR ratio	115.1	116.1	113.4	116.0	116.2

(1) Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 31 March 2024, 54% (31 March 2023: 53%) of the portfolio applies the AIRB approach, 26% (31 March 2023: 28%) applies the FIRB approach and the remaining 20% (31 March 2023: 19%) of the portfolio is subject to the standardised approach.
(2) Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET 1 ratio would be 111bps lower (31 March 2023: 117bps lower). The leverage ratio would be 48bps lower (31 March 2023: 49bps).
(3) The LCR ratio in row 17 is reported as the simple average of the daily LCR ratios over the quarter and is not derived as row 15 divided by row 16.
(4) RWA for comparative periods have not been restated for the March 2023 balance sheet restatements.

The following section provides an overview of the key prudential regulatory metrics covering Investec Bank Limited Group's available capital and ratios, risk-weighted assets, leverage ratio, liquidity coverage ratio and net stable funding ratio of the bank's performance and trends over time:

		Increased AIRB scope				
		a	b	c	d	e
R'million		31 March 2024	31 December 2023	30 September 2023	30 June 2023	31 March 2023
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	45 124	43 558	44 304	47 126	44 798
2	Tier 1	48 584	47 018	47 014	49 836	47 508
3	Total capital	56 031	54 567	55 104	57 880	55 436
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)[(1)(4)]	273 185	272 577	271 727	276 300	261 263
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 (%)[(2)]	16.5	16.0	16.3	17.1	17.1
6	Tier 1 ratio (%)[(2)]	17.8	17.2	17.3	18.0	18.2
7	Total capital ratio (%)[(2)]	20.5	20.0	20.3	20.9	21.2
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	2.5	2.5
9	Countercyclical buffer requirement (%)	0.0	—	—	—	—
10	Bank G-SIB and/or D-SIB additional requirements (%)	0.5	0.5	0.5	0.5	0.5
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.0	3.0	3.0	3.0	3.0
12	CET1 available after meeting the bank's minimum capital requirements (%)	7.9	7.9	8.3	9.0	9.1
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	684 313	670 421	690 221	684 728	662 702
14	Basel III leverage ratio (%) (row 2/row 13)[(2)]	7.1	7.0	6.8	7.3	7.2
Liquidity coverage ratio						
15	Total HQLA	112 891	111 129	108 756	113 453	116 421
16	Total net cash outflow	70 859	63 203	60 035	63 509	75 857
17	LCR ratio (%)[(3)]	159.4	177.4	182.9	179.8	153.6
Net stable funding ratio						
18	Total available stable funding	401 442	390 696	393 968	392 978	381 822
19	Total required stable funding	348 902	336 497	347 512	338 831	328 530
20	NSFR ratio	115.1	116.1	113.4	116.0	116.2

(1) Investec Bank Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWAs. As at 31 March 2024, 52% (31 March 2023: 51%) of the portfolio applies the AIRB approach, 25% (31 March 2023: 27%) applies the FIRB approach, with the remaining balance of 23% (31 March 2023: 22%) remaining on the standardised approach.
(2) Investec Bank Limited's capital information included unappropriated profits at 31 March 2024. If unappropriated profits had been excluded from capital information, Investec Bank Limited's CET 1 ratio would have be 118bps lower (March 2023: 164bps lower).The leverage ratio would be 47bps lower (31 March 2023: 65bps).
(3) The LCR ratio in row 17 is reported as the simple average of the daily LCR ratios over the quarter and is not derived as row 15 divided by row 16.
(4) RWA for comparative periods have not been restated for the March 2023 balance sheet restatements.

Leverage ratio

05

LEVERAGE RATIO

LR1 – SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE RATIO EXPOSURE MEASURE

The purpose of the LR1 table below is to reconcile the total assets in the published financial statements to the leverage ratio exposure measure.

		a	a	a	a
		Investec Limited Group		Investec Bank Limited Group	
R'million		31 March 2024	31 March 2023	31 March 2024	31 March 2023
1	Total consolidated assets as per published financial statements[1][2]	644 051	650 516	609 938	594 542
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(5 024)	(2 433)	—	—
3	Adjustments for derivative financial instruments	1 751	4 686	1 747	4 748
4	Adjustments for securities financing transactions (i.e. repos and similar secured lending)	6 754	2 495	6 728	2 495
5	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	64 978	58 845	64 978	58 836
6	Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(276)	(280)	(220)	(223)
7	Other adjustments	(6 427)	(17 510)	1 142	2 304
8	**Leverage ratio exposure measure**	**705 807**	**696 319**	**684 313**	**662 702**

(1) Adjusted for impairments.
(2) The 2023 comparative balance sheet has been restated. Refer to page 168 of the Investec Group's 2024 annual financial statements for detail of the restatements.

LEVERAGE RATIO
CONTINUED

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

The purpose of the LR2 table below is to provide a detailed breakdown of the components of the leverage ratio denominator.

		a	a	a	a
		Investec Limited Group		**Investec Bank Limited Group**	
R'million		**31 March 2024**	**31 March 2023**	**31 March 2024**	**31 March 2023**
On-balance sheet exposures					
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	553 289	568 768	524 330	530 728
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(8 616)	(5 323)	(812)	(551)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)**	**544 673**	**563 445**	**523 518**	**530 177**
Derivative exposures					
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	3 239	9 168	3 239	9 168
5	Add-on amounts for potential future exposure (PFE) associated with all derivatives transactions	9 905	15 658	9 905	15 658
6	Gross-up for derivative collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	—	—	—	—
7	Deductions of receivable assets for cash variation margin provided in derivative transactions	—	—	—	—
8	(Exempted CCP leg of client-cleared trade exposures)	(1 416)	(9 082)	(1 416)	(9 082)
9	Adjusted effective notional amount of written credit derivatives	7	5 454	7	5 454
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	—	—	—	—
11	**Total derivative exposures (sum of rows 4 to 10)**	**11 735**	**21 198**	**11 735**	**21 198**
Securities financing transaction exposures					
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	77 667	50 337	77 354	49 996
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	—	—	—	—
14	CCR exposure for SFT assets	6 754	2 495	6 728	2 495
15	Agent transaction exposures	—	—	—	—
16	**Total securities financing transaction exposures (sum of rows 12 to 15)**	**84 421**	**52 832**	**84 082**	**52 491**
Other off-balance sheet exposures					
17	Off-balance sheet exposure at gross notional amount	133 398	125 111	133 397	125 026
18	(Adjustments for conversion to credit equivalent amounts)	(68 420)	(66 267)	(68 419)	(66 190)
19	**Off-balance sheet items (sum of rows 17 and 18)**	**64 978**	**58 844**	**64 978**	**58 836**
Capital and total exposures					
20	Tier 1 capital[(1)]	43 814	45 022	48 584	47 508
21	**Total exposures (sum of rows 3, 11, 16 and 19)**	**705 807**	**696 319**	**684 313**	**662 702**
Leverage ratio					
22	**Basel III leverage ratio[(1)]**	**6.2**	**6.5**	**7.1**	**7.2**

(1) Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's leverage would be 48bps (31 March 2023: 49bps) and 47bps (31 March 2023: 65bps) lower respectively.

Liquidity risk

06

LIQUIDITY RISK

LIQA: LIQUIDITY RISK MANAGEMENT

Refer to pages 69 to 76 of the Investec Annual Report 2024 - Investec risk and governance report for a description of the Bank's liquidity risk management framework and liquidity positions.

The balance sheet risk framework continually ensures that a comprehensive approach is taken to the management and mitigation of liquidity and funding while ensuring adherence to regulatory requirements and internal risk appetite and policies.

Liquidity risk refers to the possibility that, despite being solvent, we have insufficient capacity to fund increases in assets, or are unable to meet our payment obligations as they fall due in normal and stressed conditions. This includes repaying depositors or maturing wholesale debt. This risk arises from mismatches in the timing of cash flows and is inherent in all banking operations and can be impacted by a range of institution-specific and market-wide events.

Liquidity risk is further broken down into:

- **Funding liquidity risk:** this relates to the risk that the Group will be unable to meet current and/or future cash flows or collateral requirements in the normal course of business, without adversely affecting its solvency, financial position or its reputation
- **Market liquidity risk:** this relates to the risk that the Group may be unable to trade in specific markets or that it may only be able to do so with difficulty due to market disruptions or a lack of market liquidity.

Management and measurement of liquidity risk

Cohesive liquidity management is vital for protecting our depositors, preserving market confidence, safeguarding our reputation and ensuring sustainable growth with established funding sources. Through active liquidity management, we seek to preserve stable, reliable and cost-effective sources of funding. Group considers ongoing access to appropriate liquidity for all its operations to be of paramount importance, and our core liquidity philosophy is reflected in day-to-day practices which encompass the following robust and comprehensive set of policies and procedures for assessing, measuring and controlling liquidity risk:

- Our liquidity management processes encompass requirements set out within Basel Committee on Banking Supervision (BCBS) guidelines and by the regulatory authorities in each jurisdiction, namely the South African PA and Bank of Mauritius (BOM)
- The risk appetite is clearly defined by the Board and each geographic entity must have its own Board-approved policies with respect to liquidity risk management
- We maintain a liquidity buffer in the form of unencumbered cash, government or rated securities (typically eligible for repurchase with the central bank), and near cash well in excess of the regulatory requirements as protection against unexpected disruptions in cash flows
- Funding is diversified with respect to currency, term, product, client type and counterparty to ensure a varied overall funding mix
- We monitor and evaluate each banking entity's maturity ladder and funding gap (cash flow maturity mismatch) on a 'liquidation', 'going concern' and 'stress' basis
- The balance sheet risk management team independently monitors and communicates key daily funding metrics and liquidity ratios to assess potential risks to the liquidity position, which further act as early warning indicators of potential market disruptions
- The maintenance of sustainable prudent liquidity resources takes precedence over profitability
- The Group maintains contingency funding plans designed to protect depositors, creditors and shareholders and maintain market confidence during adverse liquidity conditions.

We measure liquidity risk by quantifying and calculating various liquidity risk metrics and ratios to assess potential risks to the liquidity position. These include:

- An internal 'survival horizon' metric which models the number of days it takes before the Group's cash position is depleted under an internally defined worst-case liquidity stress
- Regulatory metrics for liquidity measurement:
  - Liquidity Coverage ratio (LCR)
  - Net Stable Funding ratio (NSFR)
- Modelling a 'business as usual' environment where we apply rollover and reinvestment assumptions under benign market conditions
- An array of liquidity stress tests, based on a range of scenarios and using historical analysis, documented experience and prudent judgement to model the impact on the Group's balance sheet
- Contractual run-off based actual cash flows with no modelling adjustments
- Additional internally defined funding and balance sheet ratios
- Any other local regulatory requirements.

Daily, weekly and monthly reports are independently produced highlighting Group activity, exposures and key measures against thresholds and limits and are distributed to management, ALCO, Treasury, IBL Review ERRF, IBL ERC, IBL BRCC, and DLC BRCC as well as summarised reports for Board meetings.

There is a regular internal audit of the balance sheet risk management function, the frequency of which is determined by internal audit.

The parameters used in stress scenarios are reviewed at least annually, taking into account changes in the business environments and input from business units. The objective is to analyse the possible impact of an economic event on the Group's balance sheet, so as to maintain sufficient liquidity and to continue to operate for a minimum period as detailed in the Board-approved risk appetite.

We further carry out reverse stress tests to identify business model vulnerabilities which tests 'tail risks' that can be missed in normal stress tests.The Group has calculated the severity of stress required to breach the liquidity requirements. This scenario is considered highly unlikely given the Group's strong liquidity position, as it requires an extreme withdrawal of deposits combined with the inability to take any management actions to breach liquidity minima that threaten the Group's liquidity position.

Funding strategy

We maintain a funding structure of stable customer deposits and long-term wholesale funding well in excess of funded assets. We target a diversified funding base, avoiding undue concentrations by investor type, maturity, market source, instrument and currency.

LIQUIDITY RISK
CONTINUED

We acknowledge the importance of our retail deposit client base as the principal source of stable and granular funding. We continue to develop products to attract and service the investment needs of our client base in line with our risk appetite.

The Group actively participates in global financial markets and our relationships are continuously enhanced through regular investor presentations internationally. Entities are only allowed to have funding exposure to wholesale markets where they can demonstrate that the market is sufficiently deep and liquid, and then only relative to the size and complexity of their business as part of a diversified funding mix.

The Group's ability to access funding at cost-effective levels is influenced by maintaining or improving the entity's credit rating. A reduction in credit ratings could have an adverse effect on the Group's funding costs, and on access to wholesale term funding; however, our diversified funding base places limited reliance on wholesale funding and protects our ability to raise sufficient funding under both business as usual and stressed market conditions.

Liquidity buffer

To protect against potential shocks, we hold a liquidity buffer in the form of cash, unencumbered high-quality liquid assets (typically in the form of government or rated securities eligible for repurchase with the central bank). The liquidity buffer is well in excess of regulatory requirements as protection against disruptions in cash flows. The liquidity buffer is managed within Board-approved targets. Investec remains a net liquidity provider to the interbank market, placing significantly more funds with other banks than our short-term interbank borrowings. We do not rely on overnight interbank deposits to fund term lending.

Contingency planning

The Group maintains contingency funding plans which detail the actions that can be taken in the event of a liquidity stress. The plans help to ensure that cash flow estimates and commitments can be met in the event of general market disruption or adverse bank-specific events, while minimising detrimental long-term implications for the business. The plans include:

- Details on the required daily monitoring of the liquidity position
- Description of the early warning indicators to be monitored, and process of escalation if required
- Liquidity stress scenarios to be modelled for Contingency Funding Plan (CFP) purposes (over and above daily stress testing scenarios)
- Funding and management actions available for use in a stress situation
- Roles and responsibilities
- Details of specific escalation entities and key contacts
- Internal and external communication plans.

The plans have been tested within our core jurisdictions via externally facilitated liquidity crisis simulation exercises which assess the Group's sustainability and ability to adequately contain a liquidity stress.

LIQUIDITY RISK

LIQUIDITY COVERAGE RATIO (LCR)

The purpose of the LIQ1 table below is to present the breakdown of a bank's cash outflows and cash inflows, as well as its available high-quality liquid assets (HQLA), as measured and defined according to the LCR standard.

LIQ1: LIQUIDITY COVERAGE RATIO (LCR)

		a	b	a	b
		31 March 2024		**31 March 2023**	
R'million		**Total unweighted value (average)**	**Total weighted value (average)**	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets (HQLAs)					
1	Total HQLAs		112 891		116 421
Cash outflows					
2	**Retail deposits and deposits from small business customers, of which:**	**134 101**	**12 155**	**118 936**	**11 034**
3	Stable deposits	—	—	—	—
4	Less stable deposits	134 101	12 155	118 936	11 034
5	**Unsecured wholesale funding, of which:**	**139 312**	**100 087**	**130 672**	**96 993**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	—	—	—	—
7	Non-operational deposits (all counterparties)	138 113	98 888	128 728	95 049
8	Unsecured debt	1 199	1 199	1 944	1 944
9	**Secured wholesale funding**	**—**	**26**	**—**	**412**
10	**Additional requirements, of which:**	**90 200**	**15 281**	**87 831**	**16 012**
11	Outflows related to derivative exposures and other collateral requirements	11 904	6 548	14 704	8 076
12	Outflows related to loss of funding on debt products	—	—	163	163
13	Credit and liquidity facilities	78 296	8 733	72 964	7 773
14	**Other contractual funding obligations**	**152**	**152**	**301**	**301**
15	**Other contingent funding obligations**	**112 864**	**8 847**	**115 651**	**7 341**
16	**Total cash outflows**		**136 548**		**132 093**
Cash inflows					
17	Secured lending	56 457	27 962	43 957	15 968
18	Inflows from fully performing exposures	43 250	35 415	43 397	35 788
19	Other cash inflows	4 561	2 312	4 084	4 482
20	**Total cash inflow**	**104 268**	**65 689**	**91 438**	**56 238**
		Total adjusted value		**Total adjusted value**	
21	Total HQLAs		112 891		116 421
22	Total net cash outflows		70 859		75 857
23	**Liquidity coverage ratio (%)[(1)]**		**159.4**		**153.6**

(1) The LCR ratio in row 23 is reported as the simple average of the daily LCR ratios over the quarter and is not derived as row 21 divided by row 22.

LIQUIDITY COVERAGE RATIO (LCR)

The objective of the LCR is to promote the short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient HQLAs to survive a significant stress scenario lasting 30 calendar days. The values in the table are calculated as the simple average of the 91 calendar daily values over the period 1 January 2024 to 31 March 2024.

The minimum LCR requirement is 100%.

Key LCR principles:

- We remain fully compliant with regulatory requirements, and above the internal targets set by the respective Boards
- The structure and nature of deposits inside the 30-day window is the key driver of both the level and the volatility of the LCR. The weighted outflow is determined by the customer type of liabilities falling into the 30-day contractual bucket. In turn, these deposit characteristics determine the targeted level of HQLAs required to be held as a counterbalance to the modelled stressed outflows
- Only banking and/or deposit-taking entities are included, and the Group data represents an aggregation of the relevant individual net cash outflows and the individual HQLA portfolios

The composition of HQLAs:

- HQLAs comprise primarily South African sovereign and central bank Rand-denominated securities and debt instruments, which are eligible for South African Reserve Bank (SARB) repos
- On average, Level 2 assets contributed 2.0% of total HQLAs
- Some foreign-denominated government securities are included in the HQLAs, subject to regulatory limitations

NET STABLE FUNDING RATIO (NSFR)

The objective of the NSFR is to promote resilience in the banking sector by requiring banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities on an ongoing structural basis. By ensuring that banks do not embark on excessive maturity transformation that is not sustainable, the NSFR is intended to reduce the likelihood that disruptions to a bank's funding sources would erode its liquidity position, increasing its risk of failure and potentially lead to broader systemic risk. In accordance with the provisions of section 6(6) of the Banks Act, banks are directed to comply with the relevant NSFR disclosure requirements. This disclosure template LIQ2 is in accordance with Pillar 3 of the Basel III liquidity accord, as specified by Directive 11/2015 and Directive 01/2018.

The minimum NSFR requirement is 100%.

Key NSFR principles:

- The asset class, customer type and residual maturity of deposits which are the key drivers of available stable funding, in particular those from either retail and small business customers or with maturity greater than a year. Capital issued is also a significant contributor
- The customer type and residual maturity of loans, as well as holdings in securities eligible as HQLA, are the key drivers of required stable funding. Lower weightings apply to mortgages, shorter-term loans and especially HQLAs
- Notwithstanding a reduction in term wholesale funding, the NSFR remains comfortably above the minimum requirement and within the range set by the Board
- Only banking and/or deposit-taking entities are included, and the Group data represents a consolidation of the relevant individual assets, liabilities and off-balance sheet items

LIQUIDITY RISK CONTINUED

The purpose of the LIQ2 table below is to provide details of a bank's NSFR and selected details of its NSFR components.

LIQ2: NET STABLE FUNDING RATIO (NSFR)

		a	b	c	d	e
		Unweighted value by residual maturity				
R'million		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value
At 31 March 2024						
Available stable funding (ASF) item						
1	**Capital:**	**45 442**	**9**	**—**	**7 274**	**52 716**
2	Regulatory capital	45 442	9	—	7 274	52 716
3	Other capital instruments	—	—	—	—	—
4	**Retail deposits and deposits from small business customers:**	**124 738**	**6 535**	**5 523**	**2 034**	**125 151**
5	Stable deposits	—	—	—	—	—
6	Less stable deposits	124 738	6 535	5 523	2 034	125 151
7	**Wholesale funding:**	**141 140**	**93 627**	**38 641**	**108 623**	**199 765**
8	Operational deposits	—	—	—	—	—
9	Other wholesale funding	141 140	93 627	38 641	108 623	199 765
10	Liabilities with matching interdependent assets	—	—	—	—	—
11	**Other liabilities:**	**24 755**	**2 054**	**—**	**14 963**	**23 810**
12	NSFR derivative liabilities	—	—	—	14 172	—
13	All other liabilities and equity not included in the above categories	24 755	2 054	—	791	23 810
14	**Total ASF**					**401 442**
Required stable funding (RSF) item						
15	**Total NSFR HQLA**					**10 852**
16	**Deposits held at other financial institutions for operational purposes**	**—**	**—**	**—**	**—**	**—**
17	**Performing loans and securities:**	**26 628**	**125 699**	**38 469**	**280 222**	**294 244**
18	Performing loans to financial institutions	—	39 359	—	52	3 988
19	Performing loans to financial institutions secured by non-Level 1 HQLAs and unsecured performing loans to financial institutions	16 248	40 976	13 709	52 958	69 213
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	8 183	40 692	21 221	142 535	157 307
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	—	—	—	6 689	4 348
22	Performing residential mortgages, of which:	—	1 981	1 767	72 570	49 045
23	With a risk weight of less than or equal to 35% under Basel II standardised approach for credit risk	—	1 981	1 767	72 570	49 045
24	Securities that are not in default and do not qualify as HQLAs, including exchange-traded equities	2 197	2 691	1 772	12 107	14 691
25	**Assets with matching interdependent liabilities**					
26	**Other assets:**	**32 290**	**1 806**	**235**	**30 633**	**37 838**
27	Physical traded commodities, including gold	—	—	—	—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	—	—	—	3 643	3 097
29	NSFR derivative assets	—	—	—	9 989	—
30	NSFR derivative liabilities before deduction of variation margin posted	—	—	—	16 111	1 611
31	All other assets not included in the above categories	32 290	1 806	235	890	33 130
32	**Off-balance sheet items**	**—**	**207 692**	**—**	**—**	**5 968**
33	**Total RSF**					**348 902**
34	**Net stable funding ratio (%)**					**115.1**

LIQUIDITY RISK CONTINUED

		a	b	c	d	e
		Unweighted value by residual maturity				
R'million		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value
At 31 March 2023						
Available stable funding (ASF) item						
1	**Capital:**	**42 080**	**746**	**1 319**	**5 683**	**47 762**
2	Regulatory capital	42 080	746	1 319	5 683	47 762
3	Other capital instruments	—	—	—	—	—
4	**Retail deposits and deposits from small business customers:**	**115 469**	**5 888**	**4 363**	**2 156**	**115 305**
5	Stable deposits	—	—	—	—	—
6	Less stable deposits	115 469	5 888	4 363	2 156	115 305
7	**Wholesale funding:**	**128 249**	**100 387**	**43 689**	**108 471**	**214 264**
8	Operational deposits	—	—	—	—	—
9	Other wholesale funding	128 249	100 387	43 689	108 471	214 264
10	**Liabilities with matching interdependent assets**	**—**	**—**	**—**	**—**	**—**
11	**Other liabilities:**	**4 067**	**2 113**	**—**	**34 093**	**4 491**
12	NSFR derivative liabilities	—	—	—	33 242	—
13	All other liabilities and equity not included in the above categories	4 067	2 113	—	851	4 491
14	**Total ASF**					**381 822**
Required stable funding (RSF) item						
15	**Total NSFR high-quality liquid assets (HQLA)**					**11 770**
16	**Deposits held at other financial institutions for operational purposes**	**—**	**—**	**—**	**—**	**—**
17	**Performing loans and securities:**	**27 855**	**107 642**	**33 333**	**270 632**	**279 708**
18	Performing loans to financial institutions	—	22 912	—	52	2 343
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	18 764	42 638	8 380	55 328	68 772
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	6 840	37 313	23 547	124 182	141 001
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	—	—	—	2 054	1 335
22	Performing residential mortgages, of which:	—	790	555	76 968	50 702
23	With a risk weight of less than or equal to 35% under Basel II standardised approach for credit risk	—	790	555	76 968	50 702
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	2 251	3 989	851	14 102	16 890
25	**Assets with matching interdependent liabilities**	**—**	**—**	**—**	**—**	**—**
26	**Other assets:**	**22 803**	**621**	**406**	**58 598**	**31 099**
27	Physical traded commodities, including gold	—	—	—	—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	—	—	—	3 326	2 827
29	NSFR derivative assets	—	—	—	16 450	—
30	NSFR derivative liabilities before deduction of variation margin posted	—	—	—	37 481	3 748
31	All other assets not included in the above categories	22 803	621	406	1 341	24 524
32	**Off-balance sheet items**	**—**	**222 206**	**—**	**—**	**5 953**
33	**Total RSF**					**328 530**
34	**Net stable funding ratio (%)**					**116.2**

Interest Rate in the Banking Book

07

IRRBBA: IRRBB RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

Interest rate risk in the banking book (IRRBB) arises from the impact of adverse movements in interest rates on both earnings, specifically net interest income (NII), and economic value of equity (EVE), which is the net present value (NPV) of all asset cash flows less the present value of all liability cash flows.

Sources of interest rate risk include:

- Repricing risk: arises from timing differences within and between fixed rate maturity and floating rate repricing of bank assets, liabilities, and derivative positions.
- Yield curve risk: repricing mismatches also expose the bank to changes in the slope and shape of the yield curve.
- Basis risk: arises from imperfect correlation in the adjustments of the rates earned and paid on different instruments with otherwise similar repricing characteristics.
- Embedded option risk: arises from optional elements embedded in instruments, assets, or liabilities, where the bank or its customers can alter the level and timing of their cash flows.
- Endowment risk: refers to the interest rate risk exposure arising from the net differential between interest rate insensitive assets, interest rate insensitive liabilities and equity capital.

Management and measurement

IBL adopts a conservative and prudent approach to the management of IRRBB, ensuring that no excessive fixed rate risk is taken which could pose a significant threat to the capital base and/or future net interest income (NII). IBL measures IRRBB using a suite of metrics under normal and stressed market conditions. Internal limits and triggers are set within regulatory minimums and IBL's internal risk appetite. IBL manages IRRBB consistently with the Basel Committee on Banking Supervision's Standards on IRRBB. Our core philosophy is reflected in the day- to-day IRRBB management and measurement practices.

The two key metrics for IRRBB measurement purposes are:

- Earnings risk (NII) is the sensitivity of the 12-month net interest income to an instantaneous shock in interest rates. Static earnings risk is calculated from static repricing gap.
- Economic value of equity risk (EVE) is the sensitivity of the net present value of all asset cash flows less the net present value of all liability cash flows to an instantaneous shock in interest rates.

Daily monitoring of IRRBB is carried out through the following measures

a. interest rate repricing mismatch,

b. NII and EVE sensitivity

A variety of interest rate scenarios are used for both internal and regulatory basis risk, shocks are outlined below:

- Six Basel Standardised shocks as per d368 (Parallel Up/ Down, Short Up/Down, Steepener/ Flattener).
- The Prime rate is shocked by 25bp up and down.
- All rates are shocked by 2% down, however, the Prime rate shock occurs one week before all other rates move.
- Money Market Fund (MMF) linked rates are shocked by 100bp up and down.

The Balance Sheet Risk Management (BSRM) team actively monitors and communicates IBL's IRRBB position.

All automatic optionality is transferred from the Banking book to the Trading book where it is managed by the market risk team. Behavioural optionality risk from early termination of fixed rate loans and prepayment risk of fixed rate term deposits is fully mitigated by early termination/prepayment charges as clients are not given these contractual rights.

Capital equity is not behaviouralised and no structural hedging program is in place. As our NMDs are largely non-core and make up a small percentage of the balance sheet, NMD behaviouralisation is limited to MMF-linked deposits, which exhibit a lag to market rates, and card creditors, when interest rates fall below the card rate floor. The two NMD models are subject to independent annual validation and review. Our NMDs average repricing maturity is 10 days when above the card floor and 19 when below the floor.

Other key modelling assumptions are:

- Economic margin is excluded from EVE sensitivity as income items are not considered a source of risk.
- 50% offset of losses in some currencies against profits in others is allowed, following the ECB's approach, in recognition of partial historical correlation between interest rates in different currencies.

The IBL Board expects that IBL's capital base and future NII to be preserved through active management of IRRBB through various hedging strategies (applying the appropriate hedge accounting rules). The approach to daily IRRBB management is to transfer all fixed rate risk from business units to the Central Treasury where the risk is consolidated and independently managed. Central Treasury is mandated to actively manage the IRRBB arising from IBL's asset and liability portfolios.

- Long term IRRBB is materially eliminated. In accordance with the policy, the bank swaps its fixed deposits and loans into variable rate positions using interest rate swaps.

IBL has established an Asset and Liability Committee (ALCO) which has oversight over IBL's balance sheet. Management of interest rate risk is subject to independent ALCO review. In addition, there is regular internal and external audit of the BSRM function.

The purpose of the IRRBB1 table below is to provide information on the bank's changes in economic value of equity (EVE) and net income (NII) under each of the prescribed interest rate shock scenarios.

IRRBB1: QUANTITATIVE INFORMATION ON IRRBB

	At 31 March 2024	
R'million	**△EVE (Behavioural)**	**△NII (Behavioural)**
Parallel up	(279)	(279)
Parallel down	32	(1 138)
Steepener	(261)	
Flattener	59	
Short rate up	35	
Short rate down	(229)	
Maximum	**(279)**	**(1 138)**
Tier 1 capital	**37 435**	

The scope of this disclosure is limited to IBL Solo. Refer to pages 73 to 74 of the Investec Annual Report 2024 - Investec risk and governance report for additional information for IRRBB.

Credit risk and counterparty risk

CREDIT RISK
CONTINUED

CRA: GENERAL QUALITATIVE INFORMATION ABOUT CREDIT RISK

Refer to pages 29 to 32 of the Investec Annual Report 2024 - Investec risk and governance report for a description of the Group's main characteristics and elements of credit risk management (business model and credit risk profile, organisation and functions involved in credit risk management and risk management reporting).

Overview

Credit and counterparty risk is defined as the risk arising from an obligor's (typically a client or counterparty) failure to meet the terms of any agreement. Credit and counterparty risk arises when funds are extended, committed, invested or otherwise exposed through contractual agreements, whether reflected on- or off-balance sheet.

Credit and counterparty risk arises primarily from three types of transactions:

- Lending transactions, through loans and advances to clients and counterparties, creating the risk that an obligor will be unable or unwilling to repay capital and/or interest on loans and advances granted to them. This category includes bank placements where we have placed funds with other financial institutions
- Financial instrument transactions, producing issuer risk where payments due from the issuer of a financial instrument may not be received
- Trading transactions, giving rise to settlement and replacement risk (collectively counterparty risk):
  - Settlement risk is the risk that the settlement of a transaction does not take place as expected, with one party making required settlements as they fall due but not receiving the performance to which they are entitled
  - Replacement risk is the risk following default by the original counterparty resulting in the contract holder having to enter into a replacement contract with a second counterparty in order to fulfil the transaction.

The relevant credit committees will also consider wrong-way risk at the time of granting credit limits to each counterparty. In the banking book environment, wrong-way risk occurs where the value of collateral to secure a transaction decreases as the probability of default of the borrower or counterparty increases. For counterparty credit risk resulting from transactions in traded products (such as OTC derivatives), wrong-way risk is defined as exposure to a counterparty that is adversely correlated with the credit quality of that counterparty. It arises when default risk and credit exposure increase together.

Credit and counterparty risk may also arise in other ways and it is the role of the risk management functions and the various independent credit committees to identify risks falling outside these definitions.

Management and Measurement

To manage, measure, monitor and mitigate credit and counterparty risk, independent credit committees exist in South Africa as well as other relevant jurisdictions such as Mauritius. These committees also have oversight of regions where we assume credit risk and operate under Board-approved delegated limits, policies and procedures. There is a high level of executive involvement and oversight in the credit decision-making forums depending on the size and complexity of the deal. It is our policy that all credit committees include voting members who are independent of the originating business unit. All decisions to enter into a transaction are based on unanimous consent.

In addition to the credit committees, the following processes assist in managing, measuring and monitoring credit and counterparty risk:

- Day-to-day arrears management and regular arrears reporting ensure that individual positions and any potential adverse trends are dealt with in a timely manner
- Watchlist Forum and the Arrears, Default and Recovery (ADR) Forum review the management of distressed loans, potential problem loans and exposures in arrears that require additional attention and supervision. These committees review ECL impairments and staging at an asset level as well as potential fair value adjustments to loans and advances to customers. They provide recommendations for the appropriate staging and level of ECL impairment where required
- Impairment Decision Committee (IDC) reviews recommendations from underlying Watchlist Forums and ADR Forums respectively and consider and approve the appropriate level of ECL impairments and staging
- The Risk Model Committee provides an internal screening and validation process for credit models. We have established independent model validation teams who review the models and provide feedback on the accuracy and operation of the models and note items for further development through the forum
- An annual review of risk appetite frameworks and limits that are approved by relevant ERC, BRCC and Boards including the DLC Board.

Management and measurement

Fundamental principles employed in the management of credit and counterparty risk include:

- A clear definition of our target market
- A quantitative and qualitative assessment of the creditworthiness of our clients and counterparties
- Analysis of risks, including concentration risk (concentration risk considerations include asset class, industry, counterparty and geographical concentration)
- Decisions being made with reference to risk appetite limits
- Prudential limits
- Regular monitoring and review of existing and potential exposures once facilities have been approved
- A high level of executive involvement in decision-making with non-executive review and oversight where applicable through IBL BRCC, DLC BRCC and Large Exposure Committee.
- Portfolio reviews and stress testing.

Within the credit approval process, internal and external ratings are included in the assessment of client quality.

A large proportion of the Group's portfolio is not rated by external rating agencies. We place reliance upon internal consideration of clients, counterparties and borrowers and use ratings prepared externally where available to support our decision-making process.

Regular reporting of credit and counterparty risk exposures within our operating units are made to management, the executives and the Board through the IBL and Investec Limited Large Exposure Committee, IBL BRCC and DLC BRCC. The Board reviews and approves the appetite for credit and counterparty risk, which is documented in risk appetite statements and policy documents. This is implemented and reviewed by the credit risk management teams.

Reviews are also undertaken of all material businesses, where the portfolios are analysed to assess any migration in portfolio quality, highlight any vulnerabilities, identify portfolio concentrations and make appropriate recommendations, such as a reduction in risk appetite limits or specific exposures.

The purpose of the CR1 table below is to provide an overview of the credit quality of the Group's (on- and off-balance sheet) assets.

CR1: CREDIT QUALITY OF ASSETS

		a	b	c	d	e	f	g
		Gross carrying values of			of which ECL accounting provisions for credit losses on SA[6] exposures			
R'million		Defaulted exposures[5]	Non-defaulted exposures	Allowances/ impairments[3]	Allocated in regulatory category of specific	Allocated in regulatory category of general	Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)
At 31 March 2024								
1	Loans[1]	12 203	343 477	(2 784)	(620)	(76)	(2 088)	352 895
2	Debt securities[2]	—	102 002	(103)	(23)	(3)	(77)	101 899
3	Off-balance sheet exposures[4]	2 322	111 283	(53)	(12)	(1)	(40)	113 552
4	**Total**	**14 525**	**556 762**	**(2 940)**	**(655)**	**(80)**	**(2 205)**	**568 346**
At 31 March 2023								
1	Loans[7]	8 875	331 868	(3 281)	(557)	(138)	(2 582)	337 462
2	Debt securities[7]	—	106 834	(121)	(21)	(5)	(95)	106 713
3	Off-balance sheet exposures	1 555	108 161	(64)	(11)	(3)	(50)	109 652
4	**Total**	**10 430**	**546 863**	**(3 466)**	**(589)**	**(146)**	**(2 727)**	**553 827**

(1) Loans represent core loans and advances plus own originated and other loans and advances as reported in the total gross credit and counterparty exposure in the financial statements.
(2) Debt securities are made up of non-sovereign and non-bank cash placements, sovereign debt securities, bank debt securities and other debt securities as reported in the total gross credit and counterparty exposure in the financial statements.
(3) Allowances/impairments include the total ECL for loans, debt securities and off-balance sheet items as reported in the financial statements.
(4) Off-balance sheet exposures are reported gross of credit risk mitigation (CRM) and credit conversion factors (CCFs) and exclude revocable commitments.
(5) The Group applies a consistent definition to default for regulatory and accounting purposes.
(6) SA: Standardised Approach for credit risk.
(7) The 2023 comparative balance sheet has been restated affecting these asset classifications. Refer to page 168 of the Investec Group's 2024 annual financial statements for detail of the restatements.

The purpose of the CR2 table below is to identify the changes in the Bank's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.

CR2: CHANGES IN STOCK OF DEFAULTED LOANS AND DEBT SECURITIES

		a	a
R'million		31 March 2024	31 March 2023
1	**Defaulted loans and debt securities at end of 31 March 2023**	**8 875**	**5 544**
2	Loans and debt securities that have defaulted since the last reporting period	5 140	4 097
3	Returned to non-defaulted status	(296)	(346)
4	Amounts written off	(693)	(56)
5	Other changes	(822)	(364)
6	**Defaulted loans and debt securities at end of 31 March 2024 (1+2-3-4+5)(1)**	**12 203**	**8 875**

(1) The defaulted exposures line 6 column (a) represents defaulted on-balance sheet loans and debt securities; it therefore differs from the total represented in the CR1 table line 4 column (a) due to off-balance sheet exposures.

CRB: Additional disclosure related to the credit quality of assets

Refer to pages 33 to 45 of the Investec Annual Report 2024 - Investec risk and governance report for additional information on the credit quality of a bank's assets.

Credit risk mitigation

CRC: QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO CREDIT RISK MITIGATION TECHNIQUES

Credit risk mitigation techniques can be defined as all methods by which the Group seeks to decrease the credit risk associated with an exposure. The Group considers credit risk mitigation techniques as part of the credit assessment of a potential client or business proposal and not as a separate consideration of mitigation of risk. Credit risk mitigants can include any collateral item over which the Group has a charge, netting and margining agreements, covenants, or terms and conditions imposed on a borrower with the aim of reducing the credit risk inherent to that transaction.

As the Group has limited appetite for unsecured debt, the credit risk mitigation technique most commonly used is the taking of collateral, with a strong preference for tangible assets. Collateral is assessed with reference to the sustainability of value and the likelihood of realisation.

Acceptable collateral generally exhibits characteristics that allow for it to be easily identified and appropriately valued and assists the Group to recover outstanding exposures.

Where a transaction is supported by a mortgage or charge over property, the primary credit risk is still taken on the borrower. In addition, the relevant credit committee normally requires a suretyship or guarantee in support of a transaction in our private client business.

For property-backed lending we also consider the client's overall balance sheet. The following characteristics of the property are also considered: the type of property; its location; and the ease with which the property could be relet and/or resold. Where the property is secured by lease agreement, the credit committee prefers not to lend for a term beyond the maximum term of the lease. Commercial real estate generally takes the form of good quality property often underpinned by strong third party leases. Residential property is also generally of a high quality and based in desirable locations. Residential and commercial property valuations will continue to form part of our ongoing focus on collateral assessment. It is our policy to obtain a formal valuation of every commercial property offered as collateral for a lending facility before advancing funds. Residential properties are valued by desktop valuation and/or approved valuers, where appropriate.

Other common forms of collateral in the retail asset class are motor vehicles, cash and share portfolios. Primary collateral in private client lending transactions can also include a high net worth individual's share/investment portfolio. This is typically in the form of a diversified pool of equity, fixed income, managed funds and cash. Often these portfolios are managed by IW&II. Lending against investment portfolios is typically geared at conservative loan-to-value (LTV) ratios, after considering the quality, diversification, risk profile and liquidity of the portfolio.

Our corporate, government and institutional clients provide a range of collateral including cash, corporate assets, debtors (accounts receivable), trading stock, debt securities (bonds), listed and unlisted shares and guarantees.

The majority of credit mitigation techniques linked to trading activity is in the form of netting agreements and daily margining. Primarily, the market standard legal documents that govern this include the International Swaps and Derivatives Association (ISDA) Master Agreements, Global Master Securities Lending Agreement (GMSLA) and Global Master Repurchase Agreement (GMRA). In addition to having ISDA documentation in place with market and trading counterparties in over-the-counter (OTC) derivatives, the credit committee may require a Credit Support Annex (CSA) to ensure that mark-to-market credit exposure is mitigated daily through the calculation and placement/receiving of cash collateral. Where netting agreements have been signed, the enforceability is supported by an external legal opinion within the legal jurisdiction of the agreement.

The legal risk function ensures the enforceability of credit risk mitigants under the laws of the relevant jurisdictions. When assessing the potential concentration risk in its credit portfolio, consideration is given to the types of collateral and credit protection that form part of the portfolio.

CREDIT RISK
CONTINUED

CR3: CREDIT RISK MITIGATION TECHNIQUES(2)

		a	b	c	d	e	f	g
R'million		Exposures unsecured: carrying amount(1)	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives(3)	Exposures secured by credit derivatives, of which: secured amount
At 31 March 2024								
1	Loans	105 303	247 592	239 194	24 624	24 624	—	—
2	Debt securities	62 857	39 042	11 937	3 955	3 955	—	—
	Off-balance sheet(4)	53 590	70 343	70 141	10 396	10 396	—	—
3	**Total**	**221 750**	**356 977**	**321 272**	**38 975**	**38 975**	**—**	**—**
4	Of which defaulted	3 672	7 193	6 756	109	109	—	—
At 31 March 2023(5)								
1	Loans	104 555	232 907	206 197	21 475	21 475	—	—
2	Debt securities	79 148	27 565	9 405	6 105	6 105	—	—
	Off-balance sheet(4)	58 478	57 474	54 546	9 970	9 970	—	—
3	**Total**	**242 181**	**317 946**	**270 148**	**37 550**	**37 550**	**—**	**—**
4	Of which defaulted	2 485	4 578	4 239	0	0	—	—

(1) Exposure values above represent the gross credit exposure, i.e. exposure gross of any credit conversion factors and eligible CRM, but net of allowances/specific impairments. Exposures, not secured by either collateral or financial guarantees used to reduce capital requirements, are reported as unsecured.
(2) The table above includes all credit risk mitigation (CRM) techniques used to reduce capital requirements (post prescribed collateral haircuts were applicable) and disclose all secured and unsecured exposures, irrespective of whether the SA or IRB approach is used for risk-weighted assets calculation.
(3) The Group does not make use of any unfunded credit derivative instruments for purposes of reducing capital requirements. We have credit-linked notes (CLNs) that serve as protection against credit exposures; however, since these CLNs are fully funded, they function as cash collateral and are reported as such in the table.
(4) Off-balance sheet exposures are reported gross of credit risk mitigation (CRM) and credit conversion factors (CCFs) and include revocable commitments.
(5) March 2023 was restated to ensure alignment with CR1.

Credit risk under the Standardised Approach

CRD: QUALITATIVE DISCLOSURES ON BANKS' USE OF EXTERNAL CREDIT RATINGS UNDER THE STANDARDISED APPROACH FOR CREDIT RISK

We measure credit risk for Investec Bank Mauritius and non-bank subsidiaries using the Standardised Approach. Within the credit approval process, internal and external ratings are included in the assessment of client quality. A large proportion of the Group's portfolio is not rated by external rating agencies. We place reliance upon internal consideration of counterparties and borrowers, and use ratings prepared externally where available to support our decision-making process.

CREDIT RISK
CONTINUED

Credit risk under Standardised Approach

The purpose of the CR4 table below is to illustrate the effect of the comprehensive approach used for collateral under the Standardised Approach capital requirements' calculations.

CR4: STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION (CRM) EFFECTS

		a	b	c	d	e	f
		Exposures before CCF and CRM[4]		Exposures post-CCF and CRM[2]		RWA and RWA density	
R'million		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density[1]
At 31 March 2024							
Asset classes							
1	Sovereigns and their central banks	9 381	268	9 381	45	1 015	10.8%
2	Non-central government public sector entities	—	—	—	—	—	0.0%
3	Multilateral development banks	—	—	—	—	—	0.0%
4	Banks	7 201	1 088	7 200	106	4 959	67.9%
	of which: securities firms and other financial institutions	—	—	—	—	—	0.0%
5	Covered bonds	—	—	—	—	—	0.0%
6	Corporates	57 705	22 297	50 170	4 181	51 673	95.1%
	of which: securities firms and other financial institutions	8 787	3 320	8 123	1 037	8 866	96.8%
	of which: specialised lending	602	2	602	1	603	100.0%
7	Subordinated debt, equity and other capital	—	—	—	—	—	0.0%
8	Retail	50	256	41	5	36	78.3%
9	Real estate	4 281	8	4 153	2	4 000	96.3%
	of which: general RRE	307	8	292	2	139	47.3%
	of which: IPRRE	—	—	—	—	—	0.0%
	of which: general CRE	3 974	—	3 860	—	3 860	100.0%
	of which: IPCRE	—	—	—	—	—	0.0%
	of which: land acquisition, development and construction	—	—	—	—	—	0.0%
10	Default exposures[3]	4 208	65	3 088	6	4 316	139.5%
11	Other assets[5]	29 690	—	29 690	—	12 144	40.9%
12	**Total**	**112 516**	**23 982**	**103 723**	**4 345**	**78 143**	**72.3%**

(1) RWA density provides a synthetic metric on riskiness of each portfolio and is derived by dividing RWAs in column (e) with the sum of columns (c) and (d).
(2) Columns (c) and (d) represent the substituted asset class as a result of eligible guarantees. Credit exposures post-CCF and post-CRM are the amounts to which risk-weighted assets are applied to.
(3) Past-due assets are disclosed separately independent of asset class. Past-due loans reported follows the same definition of default as applied in table CR1 but includes revocable facilities and average balances where relevant.
(4) The on-balance sheet exposures in column (a) are reported gross of impairment, CCF and CRM. Off-balance sheet exposures in column (b) include revocable facilities.
(5) Other assets include cash placements with the central bank that are risk-weighted at 0% in table CR5.

CREDIT RISK
CONTINUED

		a	b	c	d	e	f
		Exposures before CCF and CRM[(4)]		Exposures post-CCF and CRM[(2)]		RWA and RWA density	
R'million		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density[(1)]
At 31 March 2023							
Asset classes							
1	Sovereigns and their central banks	7 965	288	7 965	144	714	8.8%
2	Non-central government public sector entities	—	—	—	—	—	0.0%
3	Multilateral development banks	—	—	—	—	—	0.0%
4	Banks	9 084	1 185	9 084	321	4 803	51.1%
	of which: securities firms and other financial institutions	—	—	—	—	—	0.0%
5	Covered bonds	—	—	—	—	—	0.0%
6	Corporates	58 623	21 137	49 671	3 511	50 930	95.8%
	of which: securities firms and other financial institutions	12 487	3 435	10 320	931	10 287	91.4%
	of which: specialised lending	1 200	2	1 200	1	1 201	100.0%
7	Subordinated debt, equity and other capital	—	—	—	—	—	0.0%
8	Retail	129	120	55	3	43	74.1%
9	Real estate	4 144	45	3 994	21	3 253	81.0%
	of which: general RRE	1 348	45	1 305	21	564	42.5%
	of which: IPRRE	—	—	—	—	—	0.0%
	of which: general CRE	2 796	—	2 689	—	2 689	100.0%
	of which: IPCRE	—	—	—	—	—	0.0%
	of which: land acquisition, development and construction	—	—	—	—	—	0.0%
10	Default exposures[(3)]	2 995	134	1 987	44	2 773	136.5%
11	Other assets[(5)]	38 766	—	38 766	—	13 969	36.0%
12	**Total**	**121 706**	**22 909**	**111 522**	**4 044**	**76 485**	**66.2%**

(1) RWA density provides a synthetic metric on riskiness of each portfolio and is derived by dividing RWAs in column (e) with the sum of columns (c) and (d).
(2) Columns (c) and (d) represent the substituted asset class as a result of eligible guarantees. Credit exposures post-CCF and post-CRM are the amounts to which risk-weighted assets are applied to.
(3) Past-due assets are disclosed separately independent of asset class. Past-due loans reported follows the same definition of default as applied in table CR1 but includes revocable facilities and average balances where relevant.
(4) The on-balance sheet exposures in column (a) are reported gross of impairment, CCF and CRM. Off-balance sheet exposures in column (b) include revocable facilities.
(5) Other assets include cash placements with the central bank that are risk-weighted at 0% in table CR5.

CREDIT RISK
CONTINUED

The purpose of the CR5 table below is to present the breakdown of credit risk exposures under the Standardised Approach by asset class and risk weight (corresponding to the riskiness attributed to the exposure according to the Standardised Approach).

CR5: STANDARDISED APPROACH – EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS

	R'million	0%	20%	50%	100%	150%	Other	Total credit exposures amount(1)
	At 31 March 2024							
1	Sovereigns and their central banks	8 199	—	424	803	—	—	9 426

		20%	50%	100%	150%	Other	Total credit exposures amount(1)
2	Non-central government public sector entities	—	—	—	—	—	—

		0%	20%	30%	50%	100%	150%	Other	Total credit exposures amount(1)
3	Multilateral development bank	—	—	—	—	—	—	—	—

		20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposures amount(1)
4	Banks	2 770	—	—	1 543	—	1 708	1 284	—	7 306
4	of which: securities firms and other financial institutions	—	—	—	—	—	—	—	—	—

		10%	15%	20%	25%	35%	50%	100%	Other	Total credit exposures amount(1)
5	Covered bonds	—	—	—	—	—	—	—	—	—

		20%	50%	65%	75%	80%	85%	100%	130%	150%	Other	Total credit exposures amount(1)
6	Corporates	454	1 849	—	—	—	—	51 665	—	383	—	54 351
	of which: securities firms and other financial institutions	—	588	—	—	—	—	8 572	—	—	—	9 160
	of which: specialised lending	—	—	—	—	—	—	603	—	—	—	603

		100%	150%	250%	400%	Other	Total credit exposures amount(1)
7	Subordinated debt, equity and other capital	—	—	—	—	—	—

		45%	75%	100%	Other	Total credit exposures amount(1)
8	Retail	—	—	—	46	46

(1) Exposure values reported in table CR5 (post-CCF and CRM) reconcile to the aggregate exposure of columns (c) and (d) in table CR4 allocated across specified risk-weight bands.

CREDIT RISK
CONTINUED

		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposures amount[(1)]
9	Real estate	—	—	—	234	—	—	—	—	—	—	—	11	—	—	3 910	—	—	—	—	4 155
	of which: general RRE	—	—	—	234		—		—		—	—	11	—		49			—	—	294
	of which: no loan splitting applied	—	—	—	—		—		—		—	—	—	—		—			—	—	—
	of which: loan splitting applied (secured)		—																	—	—
	of which loan splitting applied (unsecured)	—	—		—		—		—		—		—	—		—			—	—	—
	of which: IPRRE				—	—	—	—	—	—	—		—	—		—	—		—	—	—
	of which: general CRE	—	—		—		—		—	—	—		—	—		3 860			—	—	3 860
	of which: no loan splitting applied	—	—		—		—		—	—										—	—
	of which: loan splitting applied (secured)									—										—	—
	of which loan splitting applied (unsecured)	—	—		—		—		—	—	—		—	—		—			—	—	—
	of which: IPCRE											—			—			—	—	—	—
	of which: land acquisition, development and construction															—			—	—	—

		50%	100%	150%	Other	Total credit exposures amount[(1)]
10	Defaulted exposures	260	130	2 704	—	3 094

		0%	20%	100%	1250%	Other	Total credit exposures amount[(1)]
11	Other assets	17 307	—	12 383	—	—	29 690

(1) Exposure values reported in table CR5 (post-CCF and CRM) reconcile to the aggregate exposure of columns (c) and (d) in table CR4 allocated across specified risk-weight bands.

CREDIT RISK
CONTINUED

	R’million	0%	20%	50%	100%	150%	Other	Total credit exposures amount[1]
	At March 2023							
1	Sovereigns and their central banks	7 396	—	—	713	—	—	8 109

		20%	50%	100%	150%	Other	Total credit exposures amount[1]
2	Non-central government public sector entities	—	—	—	—	—	—

		0%	20%	30%	50%	100%	150%	Other	Total credit exposures amount[1]
3	Multilateral development bank	—	—	—	—	—	—	—	—

		20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposures amount[1]
4	Banks	5 274	—	—	1 914	—	1 069	1 148	—	9 405
4	of which: securities firms and other financial institutions	—	—	—	—	—	—	—	—	—

		10%	15%	20%	25%	35%	50%	100%	Other	Total credit exposures amount[1]
5	Covered bonds	—	—	—	—	—	—	—	—	—

		20%	50%	65%	75%	80%	85%	100%	130%	150%	Other	Total credit exposures amount[1]
6	Corporates	—	2 136	—	—	—	—	50 966	—	80	—	53 182
	of which: securities firms and other financial institutions	—	1 996	—	—	—	—	9 187	—	68	—	11 251
	of which: specialised lending	—	—	—	—	—	—	1 201	—	—	—	1 201

(1) Exposure values reported in table CR5 (post-CCF and CRM) reconcile to the aggregate exposure of columns (c) and (d) in table CR4 allocated across specified risk-weight bands.

CREDIT RISK
CONTINUED

		100%	150%	250%	400%	Other	Total credit exposures amount(1)
7	Subordinated debt, equity and other capital	—	—	—	—	—	—

		45%	75%	100%	Other	Total credit exposures amount(1)
8	Retail	—	—	—	58	58

		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposures amount(1)
9	Real estate	—	—	—	1 151	—	—	—	—	—	—	—	50	—	—	2 814	—	—	—	—	4 015
	of which: general RRE	—	—	—	1 151		—		—		—	—	50	—		125			—	—	1 326
	of which: no loan splitting applied	—	—	—	—		—		—		—	—	—	—		—			—	—	—
	of which: loan splitting applied (secured)		—																	—	—
	of which loan splitting applied (unsecured)	—	—		—		—		—		—		—	—		—			—	—	—
	of which: IPRRE				—	—	—	—	—	—	—		—	—		—	—		—	—	—
	of which: general CRE	—	—		—		—		—	—	—		—	—		2 689			—	—	2 689
	of which: no loan splitting applied	—	—		—		—		—	—										—	—
	of which: loan splitting applied (secured)									—										—	—
	of which loan splitting applied (unsecured)	—	—		—		—		—	—	—		—	—		—			—	—	—
	of which: IPCRE											—			—			—	—	—	—
	of which: land acquisition, development and construction															—			—	—	—

		50%	100%	150%	Other	Total credit exposures amount(1)
10	Defaulted exposures	101	346	1 584	—	2 031

		0%	20%	100%	1250%	Other	Total credit exposures amount(1)
11	Other assets	24 323	—	14 443	—	—	38 766

(1) Exposure values reported in table CR5 (post-CCF and CRM) reconcile to the aggregate exposure of columns (c) and (d) in table CR4 allocated across specified risk-weight bands.

CREDIT RISK
CONTINUED

Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures

		a	b	c	d
R'million		On-balance sheet exposure (pre-CCF and pre-CRM)	Off-balance sheet exposure (pre-CCF and pre-CRM)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
At 31 March 2024					
	Risk Weight				
1	Less than 40%	21 165	5 829	61%	11 657
2	40-70%	4 334	583	13 %	4 077
3	75%	—	—	0 %	—
4	85%	51	256	0 %	58
5	90-100%	82 528	17 255	22%	87 906
6	105-130%	—	—	0%	—
7	150%	4 438	60	16%	4 370
8	250%	—	—	0%	—
9	400%	—	—	0%	—
10	1250%	—	—	0%	—
11	**Total exposures**	**112 516**	**23 982**		**108 068**
At March 2023					
	Risk Weight				
1	Less than 40%	24 856	6 648	59%	13 824
2	40-70%	4 301	391	5 %	4 152
3	75%	—	—	0 %	—
4	85%	105	29	10 %	108
5	90-100%	89 641	15 706	25%	94 670
6	105-130%	—	—	0%	—
7	150%	2 803	135	33%	2 812
8	250%		—	0%	—
9	400%	—	—	0%	—
10	1250%	—	—	0%	—
11	**Total exposures**	**121 706**	**22 909**		**115 566**

* Weighting is based on off-balance sheet exposures (pre-CCF)

CREDIT RISK
CONTINUED

Credit risk under internal risk-based (IRB) approaches

The purpose of the table below is to provide the main parameters used for the calculation of capital requirements for IRB models. CCR exposures are excluded from the table below and are reported in table CCR4.

CR6: IRB – CREDIT RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE

	a	b	c	d	e	f	g	h	i	j	k	l
PD scale	**Original on-balance sheet gross exposure (R'm)**	**Off-balance sheet exposures pre-CCF (R'm)**	**Average CCF (%)**	**EAD (R'm)**	**Average PD (%)**	**Number of obligors[(3)]**	**Average LGD (%)**	**Average maturity (years)[(1)]**	**RWA (R'm)**	**RWA density (%)**	**EL (R'm)[(2)]**	**Provisions (R'm)[(4)]**
At 31 March 2024												
Banks												
0.00 to <0.15	7 753	9 280	99.2%	16 958	0.05%	59	31.5%	2.5	2 925	17.3%	2	—
0.15 to <0.25	1 115	—	0.0%	1 115	0.22%	7	6.9%	2.5	71	6.4%	—	—
0.25 to <0.50	9	—	0.0%	9	0.32%	6	45.0%	2.5	7	78.9%	—	—
0.50 to <0.75	2 291	—	0.0%	2 291	0.64%	12	8.2%	2.5	435	19.0%	1	—
0.75 to <2.50	117	—	0.0%	117	1.29%	8	45.0%	2.5	157	134.4%	1	—
2.50 to <10.00	47	137	75.0%	150	2.57%	7	44.8%	2.5	228	151.9%	2	—
10.00 to <100.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
100.00 (Default)	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
Sub-total	**11 332**	**9 417**	**98.8%**	**20 640**	**0.15%**	**94**	**27.8%**	**2.5**	**3 823**	**18.5%**	**6**	**—**
Corporate												
0.00 to <0.15	23 540	18 486	65.9%	35 721	0.07%	1 186	27.3%	2.1	4 452	12.5%	7	—
0.15 to <0.25	14 529	6 385	81.4%	19 724	0.19%	1 702	26.6%	2.0	4 231	21.5%	10	—
0.25 to <0.50	17 995	6 507	71.7%	22 661	0.40%	950	22.8%	2.2	6 607	29.2%	20	—
0.50 to <0.75	7 254	1 957	102.7%	9 264	0.64%	645	21.3%	2.3	3 239	35.0%	13	—
0.75 to <2.50	10 529	2 853	77.2%	12 730	1.29%	1 630	19.6%	2.0	5 188	40.8%	34	—
2.50 to <10.00	5 298	1 444	103.4%	6 791	3.46%	947	25.0%	2.6	4 782	70.4%	57	—
10.00 to <100.00	437	17	130.1%	459	13.83%	170	30.4%	2.3	526	114.6%	19	—
100.00 (Default)	980	105	440.5%	1 440	100.00%	50	12.9%	2.0	472	32.7%	495	495
Sub-total	**80 562**	**37 754**	**74.8%**	**108 790**	**1.94%**	**7 243**	**24.5%**	**2.2**	**29 497**	**27.1%**	**655**	**495**
Public sector entities												
0.00 to <0.15	2 469	725	103.5%	3 219	0.01%	4	34.0%	3.8	333	10.3%	—	—
0.15 to <0.25	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
0.25 to <0.50	137	95	103.4%	235	0.36%	5	30.2%	2.9	106	44.9%	—	—
0.50 to <0.75	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
0.75 to <2.50	801	—	0.0%	801	0.95%	2	27.1%	3.8	547	68.2%	2	—
2.50 to <10.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
10.00 to <100.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
100.00 (Default)	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
Sub-total	**3 407**	**820**	**103.5%**	**4 255**	**0.21%**	**9**	**32.5%**	**3.8**	**986**	**23.1%**	**2**	**—**

(1) Average maturity in table CR6 represents the obligor maturity in years, weighted by EAD, as used in the RWA calculation.
(2) EL in CR6 represents the regulatory expected losses as calculated according to the Basel framework.
(3) Represents the number of unique obligors. The total number of unique obligors will not equal the sum of the obligors in the underlying asset classes since an obligor may be present in more than one asset class.
(4) Provisions represent the specific impairment amounts for defaulted exposures.

CREDIT RISK
CONTINUED

PD scale	Original on-balance sheet gross exposure (R'm)	Off-balance sheet exposures pre- CCF (R'm)	Average CCF (%)	EAD (R'm)	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA (R'm)	RWA density (%)	EL (R'm)	Provisions (R'm)
At 31 March 2024												
Retail – mortgages												
0.00 to <0.15	25 322	24 257	94.1%	48 142	0.07%	19 085	11.7%	4.9	1 146	2.4%	4	—
0.15 to <0.25	23 551	6 588	98.9%	30 067	0.20%	12 110	12.5%	4.8	1 755	5.8%	7	—
0.25 to <0.50	15 444	3 395	102.3%	18 916	0.38%	7 252	12.9%	4.8	1 843	9.7%	9	—
0.50 to <0.75	6 589	886	110.0%	7 564	0.64%	2 759	13.0%	4.7	1 071	14.2%	6	—
0.75 to <2.50	11 339	1 669	109.4%	13 164	1.25%	5 089	12.8%	4.8	2 863	21.7%	21	—
2.50 to <10.00	5 961	761	112.4%	6 816	4.17%	3 145	12.8%	4.8	2 982	43.8%	36	—
10.00 to <100.00	3 311	183	142.5%	3 571	22.96%	1 484	12.9%	4.7	2 871	80.4%	106	—
100.00 (Default)	1 535	47	164.5%	1 612	100.00%	742	12.8%	4.6	651	40.3%	202	202
Sub-total	**93 052**	**37 786**	**97.4%**	**129 851**	**2.38%**	**51 491**	**12.3%**	**4.8**	**15 182**	**11.7%**	**391**	**202**
Retail – other												
0.00 to <0.15	1 474	566	105.9%	1 924	0.07%	3 858	30.9%	3.3	119	6.2%	—	—
0.15 to <0.25	1 960	208	107.9%	2 184	0.20%	5 199	31.8%	3.7	296	13.5%	1	—
0.25 to <0.50	1 279	111	100.6%	1 391	0.39%	3 001	31.7%	3.5	289	20.8%	2	—
0.50 to <0.75	482	20	145.8%	511	0.64%	1 202	32.1%	3.7	143	28.0%	1	—
0.75 to <2.50	725	61	121.1%	799	1.27%	1 869	31.4%	3.4	293	36.6%	3	—
2.50 to <10.00	556	9	100.0%	424	3.99%	1 042	31.8%	3.9	204	48.1%	5	—
10.00 to <100.00	203	—	0.0%	209	22.49%	596	31.7%	3.5	153	73.2%	15	—
100.00 (Default)	113	1	264.1%	116	100.00%	550	31.9%	2.8	67	58.0%	46	46
Sub-total	**6 792**	**976**	**78.4%**	**7 558**	**2.71%**	**17 291**	**31.5%**	**3.5**	**1 564**	**20.7%**	**73**	**46**
Retail – revolving credit												
0.00 to <0.15	206	2 126	92.3%	2 167	0.07%	31 053	32.7%	1.0	32	1.5%	—	—
0.15 to <0.25	277	1 459	91.7%	1 615	0.19%	29 098	29.5%	1.0	52	3.2%	1	—
0.25 to <0.50	350	952	90.6%	1 212	0.38%	19 441	29.8%	1.0	68	5.6%	1	—
0.50 to <0.75	156	450	90.8%	565	0.64%	10 878	28.4%	1.0	46	8.2%	1	—
0.75 to <2.50	385	758	90.2%	1 069	1.31%	18 134	27.7%	1.0	146	13.6%	4	—
2.50 to <10.00	285	192	88.8%	455	3.92%	8 680	29.0%	1.0	142	31.2%	5	—
10.00 to <100.00	148	13	92.5%	160	21.43%	3 039	31.0%	1.0	130	81.3%	11	—
100.00 (Default)	98	9	158.5%	111	100.00%	2 127	28.9%	1.0	63	56.3%	75	75
Sub-total	**1 905**	**5 959**	**91.5%**	**7 354**	**2.59%**	**121 341**	**30.1%**	**1.0**	**679**	**9.2%**	**98**	**75**

CREDIT RISK
CONTINUED

PD scale	Original on-balance sheet gross exposure (R'm)	Off-balance sheet exposures pre- CCF (R'm)	Average CCF (%)	EAD (R'm)	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA (R'm)	RWA density (%)	EL (R'm)	Provisions (R'm)
At 31 March 2024												
SME – retail												
0.00 to <0.15	531	273	93.3%	786	0.09%	6 335	20.9%	2.6	40	5.0%	—	—
0.15 to <0.25	1 065	378	92.9%	1 416	0.19%	6 718	18.7%	2.8	110	7.8%	1	—
0.25 to <0.50	1 016	274	82.9%	1 243	0.38%	3 235	17.3%	2.9	140	11.2%	1	—
0.50 to <0.75	445	98	96.6%	540	0.64%	1 757	17.0%	3.0	80	14.8%	1	—
0.75 to <2.50	946	227	96.0%	1 164	1.24%	4 741	17.8%	2.7	238	20.5%	3	—
2.50 to <10.00	645	123	99.8%	767	4.11%	2 925	14.8%	2.6	172	22.4%	5	—
10.00 to <100.00	274	33	101.0%	307	22.62%	588	13.7%	2.4	96	31.4%	9	—
100.00 (Default)	35	1	100.0%	37	100.00%	287	24.8%	1.9	10	27.8%	16	16
Sub-total	**4 957**	**1 407**	**92.6%**	**6 260**	**2.62%**	**26 448**	**17.7%**	**2.7**	**886**	**14.2%**	**36**	**16**
Sovereign												
0.00 to <0.15	60 860	30	100.0%	60 890	0.01%	6	43.0%	2.5	5 629	9.2%	4	—
0.15 to <0.25	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
0.25 to <0.50	3 246	1 138	100.0%	4 384	0.45%	1	26.8%	2.5	1 844	42.1%	5	—
0.50 to <0.75	299	—	0.0%	299	0.64%	2	25.0%	2.5	137	45.7%	—	—
0.75 to <2.50	1 065	—	0.0%	1 065	1.64%	2	45.0%	2.5	1 219	114.5%	8	—
2.50 to <10.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
10.00 to <100.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
100.00 (Default)	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
Sub-total	**65 470**	**1 168**	**100.0%**	**66 638**	**0.07%**	**10**	**41.9%**	**2.5**	**8 829**	**13.3%**	**17**	**—**
Specialised lending												
0.00 to <0.15	3 331	822	96.6%	4 125	0.10%	258	11.3%	2.7	278	6.7%	—	—
0.15 to <0.25	7 180	1 335	95.3%	8 452	0.19%	313	13.2%	2.9	996	11.8%	2	—
0.25 to <0.50	10 607	1 311	96.0%	11 866	0.40%	382	15.2%	2.4	2 124	17.9%	7	—
0.50 to <0.75	9 829	1 226	93.3%	10 972	0.64%	245	16.0%	2.6	2 738	25.0%	11	—
0.75 to <2.50	33 282	2 508	89.5%	35 526	1.33%	590	18.6%	2.7	13 218	37.2%	89	—
2.50 to <10.00	17 967	1 581	95.9%	19 483	3.70%	313	22.8%	2.6	11 329	58.1%	173	—
10.00 to <100.00	850	32	97.2%	881	15.39%	29	26.9%	1.5	880	99.9%	35	—
100.00 (Default)	4 872	100	102.5%	4 975	100.00%	29	22.8%	1.2	8 860	178.1%	482	482
Sub-total	**87 918**	**8 915**	**93.8%**	**96 280**	**6.69%**	**1 917**	**18.2%**	**2.6**	**40 423**	**42.0%**	**799**	**482**
Slotting exposure	**19 682**	**5 214**	**75.0%**	**23 593**	**0.00%**	**277**	**0.0%**	**—**	**23 384**	**99.1%**	**379**	**85**
Total (all portfolios)	**375 077**	**109 416**	**87.9%**	**471 219**	**2.61%**	**167 153**	**21.4%**	**3.0**	**125 253**	**26.6%**	**2 456**	**1 401**

CREDIT RISK
CONTINUED

	a	b	c	d	e	f	g	h	i	j	k	l
PD scale	Original on-balance sheet gross exposure (R'm)	Off-balance sheet exposures pre-CCF (R'm)	Average CCF (%)	EAD (R'm)	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA (R'm)	RWA density (%)	EL (R'm)	Provisions (R'm)
At 31 March 2023												
Bank												
0.00 to <0.15	9 066	7 343	100.0%	16 408	0.04%	63	35.4%	2.5	3 303	20.1%	3	—
0.15 to <0.25	732	—	0.0%	732	0.23%	6	0.0%	2.5	—	0.0%	—	—
0.25 to <0.50	370	—	0.0%	370	0.45%	5	45.0%	2.5	261	70.5%	1	—
0.50 to <0.75	4 631	231	75.0%	4 804	0.64%	9	17.4%	2.5	1 978	41.2%	5	—
0.75 to <2.50	278	—	0.0%	278	1.27%	9	45.0%	2.5	297	106.8%	2	—
2.50 to <10.00	616	10	75.0%	624	3.02%	6	45.0%	2.5	849	136.1%	8	—
10.00 to <100.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
100.00 (Default)	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
Sub-total	**15 693**	**7 584**	**99.2%**	**23 216**	**0.27%**	**96**	**31.1%**	**2.5**	**6 688**	**28.8%**	**19**	**—**
Corporate												
0.00 to <0.15	24 959	16 559	71.2%	36 753	0.07%	1 251	29.1%	2.2	5 060	13.8%	7	—
0.15 to <0.25	11 590	8 512	60.7%	16 753	0.19%	1 712	25.4%	2.1	3 635	21.7%	8	—
0.25 to <0.50	16 855	5 258	84.9%	21 321	0.38%	954	20.5%	2.1	5 372	25.2%	16	—
0.50 to <0.75	9 004	3 128	56.3%	10 766	0.64%	611	27.4%	2.1	5 000	46.4%	19	—
0.75 to <2.50	8 691	1 572	85.4%	10 033	1.17%	1 661	23.2%	2.0	4 484	44.7%	27	—
2.50 to <10.00	5 285	1 064	88.5%	6 227	3.08%	951	17.6%	2.4	2 840	45.6%	34	—
10.00 to <100.00	363	32	111.9%	398	13.38%	152	25.6%	1.5	350	87.8%	14	—
100.00 (Default)	1 344	86	158.3%	1 480	100.00%	41	10.1%	1.5	670	45.3%	720	720
Sub-total	**78 091**	**36 211**	**70.8%**	**103 731**	**1.98%**	**7 295**	**25.0%**	**2.1**	**27 411**	**26.4%**	**845**	**720**
Public sector entities												
0.00 to <0.15	3 152	789	99.0%	3 934	0.02%	7	29.5%	3.5	336	8.5%	—	—
0.15 to <0.25	—	248	100.0%	248	0.16%	2	30.1%	1.3	50	19.9%	—	—
0.25 to <0.50	958	—	0.0%	972	0.32%	1	31.1%	4.6	550	56.5%	1	—
0.50 to <0.75	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
0.75 to <2.50	655	—	0.0%	655	1.28%	1	41.0%	2.5	634	97.0%	3	—
2.50 to <10.00	59	7	26.3%	60	3.62%	1	30.1%	4.7	70	115.4%	1	—
10.00 to <100.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
100.00 (Default)	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
Sub-total	**4 824**	**1 044**	**100.2%**	**5 869**	**0.25%**	**9**	**31.1%**	**3.5**	**1 640**	**27.9%**	**5**	**—**

CREDIT RISK
CONTINUED

	a	b	c	d	e	f	g	h	i	j	k	l
PD scale	Original on-balance sheet gross exposure (R'm)	Off-balance sheet exposures pre-CCF (R'm)	Average CCF (%)	EAD (R'm)	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA (R'm)	RWA density (%)	EL (R'm)	Provisions (R'm)
At 31 March 2023												
Retail – mortgages												
0.00 to <0.15	24 074	21 137	94.0%	43 939	0.07%	17 925	11.7%	4.9	1 033	2.4%	3	—
0.15 to <0.25	21 888	6 799	98.8%	28 603	0.20%	11 939	12.5%	4.8	1 644	5.7%	7	—
0.25 to <0.50	14 513	3 162	102.0%	17 739	0.38%	6 807	12.9%	4.7	1 700	9.6%	9	—
0.50 to <0.75	5 869	778	109.7%	6 722	0.64%	2 458	12.9%	4.7	933	13.9%	6	—
0.75 to <2.50	10 570	1 559	109.3%	12 274	1.25%	4 973	12.7%	4.7	2 606	21.2%	20	—
2.50 to <10.00	6 023	965	109.5%	7 080	4.10%	3 231	12.8%	4.7	3 026	42.7%	37	—
10.00 to <100.00	2 884	130	149.1%	3 077	22.34%	1 346	12.7%	4.8	2 385	77.5%	88	—
100.00 (Default)	1 167	49	237.4%	1 283	100.00%	545	13.0%	4.4	723	56.3%	238	238
Sub-total	**86 988**	**34 578**	**97.5%**	**120 717**	**2.16%**	**49 047**	**12.3%**	**4.8**	**14 050**	**11.6%**	**408**	**238**
Retail – other												
0.00 to <0.15	1 587	588	85.3%	2 090	0.07%	4 254	30.7%	3.3	127	6.1%	—	—
0.15 to <0.25	1 978	203	105.7%	2 192	0.20%	5 293	31.8%	3.6	297	13.6%	1	—
0.25 to <0.50	1 181	132	101.9%	1 316	0.38%	2 981	31.8%	3.4	271	20.6%	2	—
0.50 to <0.75	409	14	131.2%	428	0.64%	1 042	32.1%	3.6	120	27.9%	1	—
0.75 to <2.50	708	53	120.6%	771	1.27%	1 747	31.1%	3.3	279	36.1%	3	—
2.50 to <10.00	380	4	281.8%	392	3.86%	929	32.2%	3.5	191	48.6%	5	—
10.00 to <100.00	165	1	700.3%	170	20.81%	461	31.4%	3.3	120	70.6%	11	—
100.00 (Default)	74	—	—%	78	100.00%	376	31.2%	2.8	36	46.6%	47	47
Sub-total	**6 482**	**996**	**95.9%**	**7 437**	**2.04%**	**17 053**	**31.5%**	**3.4**	**1 441**	**19.4%**	**70**	**47**
Retail – revolving credit												
0.00 to <0.15	208	2 030	92.2%	2 080	0.07%	29 541	32.8%	1.0	31	1.5%	—	—
0.15 to <0.25	250	1 397	91.7%	1 532	0.19%	27 249	29.5%	1.0	49	3.2%	1	—
0.25 to <0.50	325	890	90.6%	1 132	0.38%	17 666	29.8%	1.0	64	5.7%	1	—
0.50 to <0.75	146	377	90.7%	489	0.64%	8 639	28.9%	1.0	41	8.4%	1	—
0.75 to <2.50	365	744	90.3%	1 037	1.30%	17 298	27.6%	1.0	140	13.5%	4	—
2.50 to <10.00	270	204	88.6%	450	3.93%	7 632	28.5%	1.0	138	30.6%	5	—
10.00 to <100.00	129	11	91.2%	139	20.51%	2 506	30.9%	1.0	111	79.8%	9	—
100.00 (Default)	65	8	143.2%	76	100.00%	1 573	28.8%	1.0	60	78.7%	39	39
Sub-total	**1 758**	**5 662**	**91.4%**	**6 935**	**2.13%**	**111 101**	**30.2%**	**1.0**	**634**	**9.1%**	**60**	**39**

CREDIT RISK
CONTINUED

	a	b	c	d	e	f	g	h	i	j	k	l
PD scale	Original on-balance sheet gross exposure (R'm)	Off-balance sheet exposures pre-CCF (R'm)	Average CCF (%)	EAD (R'm)	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA (R'm)	RWA density (%)	EL (R'm)	Provisions (R'm)
At 31 March 2023												
SME – retail												
0.00 to <0.15	481	261	92.5%	723	0.09%	5 782	21.0%	2.5	34	4.7%	—	—
0.15 to <0.25	969	317	93.0%	1 264	0.19%	5 738	18.3%	2.7	96	7.6%	—	—
0.25 to <0.50	918	238	95.5%	1 145	0.39%	2 933	16.7%	2.9	124	10.8%	1	—
0.50 to <0.75	421	81	97.5%	499	0.64%	1 438	16.7%	2.8	73	14.6%	1	—
0.75 to <2.50	873	235	94.1%	1 094	1.22%	4 127	15.8%	2.6	197	18.1%	2	—
2.50 to <10.00	617	149	96.7%	761	4.12%	2 530	14.5%	2.6	167	21.9%	4	—
10.00 to <100.00	224	44	100.3%	268	23.39%	508	14.2%	2.2	89	33.2%	9	—
100.00 (Default)	21	—	0.0%	22	100.00%	198	21.6%	1.8	7	30.8%	9	9
Sub-total	**4 524**	**1 325**	**94.6%**	**5 776**	**2.42%**	**23 115**	**17.0%**	**2.7**	**787**	**13.6%**	**26**	**9**
Sovereign												
0.00 to <0.15	74 223	—	0.0%	74 223	0.01%	6	44.0%	2.5	6 984	9.4%	5	—
0.15 to <0.25	4 403	—	0.0%	4 403	0.16%	3	37.2%	2.5	1 496	34.0%	3	—
0.25 to <0.50	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
0.50 to <0.75	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
0.75 to <2.50	274	—	0.0%	274	1.28%	1	23.1%	2.5	150	54.7%	1	—
2.50 to <10.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
10.00 to <100.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
100.00 (Default)	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
Sub-total	**78 900**	**—**	**0.0%**	**78 900**	**0.03%**	**9**	**43.5%**	**2.5**	**8 630**	**10.9%**	**8**	**—**
Specialised lending												
0.00 to <0.15	2 943	990	96.9%	3 901	0.10%	293	11.9%	2.4	243	6.2%	—	—
0.15 to <0.25	5 607	1 365	96.6%	6 925	0.20%	315	13.4%	2.3	723	10.4%	2	—
0.25 to <0.50	8 796	1 147	94.9%	9 885	0.40%	358	14.6%	2.6	1 760	17.8%	6	—
0.50 to <0.75	8 453	987	93.6%	9 376	0.64%	227	16.1%	2.7	2 427	25.9%	10	—
0.75 to <2.50	33 286	2 333	89.9%	35 383	1.34%	555	19.0%	2.5	13 140	37.1%	91	—
2.50 to <10.00	21 182	895	96.0%	22 042	3.94%	301	24.3%	2.7	14 331	65.0%	224	—
10.00 to <100.00	1 411	35	101.2%	1 446	11.82%	31	31.7%	2.4	1 651	114.1%	54	—
100.00 (Default)	2 649	100	284.0%	2 933	100.00%	20	20.3%	1.4	2 990	101.9%	411	411
Sub-total	**84 327**	**7 852**	**96.3%**	**91 891**	**4.97%**	**1 892**	**19.0%**	**2.5**	**37 265**	**40.6%**	**798**	**411**
Slotting exposure	**18 262**	**6 948**	**75.0%**	**23 474**	**0.00%**	**282**	**0.0%**	**—**	**24 599**	**104.8%**	**324**	**55**
Total (all portfolios)	**379 850**	**102 200**	**86.2%**	**467 946**	**2.09%**	**153 748**	**22.9%**	**2.9**	**123 145**	**26.3%**	**2 563**	**1 519**

CREDIT RISK
CONTINUED

The purpose of the table below is to Illustrate the effect of credit derivatives on the IRB approach capital requirements' calculations.

CR7: IRB – EFFECT ON RWA OF CREDIT DERIVATIVES USED AS CRM TECHNIQUES

		a	b	a	b
		31 March 2024		31 March 2023	
R'million		Pre-credit derivatives RWA(1)	Actual RWA(2)	Pre-credit derivatives RWA	Actual RWA
1	Sovereign – FIRB	8 952	8 952	9 336	9 336
2	Sovereign – AIRB	863	863	934	934
3	Banks – FIRB	3 823	3 823	6 688	6 688
4	Banks – AIRB	—	—	—	—
5	Corporate – FIRB	1 687	1 687	2 055	2 055
6	Corporate – AIRB	27 810	27 810	62 621	62 621
7	Specialised lending - FIRB	—	—	—	—
8	Specialised lending - AIRB	40 423	40 423	—	—
9	Retail – qualifying revolving (QRRE)	679	679	634	634
10	Retail – residential mortgage exposures	15 182	15 182	14 050	14 050
11	Retail –SME	886	886	787	787
12	Other retail exposures	1 564	1 564	1 441	1 441
17	**Total**	**101 869**	**101 869**	**98 546**	**98 546**
	Slotting exposure	23 384	23 384	24 599	24 599
	Total including slotting exposure (3)	**125 253**	**125 253**	**123 145**	**123 145**

(1) The Group has not used any unfunded credit derivatives to reduce RWAs.
(2) RWA excludes risk-weighted assets related to CCR exposures, equity exposures and securitisation exposures.
(3) Rows excluded above are not relevant.

The purpose of this table is to present a flow statement explaining variations in the credit RWAs determined under the IRB approach.

CR8: RWA FLOW STATEMENTS OF CREDIT RISK EXPOSURES UNDER IRB

		a	a	a	a	a
R'million		31 March 2024	31 December 2023	30 September 2023	30 June 2023	31 March 2023
1	**RWA as at end of previous reporting period(1)**	**128 674**	**131 937**	**135 953**	**123 145**	**153 068**
2	Asset size	(3 415)	(2 659)	(3 241)	875	(2 802)
3	Asset quality	(305)	(1 173)	(627)	11 450	(422)
4	Model updates(3)	328	—	(166)	155	(26 501)
5	Methodology and policy	—	—	—	—	—
6	Acquisitions and disposals	—	—	—	—	—
7	Foreign exchange movements	71	(63)	(298)	970	622
8	Other(2)	(100)	632	316	(642)	(820)
9	**RWA as at end of reporting period**	**125 253**	**128 674**	**131 937**	**135 953**	**123 145**

(1) The table above excludes risk-weighted asset movements related to CCR exposures.
(2) Other represents movements not related to any of the specified rows above, such as changes in RWAs due to changes in LGD percentages or maturity factor changes.
(3) March 2023 Model updates relate to the net impact of the benefit of migrating IPRE to AIRB and the migration of HVCRE from STD to FIRB: Slotting.

CREDIT RISK
CONTINUED

CRE: QUALITATIVE DISCLOSURES RELATED TO IRB MODELS

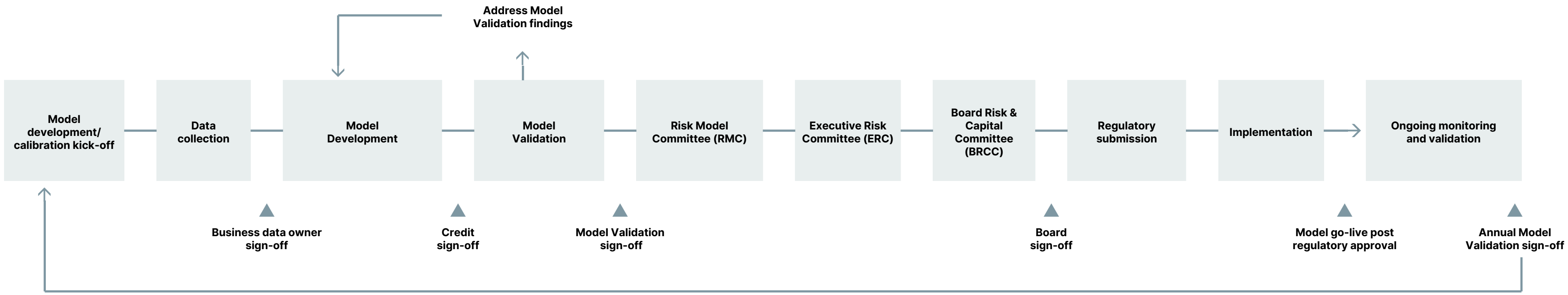
Credit risk approaches across Investec Bank Limited

Credit systems are in place for the AIRB, FIRB and SA approaches, to calculate credit RWA under Basel III, together with sound governance processes to ensure that credit ratings are applied consistently across the Bank. Investec Bank Limited, makes up circa 98% of the total credit extended by Investec Limited and applies a combination of the AIRB, FIRB and SA approaches. The risk estimates generated from internal models are used across the credit process in the business. The Bank uses ratings from eligible external credit assessment institutions (ECAIs) or export credit agencies (ECA) where applicable for deals on the SA approach.

Credit risk assessment

The Bank's approach to capital management utilises both regulatory capital and internal capital, which is an internal risk- based assessment of capital requirements. Capital management primarily relates to management of the interaction of both, with the emphasis on regulatory capital for managing portfolio level capital sufficiency and on internal capital for ensuring that returns are appropriate given the level of risk taken at an individual transaction or business unit level.

The diagram shows the internal model development and governance lifecycle:



Investec's credit rating policy governs all the credit rating models utilised in Investec Bank Limited (IBL) as part of the credit risk management and decision-making process. The objective of this policy is to set out the basic governance around how the credit model outputs are derived, updated, used and monitored. The following committees are part of the credit rating model governance process:

- **Credit:** The Credit function ensures that all relevant risk drivers are taken into account during the model development process, and that the inherent model assumptions and model limitations are understood and considered acceptable. The Credit function confirms that the model will produce outputs that will inform credit decisions at origination and throughout ongoing credit risk monitoring.
- **Risk Model Committee (RMC)** is mandated by the IBL Board Risk and Capital Committee (IBL BRCC) to ensure the soundness of models used in risk management processes including the calculation regulatory and internal capital.
- **IBL Executive Risk Committee (IBL ERC):** IBL ERC is mandated by the Board of Directors of IBL to be the Executive Risk Committee of the Bank. IBL ERC reviews credit rating models and makes the necessary recommendation to the IBL BRCC with regard to the approval thereof.
- **IBL Board Risk and Capital Committee (IBL BRCC):** The Board of IBL has delegated risk management oversight of the Bank to the IBL BRCC. This is the most senior Risk Management Committee of the Bank and comprises both executive and non-executive membership. IBL BRCC approves all material aspects of the Bank's rating and risk estimation processes as set out in the Banks Act Regulations.

Group risk management is responsible for the independent validation and second line monitoring of credit rating models. The model validation unit forms part of the Group risk function with reporting lines up to the Chief Risk Officer. The model development team, responsible for the development of the AIRB models, have reporting lines up to the IBL Finance Director. Therefore, for credit risk models, the development and validation teams have independent reporting lines up to an executive level.

Members of the validation unit are restricted from having any direct involvement with the development of models. Indirect involvement, such as advising on regulatory requirements or limitations of a certain methodology or approach, is encouraged to avoid rejection of models based on faulty methodology or non-compliance with the minimum standards.

All models are subjected to initial validation prior to acceptance and implementation. Once implemented, the implementation is reviewed to ensure that the model has been implemented as built and that it is processing data correctly.

Models may be implemented for internal risk assessment prior to being used in the calculation of regulatory capital. The performance of all implemented models is monitored on an ongoing basis. Finally, any re-calibration or re-build of a model will require a separate validation process.

Credit risk measurement and methodology

The Bank's AIRB and FIRB credit methodology is materially implemented across all major credit portfolios. Under this methodology credit risk is essentially measured by several components.

Probability of Default (PD): measures the likelihood of a client defaulting on credit obligations within the next 12 months. The Regulations require that banks use a through-the-cycle (TTC) PD which will limit volatility.

Loss Given Default (LGD): is the economic loss the Bank expects to incur on a facility should the client default. The Regulations require that banks use downturn LGD estimates in regulatory capital calculations, citing the fact that PDs and LGDs may be correlated. Downturn LGD measures the losses expected during economic downturn conditions.

Exposure at Default (EAD): quantifies the expected exposure on a facility at the time of default. EAD models consider the likelihood that a client would draw down against available facilities in the period leading up to default (limited to 12 months to align to the PD outcome horizon).

Regulatory Expected loss (EL) is a 12-month estimate based on the long-run annual average level of credit losses through a full credit cycle based on historical data. LGD is calculated using data during the downturn period, whereas the PD is determined using TTC data.

The credit risk parameters, together with the relevant capital requirement formulas prescribed in the Regulations per asset class and the effective maturity calculation where required, culminate in the minimum regulatory capital requirements for credit risk.

Retail models are developed using a statistical scorecard-based methodology, primarily driven by the client's account behaviour characteristics and credit bureau information. Wholesale models, on the other hand, use a combination of statistical regression-based scorecards, external data (where available and deemed representative) and expert judgement. Model inputs are typically a combination of quantitative financial information and qualitative inputs.

Whenever possible, PD and downturn LGD models are calibrated to default and loss rates observed from long term internal default data, ensuring that capital estimates meet regulatory requirements. For low-default portfolios where internal default and loss data is scarce or non-existent, representative external benchmarks and specific low-default portfolio calibration techniques are included to ensure appropriate calibration points.

CREDIT RISK
CONTINUED

The table below provides an overview of the rating approaches adopted across the various portfolios:

Portfolios	Number of models	Type of model	Modelling Framework
Corporate & SME Corporate	4	PD	Separate PD models for exposures classified as Corporate and SME Corporate. Regression based scorecard model developed on a combination of internal data, external data (where available and representative) and expert judgment. Model inputs are a combination of quantitative financial information and qualitative inputs.
		LGD	LGDs are derived by discounting the amount recovered on secured and unsecured claims across different resolution states. The economic loss as a percentage of the exposure at default is measured as the LGD.
		EAD	EADs are derived by considering the facilities' current credit limit and applying a credit conversion factor to estimate the likelihood of further drawdowns prior to default. Credit conversion factors are based on a combination of internal data, external data (where available and representative) and expert judgement.
Specialised Lending: IPRE	3	PD	Simulation based cash flow model that measures LTV and debt service of interest and capital relative to the available income.
		LGD	Regression based scorecard that derive LGDs across different resolution states. The economic loss, a percentage of EAD, is estimated considering a number of internal factors, including LTV and explicit support.
		EAD	EADs are derived by considering the facilities' current credit limit and applying a credit conversion factor to estimate the likelihood of further drawdowns prior to default. Credit conversion factors are based on a combination of internal data, external data (where available and representative) and expert judgement.
Bank & Sovereigns	2	PD	Regression based scorecard model developed on a combination of internal data, external data (where available and representative) and expert judgement. Model inputs are a combination of quantitative financial information and qualitative inputs.
Insurance	1	PD	Regression based scorecard model developed on a combination of internal data, external data (where available and representative) and expert judgment. Model inputs are a combination of quantitative financial information and qualitative inputs.
Retail	5	PD	Statistical scorecard models that use internal account behaviour characteristics of the client as well as credit bureau characteristics (where available) to determine a client specific PD which is calibrated to the observed long-run default rates.
		LGD	LGDs are derived by discounting the amount recovered on secured and unsecured claims across different resolution states. The economic loss as a percentage of the exposure at default is measured as the LGD.
		EAD	EADs are derived by considering the facilities' current credit limit and applying a credit conversion factor to estimate the likelihood of further drawdowns prior to default. Credit conversion factors are based on a combination of internal data, external data (where available and representative) and expert judgement.

CREDIT RISK
CONTINUED

CR9: IRB – BACKTESTING OF PD PER PORTFOLIO

The purpose of the table below is to provide backtesting data to validate the reliability of the PD calculations. In particular, the template compares the PD used in IRB capital calculations with the effective default rates of bank obligors.

a	b	c	d	e	f		g	h	i
					Number of obligors[3]				
Portfolio	PD Range	External rating equivalent	Weighted average PD[1]	Arithmetic average PD by obligors[2]	End of previous year	End of the year	Defaulted obligors in the year[4]	of which: new defaulted obligors in the year[5]	Average historical annual default rate[6]
At 31 March 2024									
Banks	0.00 to <0.15	AAA+, AA+	0.047%	0.051%	63	59	—	—	0.000%
	0.15 to <0.25	AA	0.216%	0.207%	6	7	—	—	0.000%
	0.25 to <0.50	AA-/A+	0.320%	0.364%	5	6	—	—	0.000%
	0.50 to <0.75	A	0.640%	0.640%	9	12	—	—	0.000%
	0.75 to <2.50	A-/BBB+	1.291%	1.678%	9	8	—	—	0.000%
	2.50 to <10.00	BBB to BB	2.569%	3.077%	6	7	—	—	0.000%
	10.00 to <100.00	BB- and below	0.000%	—%	—	—	—	—	0.000%
	100.00 (Default)	Default	0.000%	—%	—	—			
Sub-total			**0.148%**	**0.524%**	**96**	**94**	**—**	**—**	**0.000%**
Corporate	0.00 to <0.15	AAA+, AA+	0.071%	0.094%	1 251	1 186	1	—	0.047%
	0.15 to <0.25	AA	0.188%	0.184%	1 712	1 702	—	—	0.303%
	0.25 to <0.50	AA-/A+	0.401%	0.385%	954	950	1	—	0.098%
	0.50 to <0.75	A	0.640%	0.640%	611	645	1	—	0.088%
	0.75 to <2.50	A-/BBB+	1.290%	1.280%	1 661	1 630	2	—	0.235%
	2.50 to <10.00	BBB to BB	3.457%	3.788%	951	947	6	1	0.519%
	10.00 to <100.00	BB- and below	13.826%	17.284%	152	170	2	—	3.539%
	100.00 (Default)	Default	100.000%	100.000%	41	50			
Sub-total			**1.944%**	**2.046%**	**7 295**	**7 243**	**13**	**1**	**0.276%**
Public sector entities	0.00 to <0.15	AAA+, AA+	0.014%	0.024%	7	4	—	—	0.000%
	0.15 to <0.25	AA	0.000%	—%	2	—	—	—	0.000%
	0.25 to <0.50	AA-/A+	0.364%	—%	1	5	—	—	0.000%
	0.50 to <0.75	A	0.000%	—%	—	—	—	—	0.000%
	0.75 to <2.50	A-/BBB+	0.953%	1.545%	1	2	—	—	0.000%
	2.50 to <10.00	BBB to BB	0.000%	7.241%	1	—	—	—	0.000%
	10.00 to <100.00	BB- and below	0.000%	—%	—	—	—	—	0.000%
	100.00 (Default)	Default	0.000%	—%	—	—			
Sub-total			**0.210%**	**1.053 %**	**9**	**9**	**—**	**—**	**0.000%**

(1) Weighted average PD – the EAD weighted PD as reported in table CR6.
(2) Arithmetic average PD by obligors – PD within range divided by number of obligors within the range.
(3) Number of obligors – the number of obligors within the PD range at the beginning and end of the observation period.
(4) Defaulted obligors in the year – the total number of obligors in default at any point within the observation period.
(5) New obligors defaulted in the year – the number of obligors that were new during the observation period and went into default within the observation period.
(6) Average historical annual default rate – an average of the previous five years' annual default rates.

CREDIT RISK
CONTINUED

a	b	c	d	e	f		g	h	i
					Number of obligors				
Portfolio	PD Range	External rating equivalent	Weighted average PD	Arithmetic average PD by obligors	End of previous year	End of the year	Defaulted obligors in the year	of which: new defaulted obligors in the year	Average historical annual default rate
At 31 March 2024									
Retail – mortgage	0.00 to <0.15	AAA+, AA+	0.067%	0.065%	17 925	19 085	15	1	0.032%
	0.15 to <0.25	AA	0.196%	0.194%	11 939	12 110	6	—	0.032%
	0.25 to <0.50	AA-/A+	0.382%	0.384%	6 807	7 252	17	4	0.146%
	0.50 to <0.75	A	0.640%	0.640%	2 458	2 759	4	—	0.078%
	0.75 to <2.50	A-/BBB+	1.250%	1.246%	4 973	5 089	34	3	0.360%
	2.50 to <10.00	BBB to BB	4.168%	4.092%	3 231	3 145	116	8	1.858%
	10.00 to <100.00	BB- and below	22.964%	23.124%	1 346	1 484	386	6	20.870%
	100.00 (Default)	Default	100.000%	100.000%	545	742			
Sub-total			**2.382%**	**2.639%**	**49 047**	**51 491**	**578**	**22**	**0.841%**
Retail – other	0.00 to <0.15	AAA+, AA+	0.070%	0.072%	4 254	3 858	1	—	0.029%
	0.15 to <0.25	AA	0.199%	0.199%	5 293	5 199	2	—	0.028%
	0.25 to <0.50	AA-/A+	0.388%	0.386%	2 981	3 001	5	1	0.128%
	0.50 to <0.75	A	0.640%	0.640%	1 042	1 202	4	—	0.144%
	0.75 to <2.50	A-/BBB+	1.274%	1.265%	1 747	1 869	19	2	0.342%
	2.50 to <10.00	BBB to BB	3.994%	4.134%	929	1 042	25	3	1.394%
	10.00 to <100.00	BB- and below	22.488%	23.416%	461	596	155	11	23.738%
	100.00 (Default)	Default	100.000%	100.000%	376	550			
Sub-total			**2.708%**	**4.561%**	**17 053**	**17 291**	**211**	**17**	**0.709%**
Retail – revolving credit	0.00 to <0.15	AAA+, AA+	0.070%	0.070%	29 541	31 053	10	1	0.024%
	0.15 to <0.25	AA	0.192%	0.196%	27 249	29 098	18	2	0.044%
	0.25 to <0.50	AA-/A+	0.377%	0.372%	17 666	19 441	40	4	0.136%
	0.50 to <0.75	A	0.640%	0.640%	8 639	10 878	19	1	0.102%
	0.75 to <2.50	A-/BBB+	1.308%	1.249%	17 298	18 134	239	29	0.672%
	2.50 to <10.00	BBB to BB	3.919%	3.819%	7 632	8 680	448	32	5.653%
	10.00 to <100.00	BB- and below	21.428%	21.359%	2 506	3 039	1 083	67	28.482%
	100.00 (Default)	Default	100.000%	100.000%	1 573	2 127			
Sub-total			**2.586%**	**2.930 %**	**111 101**	**121 341**	**1 857**	**136**	**1.274%**

CREDIT RISK
CONTINUED

a	b	c	d	e	f		g	h	i
					Number of obligors				
Portfolio	PD Range	External rating equivalent	Weighted average PD	Arithmetic average PD by obligors	End of previous year	End of the year	Defaulted obligors in the year	of which: new defaulted obligors in the year	Average historical annual default rate
At 31 March 2024									
SME – retail	0.00 to <0.15	AAA+, AA+	0.095%	0.096%	5 782	6 335	9	—	0.042%
	0.15 to <0.25	AA	0.193%	0.187%	5 738	6 718	1	1	0.027%
	0.25 to <0.50	AA-/A+	0.382%	0.378%	2 933	3 235	5	2	0.065%
	0.50 to <0.75	A	0.640%	0.640%	1 438	1 757	3	—	0.122%
	0.75 to <2.50	A-/BBB+	1.237%	1.287%	4 127	4 741	35	2	0.488%
	2.50 to <10.00	BBB to BB	4.109%	3.736%	2 530	2 925	107	8	2.311%
	10.00 to <100.00	BB- and below	22.621%	18.959%	508	588	92	9	8.464%
	100.00 (Default)	Default	100.000%	100.000%	198	287			
Sub-total			**2.616%**	**2.310%**	**23 115**	**26 448**	**252**	**22**	**0.841%**
Sovereign	0.00 to <0.15	AAA+, AA+	0.014%	0.017%	6	6	—	—	10.159%
	0.15 to <0.25	AA	0.000%	—%	3	—	1	1	10.000%
	0.25 to <0.50	AA-/A+	0.453%	0.453%	—	1	—	—	0.000%
	0.50 to <0.75	A	0.640%	0.640%	—	2	—	—	0.000%
	0.75 to <2.50	A-/BBB+	1.638%	1.545%	1	2	—	—	0.000%
	2.50 to <10.00	BBB to BB	0.000%	—%	—	—	—	—	0.000%
	10.00 to <100.00	BB- and below	0.000%	—%	—	—	—	—	0.000%
	100.00 (Default)	Default	0.000%	—%	—	—			
Sub-total			**0.072%**	**1.473%**	**9**	**10**	**1**	**1**	**8.032%**
Specialised lending	0.00 to <0.15	AAA+, AA+	0.097%	0.095%	293	258	2	—	0.295%
	0.15 to <0.25	AA	0.189%	0.194%	315	313	—	—	0.172%
	0.25 to <0.50	AA-/A+	0.398%	0.390%	358	382	1	—	0.424%
	0.50 to <0.75	A	0.640%	0.640%	227	245	1	—	0.731%
	0.75 to <2.50	A-/BBB+	1.330%	1.299%	555	590	3	—	0.547%
	2.50 to <10.00	BBB to BB	3.697%	3.732%	301	313	2	—	0.917%
	10.00 to <100.00	BB- and below	15.388%	16.938%	31	29	6	1	4.871%
	100.00 (Default)	Default	100.000%	100.000%	20	29			
Sub-total			**6.690%**	**2.982 %**	**1 892**	**1 917**	**15**	**1**	**0.539%**

CREDIT RISK
CONTINUED

a	b	c	d	e	f		g	h	i
					Number of obligors[3]				
Portfolio	PD Range	External rating equivalent	Weighted average PD[1]	Arithmetic average PD by obligors[2]	End of previous year	End of the year	Defaulted obligors in the year[4]	of which: new defaulted obligors in the year[5]	Average historical annual default rate[6]
At 31 March 2023									
Banks	0.00 to <0.15	AAA+, AA+	0.045%	0.051%	70	63	—	—	0.000%
	0.15 to <0.25	AA	0.226%	0.204%	10	6	—	—	0.000%
	0.25 to <0.50	AA-/A+	0.453%	0.400%	—	5	—	—	0.000%
	0.50 to <0.75	A	0.640%	0.640%	11	9	—	—	0.000%
	0.75 to <2.50	A-/BBB+	1.265%	1.391%	9	9	—	—	0.000%
	2.50 to <10.00	BBB to BB	3.021%	2.737%	—	6	—	—	0.000%
	10.00 to <100.00	BB- and below	0.000%	—%	—	—	—	—	0.000%
	100.00 (Default)	Default	0.000%	—%	—	—			
Sub-total			**0.275%**	**0.429%**	**100**	**98**	**—**	**—**	**0.000%**
Corporate	0.00 to <0.15	AAA+, AA+	0.070%	0.092%	1 277	1 251	—	—	0.030%
	0.15 to <0.25	AA	0.185%	0.185%	1 685	1 712	1	—	0.378%
	0.25 to <0.50	AA-/A+	0.385%	0.387%	918	954	2	—	0.082%
	0.50 to <0.75	A	0.640%	0.640%	593	611	—	—	0.025%
	0.75 to <2.50	A-/BBB+	1.168%	1.303%	1 751	1 661	3	—	0.208%
	2.50 to <10.00	BBB to BB	3.082%	3.770%	919	951	1	—	0.375%
	10.00 to <100.00	BB- and below	13.385%	17.511%	157	152	1	—	3.862%
	100.00 (Default)	Default	100.000%	100.000%	34	41			
Sub-total			**1.976%**	**1.878%**	**7 334**	**7 333**	**8**	**—**	**0.200%**
Public sector entities	0.00 to <0.15	AAA+, AA+	0.016%	0.037%	8	7	—	—	0.000%
	0.15 to <0.25	AA	0.160%	0.193%	—	2	—	—	0.000%
	0.25 to <0.50	AA-/A+	0.320%	0.320%	—	1	—	—	0.000%
	0.50 to <0.75	A	0.000%	—%	—	—	—	—	0.000%
	0.75 to <2.50	A-/BBB+	1.280%	1.280%	2	1	—	—	0.000%
	2.50 to <10.00	BBB to BB	3.620%	3.620%	—	1	—	—	0.000%
	10.00 to <100.00	BB- and below	0.000%	—%	—	—	—	—	0.000%
	100.00 (Default)	Default	0.000%	—%	—	—			
Sub-total			**0.251%**	**0.651 %**	**10**	**12**	**—**	**—**	**0.000%**

(1) Weighted average PD – the EAD weighted PD as reported in table CR6.
(2) Arithmetic average PD by obligors – PD within range divided by number of obligors within the range.
(3) Number of obligors – the number of obligors within the PD range at the beginning and end of the observation period.
(4) Defaulted obligors in the year – the total number of obligors in default at any point within the observation period.
(5) New obligors defaulted in the year – the number of obligors that were new during the observation period and went into default within the observation period.
(6) Average historical annual default rate – an average of the previous four years' annual default rates since inception of reporting on the IRB approach.

CREDIT RISK
CONTINUED

a	b	c	d	e	f		g	h	i
					Number of obligors				
Portfolio	PD Range	External rating equivalent	Weighted average PD	Arithmetic average PD by obligors	End of previous year	End of the year	Defaulted obligors in the year	of which: new defaulted obligors in the year	Average historical annual default rate
At 31 March 2023									
Retail – mortgage	0.00 to <0.15	AAA+, AA+	0.067%	0.064%	17 795	17 925	9	1	0.020%
	0.15 to <0.25	AA	0.197%	0.196%	11 324	11 939	6	2	0.028%
	0.25 to <0.50	AA-/A+	0.382%	0.382%	6 080	6 807	18	—	0.126%
	0.50 to <0.75	A	0.640%	0.640%	2 136	2 458	5	1	0.062%
	0.75 to <2.50	A-/BBB+	1.251%	1.264%	4 516	4 973	22	1	0.288%
	2.50 to <10.00	BBB to BB	4.104%	4.033%	2 599	3 231	60	2	1.332%
	10.00 to <100.00	BB- and below	22.342%	22.622%	1 085	1 346	298	9	20.782%
	100.00 (Default)	Default	100.000%	100.000%	445	545			
Sub-total			**2.163%**	**2.282%**	**45 980**	**49 224**	**418**	**16**	**0.761%**
Retail – other	0.00 to <0.15	AAA+, AA+	0.070%	0.071%	2 455	4 254	4	3	0.032%
	0.15 to <0.25	AA	0.199%	0.199%	2 647	5 293	5	3	0.028%
	0.25 to <0.50	AA-/A+	0.382%	0.386%	1 509	2 981	3	2	0.128%
	0.50 to <0.75	A	0.640%	0.640%	526	1 042	—	—	0.114%
	0.75 to <2.50	A-/BBB+	1.273%	1.261%	924	1 747	11	6	0.228%
	2.50 to <10.00	BBB to BB	3.858%	3.935%	578	929	27	9	1.265%
	10.00 to <100.00	BB- and below	20.808%	22.513%	186	461	123	46	24.981%
	100.00 (Default)	Default	100.000%	100.000%	296	376			
Sub-total			**2.038%**	**3.343%**	**9 121**	**17 083**	**173**	**69**	**0.659%**
Retail – revolving credit	0.00 to <0.15	AAA+, AA+	0.070%	0.070%	29 150	29 541	12	1	0.021%
	0.15 to <0.25	AA	0.192%	0.196%	25 286	27 249	14	2	0.039%
	0.25 to <0.50	AA-/A+	0.379%	0.373%	16 191	17 666	37	6	0.117%
	0.50 to <0.75	A	0.640%	0.640%	7 918	8 639	13	1	0.082%
	0.75 to <2.50	A-/BBB+	1.299%	1.231%	15 515	17 298	193	22	0.503%
	2.50 to <10.00	BBB to BB	3.927%	3.764%	6 672	7 632	412	37	5.878%
	10.00 to <100.00	BB- and below	20.511%	20.762%	2 033	2 506	846	63	28.844%
	100.00 (Default)	Default	100.000%	100.000%	966	1 573			
Sub-total			**2.128%**	**2.510%**	**103 731**	**112 104**	**1 527**	**132**	**1.206%**

CREDIT RISK
CONTINUED

a	b	c	d	e	f		g	h	i
					Number of obligors				
Portfolio	PD Range	External rating equivalent	Weighted average PD	Arithmetic average PD by obligors	End of previous year	End of the year	Defaulted obligors in the year	of which: new defaulted obligors in the year	Average historical annual default rate
At 31 March 2023									
SME – retail	0.00 to <0.15	AAA+, AA+	0.091%	0.095%	5 113	5 782	1	—	0.012%
	0.15 to <0.25	AA	0.190%	0.187%	4 966	5 738	5	3	0.029%
	0.25 to <0.50	AA-/A+	0.385%	0.379%	2 570	2 933	2	1	0.041%
	0.50 to <0.75	A	0.640%	0.640%	1 239	1 438	3	—	0.109%
	0.75 to <2.50	A-/BBB+	1.222%	1.283%	3 685	4 127	32	2	0.431%
	2.50 to <10.00	BBB to BB	4.123%	3.762%	2 143	2 530	77	5	2.028%
	10.00 to <100.00	BB- and below	23.391%	18.856%	427	508	55	3	7.232%
	100.00 (Default)	Default	100.000%	100.000%	122	198			
Sub-total			**2.424%**	**2.070%**	**20 265**	**23 254**	**175**	**14**	**0.743%**
Sovereign	0.00 to <0.15	AAA+, AA+	0.014%	0.013%	9	6	—	—	12.698%
	0.15 to <0.25	AA	0.160%	0.160%	—	3	—	—	0.000%
	0.25 to <0.50	AA-/A+	0.000%	—%	2	—	—	—	0.000%
	0.50 to <0.75	A	0.000%	—%	—	—	—	—	0.000%
	0.75 to <2.50	A-/BBB+	1.280%	1.280%	1	1	—	—	0.000%
	2.50 to <10.00	BBB to BB	0.000%	—%	—	—	—	—	0.000%
	10.00 to <100.00	BB- and below	0.000%	—%	—	—	—	—	0.000%
	100.00 (Default)	Default	0.000%	—%	1	—			
Sub-total			**0.026%**	**0.204%**	**13**	**10**	**—**	**—**	**10.823%**
Specialised lending	0.00 to <0.15	AAA+, AA+	0.099%	0.095%	323	293	—	—	0.215%
	0.15 to <0.25	AA	0.195%	0.199%	326	315	1	—	0.215%
	0.25 to <0.50	AA-/A+	0.403%	0.392%	384	358	5	—	0.464%
	0.50 to <0.75	A	0.640%	0.640%	199	227	1	—	0.799%
	0.75 to <2.50	A-/BBB+	1.336%	1.293%	490	555	3	—	0.545%
	2.50 to <10.00	BBB to BB	3.943%	3.729%	271	301	4	—	0.953%
	10.00 to <100.00	BB- and below	11.819%	13.807%	48	31	1	1	1.402%
	100.00 (Default)	Default	100.000%	100.000%	13	20	—	—	0.000%
Sub-total			**4.966%**	**2.455%**	**2 054**	**2 100**	**15**	**1**	**0.515%**

CREDIT RISK
CONTINUED

CR10: IRB (SPECIALISED LENDING AND EQUITIES UNDER THE SLOTTING APPROACH)

The purpose of the table below is to provide quantitative disclosures of the Group's specialised lending – slotting approach and equity exposures using the simple risk-weight approach.

R'million		Specialised lending – slotting approach							
		Other than HVCRE[3]							
					Exposure amount				
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	RW	PF[1]	OF[2]	Total	RWA	Expected losses
At 31 March 2024									
Strong	Less than 2.5 years	799	263	70%	531	465	996	730	4
	Equal to or more than 2.5 years	7 143	1 499	70%	7 628	639	8 267	6 029	33
Good	Less than 2.5 years	290	119	90%	306	74	380	325	3
	Equal to or more than 2.5 years	1 527	17	90%	1 540	—	1 540	1 378	12
Satisfactory		325	—	115%	305	20	325	396	9
Weak		36	—	250%	—	36	36	95	3
Default		304	—	—	304	—	304	—	152
Total		**10 424**	**1 898**	**—%**	**10 614**	**1 234**	**11 848**	**8 953**	**216**

		HVCRE[3]					
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount	RWA	Expected losses
Strong	Less than 2.5 years	280	42	95%	312	314	1
	Equal to or more than 2.5 years	722	10	95%	729	734	2
Good	Less than 2.5 years	6 161	2 570	120%	8 089	10 291	32
	Equal to or more than 2.5 years	1 679	592	120%	2 123	2 700	8
Satisfactory		243	28	140%	264	392	—
Weak		—	—	250%	—	—	—
Default		173	74	—	228	—	120
Total		**9 258**	**3 316**		**11 745**	**14 431**	**163**

(1) PF: Specialised lending – Project finance asset class
(2) OF: Specialised lending – Object finance asset class
(3) HVCRE: High-volatility commercial real estate

CREDIT RISK
CONTINUED

R'million		Specialised lending – slotting approach							
		Other than HVCRE(3)							
					Exposure amount				
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	RW	PF[1]	OF[2]	Total	RWA	Expected losses
At 31 March 2023									
Strong	Less than 2.5 years	360	508	70%	381	360	741	550	3
	Equal to or more than 2.5 years	5 263	1 948	70%	6 414	310	6 724	4 934	27
Good	Less than 2.5 years	394	20	70%	409	—	409	390	3
	Equal to or more than 2.5 years	1 356	138	90%	1 460	—	1 460	1 275	11
Satisfactory		360	—	115%	306	54	360	438	10
Weak		—	—	250%	—	—	—	—	—
Default		355	—	—	355	—	355	—	178
Total		**8 088**	**2 614**		**9 325**	**724**	**10 049**	**7 587**	**232**

		HVCRE[3]					
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount	RWA	Expected losses
Strong	Less than 2.5 years	392	37	95%	420	423	2
	Equal to or more than 2.5 years	201	50	95%	238	240	1
Good	Less than 2.5 years	7 054	3 700	120%	9 829	12 503	38
	Equal to or more than 2.5 years	1 761	461	120%	2 107	2 679	8
Satisfactory		744	56	140%	786	1 167	—
Weak		—	—	250%	—	—	—
Default		22	31	—	45	—	22
Total		**10 174**	**4 334**		**13 425**	**17 012**	**71**

(1) PF: Specialised lending – Project finance asset class
(2) OF: Specialised lending – Object finance asset class
(3) HVCRE: High-volatility commercial real estate

COUNTERPARTY CREDIT RISK

CCRA: QUALITATIVE DISCLOSURE RELATED TO COUNTERPARTY CREDIT RISK

Refer to pages 46 to 51 of the Investec Annual Report 2024 - Investec risk and governance report for additional information on the main characteristics of counterparty credit risk management.

The relevant credit committees will also consider wrong-way risk at the time of granting credit limits to each counterparty. In the banking book environment, wrong-way risk occurs where the value of collateral to secure a transaction, or guarantor, is positively correlated with the probability of default of the borrower or counterparty. For counterparty credit risk resulting from transactions in traded products (such as OTC derivatives), wrong-way risk is defined as exposure to a counterparty that is adversely correlated with the credit quality of that counterparty. It arises when default risk and credit exposure increase together. SA-CCR methodology is used to calculate capital requirements for derivatives.

The purpose of the table below is to provide a view of the methods used to calculate counterparty credit risk regulatory requirements and the main parameters used within each method.

CCR1: ANALYSIS OF COUNTERPARTY CREDIT RISK (CCR) EXPOSURE BY APPROACH

		a	b	c	d	e	f
R'million		Replacement cost[(1)]	Potential future exposure	EEPE	Alpha used for computing regulatory EAD[(3)]	EAD post-CRM	RWA
At 31 March 2024							
1	SA-CCR (for derivatives)[(2)]	2 168	4 802		1.4	9 756	4 980
2	Internal Model Method (for derivatives and SFTs)			—	—	—	—
3	Simple Approach for credit risk mitigation (for SFTs)					—	—
4	Comprehensive Approach for credit risk mitigation (for SFTs)[(4)]					6 754	1 556
5	VaR for SFTs					—	—
6	**Total**						**6 536**
At 31 March 2023							
1	SA-CCR (for derivatives)	8 114	7 677		1.4	19 886	7 252
2	Internal Model Method (for derivatives and SFTs)			—	—	—	—
3	Simple Approach for credit risk mitigation (for SFTs)					—	—
4	Comprehensive Approach for credit risk mitigation (for SFTs)					2 495	516
5	VaR for SFTs					—	—
6	**Total**						**7 768**

(1) Replacement cost in column (a) is reported as the net replacement cost where ISDA agreements exist.
(2) Counterparty credit risk exposures reported above include OTC derivative exposures but exclude CVA charges or exposures cleared through a CCP.
(3) Alpha is in line with SA-CCR requirements.
(4) SFT exposures are mainly as a result of repurchase and resale agreements.

Credit valuation adjustment (CVA) in the regulatory context is a capital charge to take into account possible volatility in the value of derivative instruments due to changes in the credit quality of the Bank's counterparty. Exchange-traded and centrally cleared derivatives are exempt from the CVA capital framework. We currently apply the SA to the calculation of the CVA capital requirement. The Group's exposure to unexpected changes to the CVA reserve is generally expected to be low, as the trading of OTC derivatives is predominantly for hedging purposes and transacted with high credit quality financial counterparties largely on a collateralised basis.

The purpose of the table below is to show the CVA regulatory exposure and RWAs.

CCR2: CREDIT VALUATION ADJUSTMENT (CVA) CAPITAL CHARGE

		a	b	a	b
		31 March 2024		31 March 2023	
R'million		EAD	RWA	EAD	RWA
Total portfolios subject to the Advanced CVA capital charge					
1	(i) VaR component (including the 3 × multiplier)		—		—
2	(ii) Stressed VaR component (including the 3×multiplier)		—		—
3	All portfolios subject to the standardised CVA capital charge	9 297	2 637	13 905	3 477
4	**Total subject to the CVA capital charge**	**9 297**	**2 637**	**13 905**	**3 477**

COUNTERPARTY CREDIT RISK
CONTINUED

The purpose of the table below is to provide a breakdown of counterparty credit risk exposures calculated according to the SA by portfolio (type of counterparties) and by risk weight (riskiness attributed according to SA).

CCR3: STANDARDISED APPROACH OF CCR EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS

	a	b	c	d	e	f	g	h	i
R'million	**0%**	**10%**	**20%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposure**
At 31 March 2024									
Regulatory portfolio									
Sovereigns	—	—	—	—	—	—	—	—	—
Non-central government public sector entities (PSEs)	—	—	—	—	—	—	—	—	—
Multilateral development banks (MDBs)	—	—	—	—	—	—	—	—	—
Banks	3 848	—	2 033	593	—	—	—	—	6 474
Securities firms	62	—	—	155	—	—	—	—	217
Corporates	16 985	—	18	697	—	3 215	—	—	20 915
Regulatory retail portfolios	—	—	—	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	—	—	—
Total	**20 895**	**—**	**2 051**	**1 445**	**—**	**3 215**	**—**	**—**	**27 606**
At 31 March 2023									
Regulatory portfolio									
Sovereigns	—	—	—		—	—	—	—	—
Non-central government public sector entities (PSEs)	—	—	—		—	—	—	—	—
Multilateral development banks (MDBs)	—	—	—		—	—	—	—	—
Banks	5 760	—	968	986	—	—	—	—	7 714
Securities firms	—	—	—	418	—	—	—	—	418
Corporates	4 847	—	—	765	—	2 421	—	—	8 033
Regulatory retail portfolios	—	—	—	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	—	—	—
Total	**10 607**	**—**	**968**	**2 169**	**—**	**2 421**	**—**	**—**	**16 165**

COUNTERPARTY CREDIT RISK
CONTINUED

The purpose of the table below is to provide all relevant parameters used for the calculation of counterparty credit risk capital requirements for IRB models.

CCR4: IRB – CCR EXPOSURES BY PORTFOLIO AND PD SCALE

		a	b	c	d	e	f	g
R'million	PD scale	EAD (R'm)	Average PD (%)	Number of obligors(2)	Average LGD (%)	Average maturity (years)(1)	RWA (R'm)	RWA density (%)
At 31 March 2024								
Banks	0.00 to <0.15	5 692	0.050%	37	45.0%	1.3	1 030	18.1%
	0.15 to <0.25	107	0.226%	2	45.0%	2.5	71	66.1%
	0.25 to <0.50	85	0.453%	1	45.0%	0.5	40	46.9%
	0.50 to <0.75	—	0.000%	—	0.0%	—	—	0.0%
	0.75 to <2.50	—	0.000%	—	0.0%	—	—	0.0%
	2.50 to <10.00	—	0.000%	—	0.0%	—	—	0.0%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**5 884**	**0.060%**	**41**	**45.0%**	**1.0**	**1 141**	**19.4%**
Corporate	0.00 to <0.15	1 733	0.052%	47	40.2%	1.0	205	11.8%
	0.15 to <0.25	1 394	0.173%	41	41.9%	1.1	471	33.8%
	0.25 to <0.50	597	0.439%	55	40.1%	1.3	294	49.3%
	0.50 to <0.75	38	0.640%	27	32.9%	1.3	19	49.7%
	0.75 to <2.50	48	1.126%	47	32.7%	1.0	28	58.4%
	2.50 to <10.00	95	2.824%	39	34.4%	1.0	81	85.6%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**3 905**	**0.241%**	**257**	**40.5%**	**1.0**	**1 097**	**28.1%**
Public sector entities	0.00 to <0.15	—	0.000%	—	0.0%	—	—	0.0%
	0.15 to <0.25	—	0.000%	—	0.0%	—	—	0.0%
	0.25 to <0.50	7	0.453%	1	30.1%	1.0	2	33.2%
	0.50 to <0.75	—	0.000%	—	0.0%	—	—	0.0%
	0.75 to <2.50	—	0.000%	—	0.0%	—	—	0.0%
	2.50 to <10.00	1	3.620%	1	30.1%	1.0	1	103.7%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**8**	**0.953%**	**2**	**30.1%**	**1.0**	**3**	**42.9%**
SME – retail	0.00 to <0.15	—	0.000%	—	0.0%	—	—	0.0%
	0.15 to <0.25	—	0.000%	—	0.0%	—	—	0.0%
	0.25 to <0.50	—	0.000%	—	0.0%	—	—	0.0%
	0.50 to <0.75	—	0.000%	—	0.0%	—	—	0.0%
	0.75 to <2.50	—	0.000%	—	0.0%	—	—	0.0%
	2.50 to <10.00	—	0.000%	—	0.0%	—	—	0.0%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**—**	**0.000%**	**—**	**0.0%**	**—**	**—**	**0.0%**
Sovereign	0.00 to <0.15	—	0.000%	—	0.0%	—	—	0.0%
	0.15 to <0.25	—	0.000%	—	0.0%	—	—	0.0%
	0.25 to <0.50	—	0.000%	—	0.0%	—	—	0.0%
	0.50 to <0.75	—	0.000%	—	0.0%	—	—	0.0%
	0.75 to <2.50	—	0.000%	—	0.0%	—	—	0.0%
	2.50 to <10.00	—	0.000%	—	0.0%	—	—	0.0%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**—**	**0.000%**	**—**	**0.0%**	**—**	**—**	**0.0%**
Total (all portfolios)		**9 797**	**0.133%**	**295**	**43.2%**	**1.0**	**2 242**	**22.9%**

(1) Average maturity represents the obligor maturity in years, weighted by EAD, as used in the RWA calculation.
(2) Represents the number of unique obligors. The total number of unique obligors will not equal the sum of the obligors in the underlying asset classes since an obligor may be present in more than one asset class.

COUNTERPARTY CREDIT RISK
CONTINUED

		a	b	c	d	e	f	g
R'million	PD scale	EAD (R'm)	Average PD (%)	Number of obligors[(2)]	Average LGD (%)	Average maturity (years)[(1)]	RWA (R'm)	RWA density (%)
At 31 March 2023								
Banks	0.00 to <0.15	7 063	0.055%	36	41.0%	2.1	1 648	23.3%
	0.15 to <0.25	826	0.160%	4	45.0%	0.8	287	34.7%
	0.25 to <0.50	2	0.320%	2	0.0%	1.0	—	0.0%
	0.50 to <0.75	7	0.640%	6	45.0%	2.5	8	109.4%
	0.75 to <2.50	4	1.810%	1	45.0%	2.5	5	127.5%
	2.50 to <10.00	—	0.000%	—	0.0%	—	—	0.0%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**7 902**	**0.067%**	**49**	**41.4%**	**2.0**	**1 948**	**24.6%**
Corporate	0.00 to <0.15	2 859	0.044%	34	43.1%	2.3	645	22.5%
	0.15 to <0.25	839	0.197%	40	36.2%	1.5	252	30.1%
	0.25 to <0.50	1 840	0.328%	59	29.8%	2.2	688	37.4%
	0.50 to <0.75	1 345	0.640%	45	12.7%	1.6	297	22.1%
	0.75 to <2.50	68	1.383%	62	39.8%	1.2	52	75.8%
	2.50 to <10.00	29	3.334%	31	33.1%	1.9	26	90.2%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**6 980**	**0.281%**	**273**	**32.8%**	**2.0**	**1 960**	**28.1%**
Public sector entities	0.00 to <0.15	4	0.080%	1	30.1%	1.1	—	12.5%
	0.15 to <0.25	—	0.000%	—	0.0%	—	—	0.0%
	0.25 to <0.50	—	0.000%	—	0.0%	—	—	0.0%
	0.50 to <0.75	—	0.000%	—	0.0%	—	—	0.0%
	0.75 to <2.50	—	0.000%	—	0.0%	—	—	0.0%
	2.50 to <10.00	58	3.620%	1	30.1%	1.0	49	83.1%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**62**	**3.377%**	**2**	**30.1%**	**1.0**	**49**	**78.1%**
SME – retail	0.00 to <0.15	1	0.113%	3	37.7%	1.0	—	10.4%
	0.15 to <0.25	1	0.226%	1	37.7%	1.0	—	9.2%
	0.25 to <0.50	—	0.000%	—	0.0%	—	—	0.0%
	0.50 to <0.75	—	0.000%	—	0.0%	—	—	0.0%
	0.75 to <2.50	—	0.000%	—	0.0%	—	—	0.0%
	2.50 to <10.00	—	0.000%	—	0.0%	—	—	0.0%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**2**	**0.153%**	**4**	**37.7%**	**1.0**	**—**	**13.2%**
Sovereign	0.00 to <0.15	—	0.000%	—	0.0%	—	—	0.0%
	0.15 to <0.25	1 916	0.160%	1	6.4%	2.5	111	5.8%
	0.25 to <0.50	—	0.000%	—	0.0%	—	—	0.0%
	0.50 to <0.75	—	0.000%	—	0.0%	—	—	0.0%
	0.75 to <2.50	—	0.000%	—	0.0%	—	—	0.0%
	2.50 to <10.00	—	0.000%	—	0.0%	—	—	0.0%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**1 916**	**0.160%**	**1**	**6.4%**	**3.0**	**111**	**5.8%**
Total (all portfolios)		**16 862**	**0.178%**	**318**	**33.8%**	**2.0**	**4 068**	**24.1%**

(1) Average maturity represents the obligor maturity in years, weighted by EAD, as used in the RWA calculation.
(2) Represents the number of unique obligors. The total number of unique obligors will not equal the sum of the obligors in the underlying asset classes since an obligor may be present in more than one asset class.

COUNTERPARTY CREDIT RISK
CONTINUED

The purpose of the table below is to provide a breakdown of all types of collateral posted or received by banks to support or reduce the counterparty credit risk exposures related to derivative transactions or to SFTs, including transactions cleared through a CCP.

CCR5: COMPOSITION OF COLLATERAL FOR CCR EXPOSURE

	a	b	c	d	e	f
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral			
R'million	Segregated[1]	Unsegregated	Segregated[1]	Unsegregated	Fair value of collateral received	Fair value of posted collateral
At 31 March 2024						
Cash – domestic currency	2 358	—	510	—	—	34 764
Cash – other currencies	3 945	—	318	—	—	41 868
Domestic sovereign debt	—	—	—	—	39 597	—
Corporate bonds	—	—	—	—	12 136	—
Equity securities	6	—	—	—	2 233	—
Other collateral	—	—	—	—	19 977	—
Total	**6 309**	**—**	**828**	**—**	**73 943**	**76 632**
At 31 March 2023						
Cash – domestic currency	1 920	—	1 023	—	—	14 280
Cash – other currencies	1 026	—	2 195	—	—	33 322
Domestic sovereign debt	—	—	—	—	—	—
Corporate bonds	—	—	—	—	6 801	—
Equity securities	—	—	—	—	—	—
Other collateral	—	—	—	—	40 804	—
Total	**2 946**	**—**	**3 218**	**—**	**47 605**	**47 602**

(1) Segregated refers to collateral which is held in a bankruptcy-remote manner that will be returned upon any default.

The purpose of the table below is to illustrate the extent of a bank's exposures to credit derivative transactions broken down between derivatives bought or sold.

CCR6: CREDIT DERIVATIVES EXPOSURES

The Group does not make use of any unfunded credit derivative instruments for purposes of reducing capital requirements. We have credit-linked notes (CLNs) that serve as protection against credit exposures, however, since these CLNs are fully funded, they function as cash collateral and are reported as such. Credit derivative instruments are mainly concluded in the banking book and within single name structures.

	a	b	a	b
	31 March 2024		31 March 2023	
R'million	Protection bought	Protection sold	Protection bought	Protection sold
Notionals				
Single-name credit default swaps	100	5 848	943	6 302
Total notionals	**100**	**5 848**	**943**	**6 302**
Fair values				
Positive fair value (asset)	—	15	12	2
Negative fair value (liability)	(3)	(11)	(5)	(88)

COUNTERPARTY CREDIT RISK
CONTINUED

The purpose of the table below is to provide a comprehensive picture of the Bank's exposures to central counterparties. In particular, the template includes all types of exposures (due to operations, margins, contributions to default funds) and related capital requirements.

CCR8: EXPOSURES TO CENTRAL COUNTERPARTIES

		a	b	a	b
		31 March 2024		31 March 2023	
R'million		EAD post-CRM	RWA	EAD post-CRM	RWA
1	**Exposures to QCCPs[1] (total)**	**10 286**	**187**	**8 025**	**162**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions), of which	6 714	134	4 727	95
3	(i) OTC derivatives				
4	(ii) Exchange-traded derivatives	6 714	134	4 727	95
5	(iii) Securities financing transactions				
6	(iv) Netting sets where cross-product netting has been approved				
7	Segregated initial margin	3 557		3 278	
8	Non-segregated initial margin	—	—	—	—
9	Pre-funded default fund contributions	15	53	20	67
10	Unfunded default fund contributions	—	—	—	—
11	**Exposures to non-QCCPs[2] (total)**	**—**	**—**	**—**	**—**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions), of which	—	—		
13	(i) OTC derivatives	—	—		
14	(ii) Exchange-traded derivatives	—	—		
15	(iii) Securities financing transactions	—	—		
16	(iv) Netting sets where cross-product netting has been approved	—	—		
17	Segregated initial margin	—			
18	Non-segregated initial margin	—	—		
19	Pre-funded default fund contributions	—	—		
20	Unfunded default fund contributions	—	—		

(1) QCCPs – Qualifying Central Clearing Parties.
(2) Investec had no exposures to non-QCCPs for the period under review.

Securitisation risk

09

SECURITISATION RISK

SECA: QUALITATIVE DISCLOSURE RELATED TO SECURITISATION EXPOSURES IN THE BANKING BOOK

We have securitised assets originated by our Private Client business in South Africa. The primary motivation for the securitisation of these assets are to:

- Provide an alternative source of funding
- Act as a mechanism to transfer risk
- Leverage returns through the retention of equity tranches in low default rate portfolios
- Continue to create marketable instruments through self securitisation

In South Africa we engage in transactions that involve the use of both special purpose entities and asset securitisation structures. Securitisation represents a small proportion of our current funding profile, but provides additional flexibility and a source of liquidity. We do not depend on special purpose vehicles for funding in the normal course of business. These entities form part of the consolidated Group balance sheet as reported.

Accounting policies

Refer to page 52 of the Investec Group's 2024 annual financial statements

Exposures where the Bank has acted as the originator relate to retained positions of issued notes and first loss positions provided to the securitisation structures. Securitisation exposures where the Bank has acted as an investor are the investment positions purchased in third party deals. The purpose of the table below is to present a Bank’s securitisation exposures in its banking book.

SEC1: SECURITISATION EXPOSURES IN THE BANKING BOOK

		a	c	i	k
		Bank acts as originator		Banks acts as investor	
R'million		Traditional	Sub-total	Traditional	Sub-total
At 31 March 2024(1)(2)					
1	**Retail (total) – of which**	**1 138**	**1 138**	**1 229**	**1 229**
2	Residential mortgage	1 138	1 138	1 150	1 150
4	Other retail exposures	—	—	79	79
6	**Wholesale (total) – of which**	**302**	**302**	**—**	**—**
7	Loans to corporates	—	—	—	—
8	Commercial mortgages	302	302	—	—
At 31 March 2023					
1	**Retail (total) – of which**	**671**	**671**	**1 551**	**1 551**
2	Residential mortgage	671	671	1 339	1 339
4	Other retail exposures	—	—	212	212
6	**Wholesale (total) – of which**	**174**	**174**	**—**	**—**
7	Loans to corporates	—	—	0	0
8	Commercial mortgages	174	174	—	—

(1) Asset classes/rows reported above are classified based on the underlying exposure pool.
(2) Certain rows above were excluded as the Group only transacts in traditional securitisation schemes and none of the underlying assets or exposures relate to re-securitised assets. In addition, the Group does not make use of the internal assessment approach for capital purposes.

SECURITISATION RISK
CONTINUED

The purpose of the table below is to present securitisation exposures in the banking book where the Bank acted as originator and the associated capital requirements.

SEC3: SECURITISATION EXPOSURES IN THE BANKING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS – BANK ACTING AS ORIGINATOR

		a	b	c	d	e	f	h	j	n
		Exposure values (by RW bands)[2]					Exposure values		RWA	Capital charge after cap
R'million		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1 250% RW	1 250% RW	IRB RBA (including IAA)	SA and RBA[1]	IRB (LTA)	IRB (LTA)
At 31 March 2024										
1	**Total exposures**	**567**	**571**	**—**	**302**	**—**	**1 440**	**—**	**779**	**95**
2	**Traditional securitisation**	**567**	**571**	**—**	**302**	**—**	**1 440**	**—**	**779**	**95**
3	Of which securitisation	567	571	—	302	—	1 440	—	779	95
4	Of which retail underlying	567	571	—	—	—	1 138	—	229	28
5	Of which wholesale	—	—	—	302	—	302	—	550	67
6	Of which re-securitisation	—	—	—	—	—	—	—	—	—
7	Of which senior	567	571	—	302	—	1 440	—	779	95
8	Of which non-senior	—	—	—	—	—	—	—	—	—
9	**Synthetic securitisation**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
At 31 March 2023										
1	**Total exposures**	**—**	**671**	**—**	**175**	**—**	**845**	**—**	**1 016**	**122**
2	**Traditional securitisation**	**—**	**671**	**—**	**175**	**—**	**845**	**—**	**1 016**	**122**
3	Of which securitisation	—	671	—	175	—	845	—	1 016	122
4	Of which retail underlying	—	671	—	—	—	671	—	199	24
5	Of which wholesale	—	—	—	175	—	174	—	817	98
6	Of which re-securitisation	—	—	—	—	—	—	—	—	—
7	Of which senior	—	—	—	—	—	—	—	—	—
8	Of which non-senior	—	671	—	175	—	845	—	1 016	122
9	**Synthetic securitisation**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

(1) Columns (a) to (e) are defined in relation to regulatory risk weights applied to retained exposures. The Bank applied the look-through approach by applying capital requirements to the underlying assets in the scheme.
(2) IRB LTA – Internal ratings-based approach using the look-through approach.

SECURITISATION RISK
CONTINUED

The purpose of the table below is to present securitisation exposures in the banking book where the Bank acts as investor and the associated capital requirements.

SEC4: SECURITISATION EXPOSURES IN THE BANKING BOOK AND ASSOCIATED CAPITAL REQUIREMENTS – BANK ACTING AS INVESTOR

		a	b	c	d	h	l	p
		Exposure values (by RW bands)(2)				Exposure values	RWA	Capital charge after cap
R'million		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	SA and RBA(1)	SA and RBA	SA and RBA
At 31 March 2024								
1	**Total exposures**	**—**	**1 150**	**79**	**—**	**1 229**	**499**	**61**
2	**Traditional securitisation**	**—**	**1 150**	**79**	**—**	**1 229**	**499**	**61**
3	Of which securitisation	—	1 150	79	—	1 229	499	61
4	Of which retail underlying	—	1 150	79	—	1 229	499	61
5	Of which wholesale	—	—	—	—	—	—	—
6	Of which re-securitisation	—	—	—	—	—	—	—
7	Of which senior	—	1 150	79	—	1 229	499	61
8	Of which non-senior	—	—	—	—	—	—	—
9	**Synthetic securitisation**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
At 31 March 2023								
1	**Total exposures**	**—**	**1 339**	**212**	**—**	**1 551**	**652**	**78**
2	**Traditional securitisation**	**—**	**1 339**	**212**	**—**	**1 551**	**652**	**78**
3	Of which securitisation	—	1 339	212	—	1 551	652	78
4	Of which retail underlying	—	1 339	212	—	1 551	652	78
5	Of which wholesale	—	—	—	—	—	—	—
6	Of which re-securitisation	—	—	—	—	—	—	—
7	Of which senior	—	1 339	212	—	1 551	652	78
8	Of which non-senior	0	0	0	0	0	0	0
9	**Synthetic securitisation**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

(1) SA and RBA – Standardised Approach and ratings-based approach.
(2) Columns (a) to (d) include the investments positions purchased in third party Special Purpose Institution exposures. The Bank applied the look-through approach to calculate RWAs for senior investment exposures and the RBA where securitisation exposures are rated.

Market risk

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MARKET RISK

MRA: QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO MARKET RISK

Traded market risk is the risk of potential changes in the value of the trading book as a result of changes in market risk factors such as interest rates, equity prices, exchange rates, commodity prices, credit spreads and their underlying volatilities where derivatives are traded. The trading book is defined as positions in financial instruments and commodities, including derivative products and other off-balance sheet instruments that are held within the trading businesses. The focus of our trading activities is primarily on supporting our clients. Our strategic intent is that proprietary trading should be limited, and that trading should be conducted largely to facilitate client flow.

Within our trading activities, we act as principal with clients or the market. Market risk exists where we have taken on principal positions resulting from market making, underwriting and facilitation of client business in the foreign exchange, interest rate, equity, credit and commodity markets. Only market risk approved products are permissible to be traded. Each desk's market risk is detailed and reported daily, capturing both spot exposures and stressed exposures. In line with the Bank's strategic intent, conservative risk limits are approved, ensuring that the majority of the trading activity is hedged.

Both the Value at Risk (VaR) and Stressed Value at Risk (sVaR) calculations stress all risk factors individually rather than using one asset class, market, industry sector or index as proxy. Therefore, any basis risk, for example bond/swap basis, relative value single stock trades or index vs. single stock hedges and any imperfect hedges, will be captured in both VaR and sVaR. VaR limits are implemented on an overall and trading desk level. The policies governing traded market risks are the Market Risk Policy, the Trading Book Policy Statement and the Market Risk Model Validation and Control Policy.

A number of quantitative measures are used to monitor and limit exposure to traded market risk. These measures include:

- Value at Risk (VaR) and Expected Shortfall (ES) as portfolio measures of market risk exposure.
- Scenario analysis, stress tests and tools based on extreme value theory (EVT) that measure the potential impact on portfolio values of extreme moves in markets.
- Sensitivity analysis that measures the impact of individual market risk factor movements on specific instruments or portfolios, including interest rates, foreign exchange rates, equity prices, credit spreads and commodity prices. We use sensitivity measures to monitor and limit exposure across portfolios, products, and risk types.

Stress and scenario analysis are used to add insight into the possible outcomes under severe market disruptions. The stress-testing methodology assumes that all market factors move adversely at the same time and that no actions are taken during the stress events to mitigate risk. Stress scenarios based on historical experience as well as hypothetical scenarios are considered and are reviewed regularly for relevance in ever-changing market environments. Stress scenarios are run daily with analysis presented to IBL Review Executive Risk Review Forum (ERRF) weekly and IBL BRCC when the committees meet or more often should market conditions require this.

MRB: QUALITATIVE DISCLOSURES FOR BANKS USING THE INTERNAL MODELS APPROACH (IMA)

VaR is a technique that estimates the potential losses as a result of movements in market rates and prices over a specified time horizon at a given level of confidence. The VaR model derives future scenarios from past time series of market rates and prices, taking into account inter-relationships between the different markets such as interest rates and foreign exchange rates.

The following types of market risks are covered by the VaR/ SVaR models:

- Equity price risk
- Interest rate risk
- Foreign exchange risk
- Commodity risk

We have internal model approval from the PA for general market risk for the majority of the trading desks, with the other desks capitalised under the Standardised Approach. Issuer risk in the trading book is calculated under the standardised specific risk methodology. Risks not in VaR are immaterial relative to the current capital requirements.

The VaR model used is based on full revaluation historical simulation and incorporates the following features:

- Two-year historical period based on an unweighted time series
- Daily movements in each risk factor e.g. foreign exchange rates, interest rates, equity prices, credit spreads and their associated volatilities are simulated with reference to historical market rates and prices, with proxies only used when no or limited historical market data is available, and the resultant one-day VaR is scaled up using the square root of time for regulatory purposes
- Risk factor movements are based on both absolute and relative returns as appropriate for the different types of risk factors

VaR numbers using a one-day holding period are monitored daily at the 95% and 99% confidence intervals, with limits set at the 95% confidence interval. Expected shortfalls are also monitored daily at the 95% and 99% levels as is the worst case loss in the VaR distribution.

The Bank follows common practice and scales the one-day VaR using the square root of time rule. The Bank uses the Standardised Approach to calculate the specific risk as a standalone charge and the total capital charge is a simple sum of general market risk and specific market risk. The Bank uses a full revaluation approach in the calculation of VaR.

SVaR is calculated using the VaR model but based on a one-year period through which the relevant market factors experienced stress. This is calculated for a continuous 250 day historical period within the period starting 1 January 2007 to the current. The time series data used in the historical simulation is updated on a daily basis.

A two-year historical period is used for the VaR calculation and a continuous 250-day historical period within the period starting 1 January 2007 to the current is used for the sVaR period. No weighting scheme is used as all risk factor changes are applied on an equal basis.

MARKET RISK
CONTINUED

A mixed approach is used when simulating potential movements in risk factors which incorporates both absolute and relative returns. The Bank follows common practice and scales the one-day sVaR using the square root of time rule. The historical period used for sVaR is determined using the one-year period with the greatest negative deviation. This is calculated for a continuous one-year historical period within the period starting 1 January 2007 to the current. The Bank uses a full revaluation approach in the calculation of sVaR. Stress testing is used in conjunction with the VaR measures to gain a better understanding of extreme tail risks. While VaR and sVaR is limited to the historical period used, stress testing highlights event risk that may be not be captured in these measures. Generally, two types of stress tests are performed, namely scenario-based (historical disaster scenario and hypothetical scenarios) and asset class scenario analysis.

The performance of the VaR model is regularly monitored through backtesting. This is done by comparing daily actual profit and loss and clean profit and loss against one-day VaR based on a 99% confidence level. Clean profit and loss excludes items such as intra-day transactions, valuation adjustments, provisions, recoveries, commission, fees and hedge costs included in the new trade revenue. If a loss exceeds the one-day VaR, a backtesting exception is considered to have occurred. Over time we expect the average rate of observed backtesting exceptions to be consistent with the percentile of the VaR statistic being tested. This is conducted at an aggregate and desk level on a daily basis.

The purpose of the MR1 table below is to provide the components of the capital charge under the SA for market risk.

MR1: MARKET RISK UNDER SA

		a	a
		Capital charge in SA	
R'million		31 March 2024	31/3/2023[(2)]
Outright products[(1)]			
1	Interest rate risk (general and specific)	54	64
2	Equity risk (general and specific)	215	154
3	Foreign exchange risk (general and specific)	4	—
9	**Total**	**273**	**218**

(1) The SA for market risk is only applied to outright products and therefore rows related to capital for options are excluded from the table.
(2) March 2023 numbers have been restated to correctly reflect capital charge, and not RWA as previously disclosed.

The table below presents a flow statement explaining variations in the market RWA determined under an internal model approach (IMA).

MR2: RWA FLOW STATEMENTS OF MARKET RISK EXPOSURES UNDER AN IMA

		a	b	f
R'million		VaR	Stressed VaR	Total RWA[(1)(2)]
At 31 March 2024				
1	**RWA at previous quarter end**	**2 234**	**4 436**	**6 670**
2	Movement in risk levels	(96)	(909)	(1 005)
8	**RWA at end of reporting period**	**2 138**	**3 527**	**5 665**
At 31 March 2023				
1	**RWA at previous quarter end**	**2 208**	**4 148**	**6 356**
2	Movement in risk levels	(264)	(1 028)	(1 292)
8	**RWA at end of reporting period**	**1 944**	**3 120**	**5 064**

(1) Total RWAs in this table are derived by multiplying the capital required by 12.5.
(2) There were no incremental and comprehensive risk capital charges under IMA and columns (c) to (e) are therefore excluded from the table above.

The table below displays the values (maximum, minimum, average, and period ending for the reporting period) resulting from the different types of models used for computing the regulatory capital charge at the Group level, before any additional capital charge is applied by the jurisdiction. Summary statistics were calculated on the 10-day VaR and sVaR figures for the quarter ended 31 March 2024. The 10-day figures were obtained by multiplying the one-day figures by SQRT(10).

MR3: IMA VALUES FOR TRADING PORTFOLIOS(1)

		a	a
R'million		**31 March 2024**	**31 March 2023**
VaR (10-day 99%)			
1	Maximum value	186	62
2	Average value	49	45
3	Minimum value	22	25
4	Period end	34	52
Stressed VaR (10-day 99%)			
5	Maximum value	213	113
6	Average value	81	73
7	Minimum value	37	46
8	Period end	139	73

(1) There were no incremental and comprehensive risk capital charges under IMA and rows are therefore excluded from the table above.

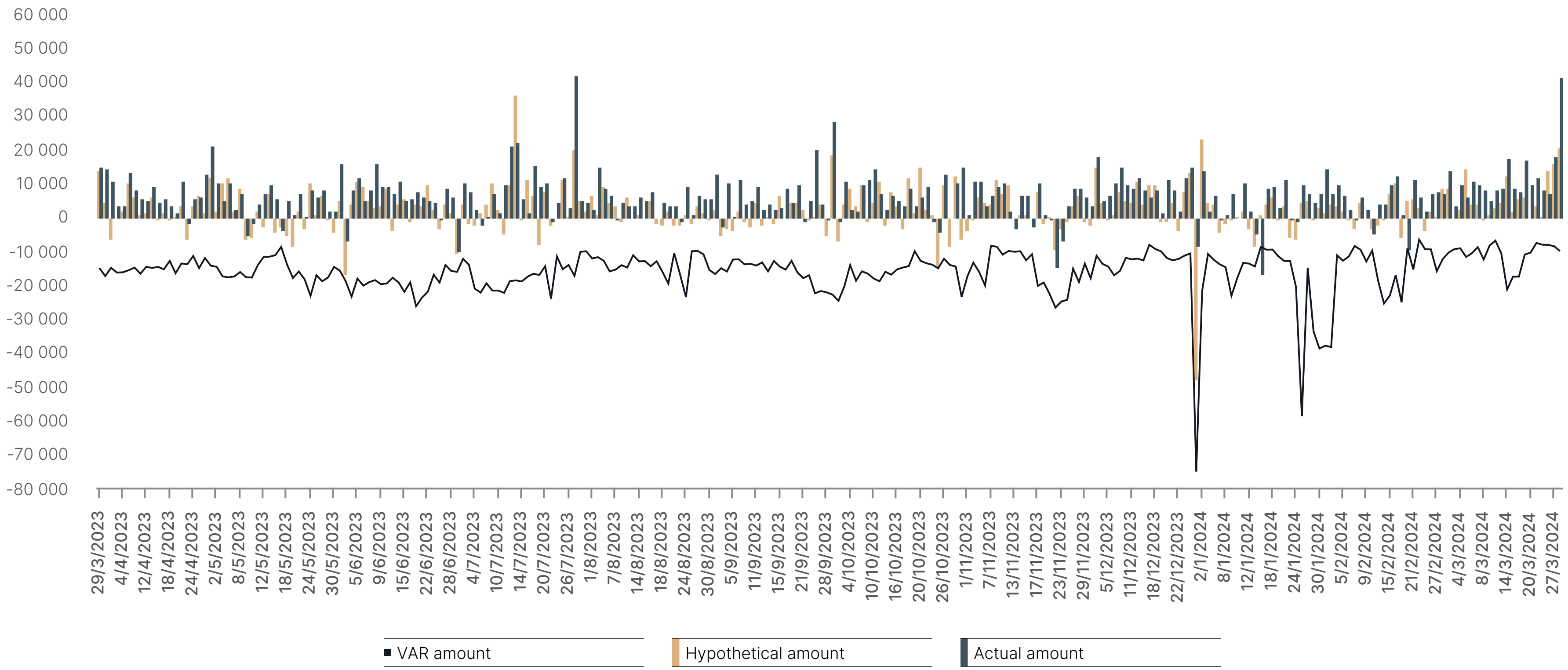
MARKET RISK
CONTINUED

TABLE MR4: COMPARISON OF VAR ESTIMATES WITH GAINS/LOSSES

Backtesting

The performance of the VaR model is regularly monitored through backtesting. This is done by comparing daily clean profit and loss against one-day VaR based on a 99% confidence level. Clean profit and loss excludes items such as intra-day transactions, valuation adjustments, provisions, recoveries, commission, fees and hedge costs included in the new trade revenue. If a loss exceeds the one-day VaR, a backtesting exception is considered to have occurred. Over time we expect the average rate of observed backtesting exceptions to be consistent with the percentile of the VaR statistic being tested. This is conducted at an aggregate and desk level on a daily basis. The graphs that follow show the result of backtesting the total daily 99% one-day VaR against the clean profit and loss data for our trading activities over the reporting period. Based on these graphs, we can gauge the accuracy of the 99% VaR figures.

99% one-day VaR backtesting (R'000)



Average 95% VaR for the year ended 31 March 2024 in the South African trading book was higher than the 31 March 2023 year end. Using hypothetical (clean) profit and loss data for backtesting resulted in no exceptions (as shown in the graph above), which is below the expected number of two to three exceptions per annum as implied by the 99% VaR model.

Capital adequacy

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CAPITAL ADEQUACY

Capital management

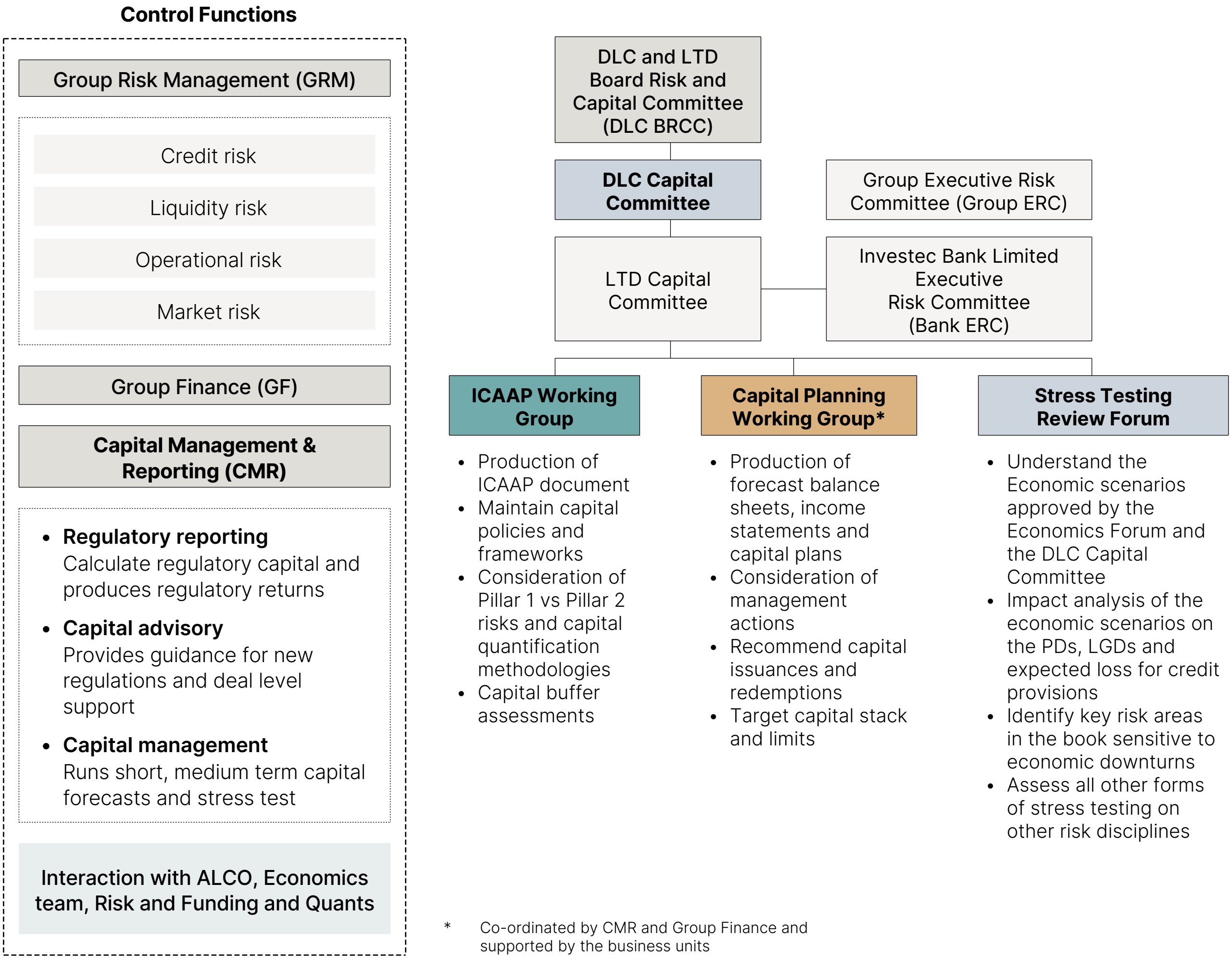
Investec Limited (and its subsidiaries) and Investec plc (and its subsidiaries) are managed independently and have their respective capital bases ring-fenced, however, the governance of capital management is consistent across the two Groups. The DLC structure requires the two Groups to independently manage each group's balance sheet and capital is managed on this basis.

This approach is overseen by the DLC BRCC (via the DLC Capital Committee) which is a Board sub-committee with ultimate responsibility for the capital adequacy of both Investec Limited and Investec Plc.

The DLC Capital Committee is mandated by the DLC BRCC to be the Capital Committee of Investec Limited and their subsidiaries, as regards to:

- Capital allocation and structuring
- Capital planning and models, and
- Performance measurement.

The DLC Capital Committee mandates the Investec Limited Capital Committee to assist the DLC Capital Committee in discharging its mandated duties and its reporting responsibilities as they relate to Investec Limited (Investec / Group), Investec Bank Limited Consolidation (IBL Consol), and Investec Bank Limited (IBL Solo).



* Co-ordinated by CMR and Group Finance and supported by the business units

CAPITAL ADEQUACY
CONTINUED

A summary of capital adequacy and leverage ratios

	IRB scope[1]			
	31 March 2024[2]		31 March 2023[2]	
	Investec Limited Group	Investec Bank Limited Group	**Investec Limited Group**	Investec Bank Limited Group
Common Equity Tier 1 ratio	13.6%	16.5%	14.7%	17.1%
Tier 1 ratio	15.0%	17.8%	15.9%	18.2%
Total capital ratio	17.5%	20.5%	18.3%	21.2%
Risk-weighted assets (million)[3]	292 179	273 185	283 600	261 263
Leverage exposure measure (million)	705 807	684 313	696 319	662 702
Leverage ratio	6.2%	7.1%	6.5%	7.2%

(1) Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 31 March 2024, 54% (31 March 2023: 53%) of the portfolio applies the AIRB approach, 26% (31 March 2023: 28%) applies the FIRB approach and the remaining 20% (31 March 2023: 19%) of the portfolio is subject to the standardised approach.
(2) Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 111bps (31 March 2023: 117bps) and 118bps (31 March 2023: 164bps) lower respectively. The leverage would be 48bps (31 March 2023: 49bps) and 47bps (31 March 2023: 65bps) lower respectively.
(3) RWAs for the comparative period have not been restated for the March 2023 balance sheet restatement.

Capital philosophy and approach

Investec's approach to capital management utilises both regulatory capital as appropriate to that jurisdiction and internal capital, which is an internal risk-based assessment of capital requirements. Capital management primarily relates to management of the interaction of both, with the emphasis on regulatory capital for managing portfolio-level capital sufficiency and on internal capital for ensuring that returns are appropriate given the level of risk taken at an individual transaction or business unit level.

We intend to maintain a sufficient level of capital to satisfy regulatory requirements and our internal target ratios. Investec Limited targets a total capital adequacy ratio range of greater 15%, a minimum Tier 1 ratio of greater than 12.5% and a CET1 ratio between 11.5% and 12.5%.

The determination of target capital is driven by our risk profile, strategy and risk appetite, taking into account the regulatory and market factors applicable to the Group. At the most fundamental level, we seek to balance our capital consumption between prudent capitalisation in the context of the Group's risk profile and optimisation of shareholder returns.

Our internal capital framework is designed to manage and achieve this balance.

The internal capital framework is based on the Group's risk identification, review and assessment processes and is used to provide a risk-based approach to capital allocation, performance and structuring of our balance sheet. The objectives of the internal capital framework are to quantify the minimum capital required to:

- Maintain sufficient capital to satisfy the board's risk appetite across all risks faced by the Group
- Provide protection to depositors against losses arising from risks inherent in the business
- Provide sufficient capital surplus to ensure that the Group is able to retain its going concern basis under relatively severe operating conditions
- Inform the setting of minimum capital through the ICAAP. The ICAAP documents the approach to capital management, including the assessment of the regulatory and internal capital position the Group. The ICAAP is reviewed and approved by the Board.

The framework has been approved by the Board and is managed by the Investec Limited Capital Committee, which is responsible for oversight of the management of capital on a regulatory and an internal capital basis.

Capital planning and stress/scenario testing

A capital plan is prepared for Investec and maintained to facilitate discussion of the impact of business strategy and market conditions on capital adequacy. This plan is designed to assess capital adequacy under a range of economic and internal conditions over the medium term (three years), with the impact on earnings, asset growth, risk appetite and liquidity considered. The plan provides the Board with an input into strategy and the setting of risk appetite by considering business risks and potential vulnerabilities, capital usage and funding requirements given constraints where these exist.

The goal of capital planning is to provide insight into potential sources of vulnerability of capital adequacy by way of market, economic or internal events.

As such, the three-year capital plans are stressed based on conditions most likely to cause Investec Limited duress. The conditions are agreed by the Investec Limited Capital Committee after the key vulnerabilities have been determined through the stress-testing workshops. Such plans are used by management to formulate balance sheet strategy and agree management actions and trigger points and influence the determination of our risk appetite. At a minimum level, each capital plan assesses the impact on our capital adequacy in an expected case and in downturn scenarios.

On the basis of the results of this analysis, the Investec Limited Capital Committee is presented with the potential variability in capital adequacy and is responsible for consultation with the Board, in considering the appropriate response.

Reverse stress testing is performed annually as part of the recovery plan.

CAPITAL ADEQUACY
CONTINUED

CAPITAL STRUCTURE AND CAPITAL ADEQUACY

	IRB scope(1)			
	31 March 2024(2)		31 March 2023(2)	
R'million	Investec Limited Group	Investec Bank Limited Group	Investec Limited Group	Investec Bank Limited Group
Shareholders' equity	**48 709**	**45 989**	**45 929**	**44 016**
Shareholders' equity excluding non-controlling interests	51 160	45 989	48 374	44 016
Perpetual preference share capital and share premium	(2 451)	—	(2 445)	—
Non-controlling interests	**—**	**—**	**—**	**—**
Non-controlling interests per balance sheet	(61)	—	9 872	—
Non-controlling interests excluded for regulatory purposes	61	—	(9 872)	—
Regulatory adjustments to the accounting basis	**(333)**	**(277)**	**1 054**	**1 111**
Additional value adjustments	(276)	(220)	(280)	(223)
Gains or losses on liabilities at fair value resulting from changes in our credit standing	(32)	(32)	(15)	(15)
Cash flow hedging reserve	(25)	(25)	1 349	1 349
Deductions	**(8 526)**	**(588)**	**(5 173)**	**(329)**
Goodwill and intangible assets net of deferred tax	(294)	(262)	(315)	(311)
Investment in financial entity	(237)	—	(456)	—
Shortfall of eligible provisions compared to expected loss	(306)	(306)	(18)	(18)
Investment in capital of financial entities above 10% threshold	—		—	—
Amount of deductions exceeding 15% threshold(3)	(1 004)	—	—	—
Other regulatory adjustments(4)	(6 685)	(20)	(4 384)	—
Common Equity Tier 1 capital	**39 850**	**45 124**	**41 810**	**44 798**
Additional Tier 1 capital	**3 964**	**3 460**	**3 212**	**2 710**
Additional Tier 1 instruments(5)	4 010	3 460	5 705	2 710
Phase-out of non-qualifying Additional Tier 1	—	—	(2 445)	—
Non-qualifying surplus capital attributable to non-controlling interest	(46)	—	(48)	—
Tier 1 capital	**43 814**	**48 584**	**45 022**	**47 508**
Tier 2 capital	**7 449**	**7 447**	**6 963**	**7 928**
Collective impairment allowances	166	164	365	365
Tier 2 instruments	7 283	7 283	7 563	7 563
Non-qualifying surplus capital attributable to non-controlling interests	—	—	(851)	—
Investment in capital of financial entities above 10% threshold	—	—	(114)	—
Total regulatory capital	**51 263**	**56 031**	**51 985**	**55 436**
Risk-weighted assets(6)	**292 179**	**273 185**	**283 600**	**261 263**

(1) Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 31 March 2024, 54% (31 March 2023: 53%) of the portfolio applies the AIRB approach, 26% (31 March 2023: 28%) applies the FIRB approach and the remaining 20% (31 March 2023: 19%) of the portfolio is subject to the standardised approach. Investec Bank Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWAs. As at 31 March 2024, 52% (31 March 2023: 51%) of the portfolio applies the AIRB approach, 25% (31 March 2023: 27%) applies the FIRB approach, with the remaining balance of 23% (31 March 2023: 22%) remaining on the standardised approach.

(2) Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 111bps (31 March 2023: 117bps) and 118bps (31 March 2023: 164bps) lower respectively. The leverage would be 48bps (31 March 2023: 49bps) and 47bps (31 March 2023: 65bps) lower respectively.

(3) Approval was obtained from the South African Prudential Authority effective 30 September 2023, to apply the deduction methodology to the Burstone investment (formerly Investec Property Fund), which was previously proportionately consolidated.

(4) The South African Prudential Authority granted Investec Limited permission, effective 31 March 2023, to deduct from CET1 capital the shares it holds in Investec plc. The deduction at 31 March 2024 amounts to R6.4 billion (March 2023: R4.2bn) and is included in other regulatory adjustments.

(5) AT1 has been restated for 31 March 2023, to remove the fully grandfathered perpetual preference shares and the corresponding deduction, amounting to R2.9 billion, this had no impact on total AT1.

(6) RWAs for the comparative period have not been restated for the March 2023 balance sheet restatement.

CAPITAL ADEQUACY
CONTINUED

TOTAL REGULATORY CAPITAL FLOW STATEMENT

	IRB scope[1]			
	31 March 2024[2]		31 March 2023[2]	
R'million	**Investec Limited Group**	Investec Bank Limited Group	**Investec Limited Group**	Investec Bank Limited Group
Opening Common Equity Tier 1 capital	**41 810**	**44 798**	**44 790**	**45 206**
Ordinary share buy-back	(411)	—	(1 191)	—
Dividends paid to ordinary shareholders and Additional Tier 1 security holders	(5 393)	(5 858)	(7 765)	(8 956)
Profit after taxation	6 873	8 076	7 052	6 792
Reclassification of reserves[3]	(1 937)	(2 187)	—	—
Treasury shares	202	—	(347)	—
Share-based payment adjustments	378	(62)	424	225
Employee benefit liability recognised	—	—	(93)	(85)
Movement in other comprehensive income	1 684	668	1 600	1 758
Investment in financial entity	220	—	415	—
15% limit deduction[4]	(1 004)	—	—	—
Shortfall of eligible provisions compared to expected loss	(288)	(288)	152	151
Goodwill and intangible assets (deduction net of related taxation liability)	21	49	(32)	(29)
Gains or losses on liabilities at fair value resulting from changes in own credit standing	—	—	2	2
Other, including regulatory adjustments and other transitional arrangements[5]	(2 305)	(72)	(3 197)	(266)
Closing Common Equity Tier 1 capital	**39 850**	**45 124**	**41 810**	**44 798**
Opening Additional Tier 1 capital	**3 212**	**2 710**	**3 064**	**2 560**
Issued capital	750	750	500	500
Redeemed capital	—	—	(791)	(350)
Other, including regulatory adjustments and transitional arrangements	2	—	439	—
Closing Additional Tier 1 capital	**3 964**	**3 460**	**3 212**	**2 710**
Closing Tier 1 capital	**43 814**	**48 584**	**45 022**	**47 508**
Opening Tier 2 capital	**6 963**	**7 928**	**8 091**	**9 557**
Issued capital	1 250	1 250	2 570	2 431
Redeemed capital	(1 996)	(1 996)	(5 936)	(4 347)
Collective impairment allowances	(200)	(200)	(59)	(59)
Investment in capital of financial entities above 10% threshold	114	—	507	—
Other, including regulatory adjustments and other transitional arrangements	1 318	465	1 790	346
Closing Tier 2 capital	**7 449**	**7 447**	**6 963**	**7 928**
Closing total regulatory capital	**51 263**	**56 031**	**51 985**	**55 436**

(1) Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 31 March 2024, 54% (31 March 2023: 53%) of the portfolio applies the AIRB approach, 26% (31 March 2023: 28%) applies the FIRB approach and the remaining 20% (31 March 2023: 19%) of the portfolio is subject to the standardised approach. Investec Bank Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWAs. As at 31 March 2024, 52% (31 March 2023: 51%) of the portfolio applies the AIRB approach, 25% (31 March 2023: 27%) applies the FIRB approach, with the remaining balance of 23% (31 March 2023: 22%) remaining on the standardised approach.
(2) Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 111bps (31 March 2023: 117bps) and 118bps (31 March 2023: 164bps) lower respectively. The leverage would be 48bps (31 March 2023: 49bps) and 47bps (31 March 2023: 65bps) lower respectively.
(3) The restatement of retained earnings related to the application of hedge accounting in the prior years, for certain portfolios in Investec Bank Limited, that did not meet the requirements of IAS 39 Financial Instruments: Recognition and Measurement.
(4) Approval was obtained from the South African Prudential Authority effective 30 September 2023, to apply the deduction methodology to the Burstone investment (formerly Investec Property Fund), which was previously proportionately consolidated.
(5) The South African Prudential Authority granted Investec Limited permission, effective 31 March 2023, to deduct from CET1 capital the shares it holds in Investec plc. The deduction at 31 March 2024 amounts to R6.4 billion (March 2023: R4.2bn) and is included in other regulatory adjustments. The deduction increased by R2.2 billion for the period ending 31 March 2024, owing to additional shares repurchased and fair value adjustments

CAPITAL ADEQUACY
CONTINUED

COMPOSITION OF CAPITAL

The purpose of the CC1 table below is to provide a breakdown of the constituent elements of a Group's capital.

CC1: COMPOSITION OF REGULATORY CAPITAL

		a	b	a	b
		Investec Limited Group		Investec Bank Limited Group	
R'million		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Common Equity Tier 1 capital: instruments and reserves					
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	591	854	14 282	14 281
2	Retained earnings	42 463	42 547	27 537	27 619
3	Accumulated other comprehensive income (and other reserves)	5 425	2	4 170	2
4	Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)	—	—		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in Group CET1)	—	—	—	—
6	**Common Equity Tier 1 capital before regulatory adjustments**	**48 478**	**45 751**	**45 989**	**44 016**
Common Equity Tier 1 capital: regulatory adjustments		—	—		
7	Prudent valuation adjustments	276	280	220	223
8	Goodwill (net of related tax liability)	171	171	171	171
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	123	144	91	140
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	—	—	—	—
11	Cash flow hedge reserve	25	(1 349)	25	(1 349)
12	Shortfall of provisions to expected losses	306	18	306	18
13	Securitisation gain on sale (as set out in paragraph 36 of the Basel III Securitisation Framework)	—	—	—	—
14	Gains and losses due to changes in own credit risk on fair valued liabilities	32	15	32	15
15	Defined benefit pension fund net assets	—	—	—	—
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	6 430	4 206	—	—
17	Reciprocal cross-holdings in common equity	—	—	—	—
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	—	—	—	—
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	237	456	—	—
20	Mortgage servicing rights (amount above 10% threshold)	—	—	—	—
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	—	—	—	—
22	Amount exceeding the 15% threshold	1 004	—	—	—
23	Of which: significant investments in the common stock of financials	—	—	—	—
24	Of which: mortgage servicing rights	—	—	—	—
25	Of which: deferred tax assets arising from temporary differences	—	—	—	—
26	National specific regulatory adjustments	24	—	20	—
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	—	—	—	—
28	**Total regulatory adjustments to Common Equity Tier 1**	**8 628**	**3 941**	**865**	**(782)**
29	**Common Equity Tier 1 capital (CET1) (row 6 minus row 28)**	**39 850**	**41 810**	**45 124**	**44 798**

CAPITAL ADEQUACY
CONTINUED

		a	b	a	b
		Investec Limited Group		Investec Bank Limited Group	
R'million		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Additional Tier 1 capital: instruments					
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	3 900	3 150	3 460	2 710
31	Of which: classified as equity under applicable accounting standards	3 900	3 150	3 460	2 710
32	Of which: classified as liabilities under applicable accounting standards	—	—	—	—
33	Directly issued capital instruments subject to phase-out from Additional Tier 1	—	—	—	—
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in Group AT1)	64	62	—	—
35	Of which: instruments issued by subsidiaries subject to phase-out	—	—	—	—
36	**Additional Tier 1 capital before regulatory adjustments**	**3 964**	**3 212**	**3 460**	**2 710**
Additional Tier 1 capital: regulatory adjustments					
37	Investments in own Additional Tier 1 instruments	—	—	—	—
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	—	—
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	—	—	—	—
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	—	—	—	—
41	National specific regulatory adjustments	—	—	—	—
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	—	—	—
43	**Total regulatory adjustments to Additional Tier 1 capital**	**—**	**—**	**—**	**—**
44	**Additional Tier 1 capital (AT1)**	**3 964**	**3 212**	**3 460**	**2 710**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**43 814**	**45 022**	**48 584**	**47 508**
Tier 2 capital: instruments and provisions					
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	7 283	5 567	7 283	7 563
47	Directly issued capital instruments subject to phase-out from Tier 2	—	—	—	—
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in Group Tier 2)	—	1 145	—	—
49	Of which: instruments issued by subsidiaries subject to phase-out	—	—	—	—
50	Provisions	166	365	164	365
51	**Tier 2 capital before regulatory adjustments**	**7 449**	**7 077**	**7 447**	**7 928**

CAPITAL ADEQUACY
CONTINUED

		a	b	a	b
		Investec Limited Group		Investec Bank Limited Group	
R'million		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Tier 2 capital: regulatory adjustments					
52	Investments in own Tier 2 instruments	—	—	—	—
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	—	—	—	—
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	—	114	—	—
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	—	—	—	—
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	—	—	—
56	National specific regulatory adjustments	—	—	—	—
57	**Total regulatory adjustments to Tier 2 capital**	**—**	**114**	**—**	**—**
58	**Tier 2 capital (T2)**	**7 449**	**6 963**	**7 447**	**7 928**
59	**Total regulatory capital (TC = T1 + T2)**	**51 263**	**51 985**	**56 031**	**55 436**
60	**Total risk-weighted assets**	**292 179**	**283 600**	**273 185**	**261 263**
Capital ratios and buffers					
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**	**13.6%**	**14.7%**	**16.5%**	**17.1%**
62	**Tier 1 (as a percentage of risk-weighted assets)**	**15.0%**	**15.9%**	**17.8%**	**18.2%**
63	**Total capital (as a percentage of risk-weighted assets)**	**17.5%**	**18.3%**	**20.5%**	**21.2%**
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	8.0%	8.0%	8.0%	8.0%
65	Of which: capital conservation buffer requirement	2.5%	2.5%	2.5%	2.5%
66	Of which: bank-specific countercyclical buffer requirement	0.0%	0.0%	0.0%	0.0%
67	Of which: higher loss absorbency requirement	0.5%	0.5%	0.5%	0.5%
68	**Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements**	**5.6%**	**6.7%**	**8.5%**	**9.1%**
National minima (if different from Basel III)					
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	8.0%	8.0%	8.0%	8.0%
70	National Tier 1 minimum ratio (if different from Basel III minimum)	9.8%	9.8%	9.8%	9.8%
71	National total capital minimum ratio (if different from Basel III minimum)	12.0%	12.0%	12.0%	12.0%
Amounts below the thresholds for deduction (before risk weighting)					
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	—	—	—	—
73	Significant investments in the common stock of financial entities	5 474	4 829	—	—
74	Mortgage servicing rights (net of related tax liability)	—	—	—	—
75	Deferred tax assets arising from temporary differences (net of related tax liability)	1 736	2 239	1 492	1 644

CAPITAL ADEQUACY
CONTINUED

		a	b	a	b
		Investec Limited Group		Investec Bank Limited Group	
R'million		31 March 2024	31 March 2023	31 March 2024	31 March 2023
Applicable caps on the inclusion of provisions in Tier 2					
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to Standardised Approach (prior to application of cap)	166	365	164	365
77	Cap on inclusion of provisions in Tier 2 under standardised approach	886	836	1 019	952
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	—	—	—	—
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	—	—	—	—
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2018 and 1 January 2022)					
80	Current cap on CET1 instruments subject to phase-out arrangements	—	—	—	—
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	—	—	—	—
82	Current cap on AT1 instruments subject to phase-out arrangements	—	—	—	—
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	—	—	—	—
84	Current cap on T2 instruments subject to phase-out arrangements	—	—	—	—
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	—	—	—	—

CAPITAL ADEQUACY
CONTINUED

The purpose of the CC2 table is to identify the differences between the scope of accounting consolidation and the scope of regulatory consolidation, and to show the link between the balance sheet in its published financial statements and the numbers that are used in the composition of the capital disclosure template set out in template CC2 below.

CC2 – RECONCILIATION OF REGULATORY CAPITAL TO BALANCE SHEET

	a	b	a	b
	Investec Limited Group		Investec Bank Limited Group	
R'million	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Balance sheet as in published financial statements	Under regulatory scope of consolidation
At 31 March 2024				
Assets				
Cash and balances at central banks	14 795	14 795	14 795	14 795
Loans and advances to banks	9 217	8 497	7 751	7 751
Non-sovereign and non-bank cash placements	10 818	10 818	10 818	10 818
Reverse repurchase agreements and cash collateral on securities borrowed	77 665	77 665	77 352	77 352
Sovereign debt securities	72 241	72 142	72 142	72 142
Bank debt securities	8 301	8 199	8 297	8 297
Other debt securities	10 539	10 271	10 271	10 271
Derivative financial instruments	9 984	9 984	9 988	9 988
Securities arising from trading activities	34 477	34 477	7 980	7 980
Loans and advances to customers	337 232	337 232	335 120	335 120
Own originated loans and advances to customers securitised	6 446	6 446	6 446	6 446
Other financial instruments at fair value through profit or loss in respect of liabilities to customers**	3 708	—	—	—
Investment portfolio	16 053	16 046	3 085	3 085
Interests in associated undertakings and joint venture holdings	28	28	22	22
Current tax asset	106	106	—	—
Deferred taxation assets	2 040	2 040	1 498	1 498
Other assets	23 078	23 023	9 240	9 240
Property and equipment	3 956	3 956	3 778	3 778
Investment properties	2 539	2 539	—	—
Goodwill	171	171	171	171
Software	123	123	92	92
Loan to Group companies	—	—	31 092	31 092
Non-current assets held for sale	534	534	—	—
Total assets	**644 051**	**639 092**	**609 938**	**609 938**
Liabilities				
Deposits by banks	31 065	31 065	31 065	31 065
Derivative financial instruments	14 293	14 293	14 172	14 172
Other trading liabilities	32 368	32 368	20 410	20 410
Repurchase agreements and cash collateral on securities lent	19 890	19 890	19 706	19 706
Customer accounts (deposits)	448 458	448 458	448 635	448 635
Debt securities in issue	6 715	6 715	4 715	4 715
Liabilities arising on securitisation of own originated loans and advances	4 997	4 997	4 997	4 997
Current taxation liabilities	845	845	570	570
Deferred taxation liabilities	375	329	21	21
Other liabilities	18 942	18 395	7 975	7 975
Loans from Group companies and subsidiaries	—	—	940	940
Liabilities to customers under investment contracts	3 711	—	0	0
	581 659	**577 355**	**553 206**	**553 206**
Subordinated liabilities	7 283	7 283	7 283	7 283
Total liabilities	**588 942**	**584 638**	**560 489**	**560 489**
Shareholders' equity				
Ordinary share capital	1	1	32	32
Ordinary share premium	4 474	1 216	14 250	14 250
Treasury shares	(3 652)	(3 652)	—	—
Other reserves	6 313	6 313	5 138	5 138
Retained income	41 573	44 176	26 569	26 569
Ordinary shareholders' equity	**48 709**	**48 054**	**45 989**	**45 989**
Perpetual preference shares in issue	2 451	2 451	—	—
Shareholders' equity excluding non-controlling interests	**51 160**	**50 505**	**45 989**	**45 989**
Other Additional Tier 1 securities in issue	4 010	4 010	3 460	3 460
Non-controlling interests	(61)	(61)	—	—
Total equity	**55 109**	**54 454**	**49 449**	**49 449**

CAPITAL ADEQUACY
CONTINUED

	a	b	a	b
	Investec Limited Group		Investec Bank Limited Group	
R'million	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Balance sheet as in published financial statements	Under regulatory scope of consolidation
At 31 March 2023[1]				
Assets				
Cash and balances at central banks	22 761	22 761	22 761	22 761
Loans and advances to banks	12 323	11 386	10 502	10 502
Non-sovereign and non-bank cash placements	9 705	9 705	9 705	9 705
Reverse repurchase agreements and cash collateral on securities borrowed	58 291	58 291	57 916	57 916
Sovereign debt securities	69 833	69 833	69 833	69 833
Bank debt securities	15 499	15 397	15 496	15 496
Other debt securities	11 676	11 676	11 676	11 676
Derivative financial instruments	16 025	16 025	15 962	15 962
Securities arising from trading activities	37 495	37 495	6 735	6 735
Loans and advances to customers	319 151	318 909	316 592	316 592
Own originated loans and advances to customers securitised	5 988	5 988	5 988	5 988
Other loans and advances	1	1	1	1
Other financial instruments at fair value through profit or loss in respect of liabilities to customers**	2 433	—	—	—
Investment portfolio	22 675	15 438	2 926	2 926
Interests in associated undertakings and joint venture holdings	30	38	33	33
Current tax asset	1	1	1	1
Deferred taxation assets	2 220	2 220	1 548	1 548
Other assets	23 999	23 811	6 175	6 175
Property and equipment	3 457	3 457	3 306	3 306
Investment properties	15 853	5 632	—	—
Goodwill	171	171	171	171
Software	131	131	127	127
Other acquired intangible assets	13	13	13	13
Loan to Group companies	—	—	37 075	37 075
Non-current assets held for sale	785	—	—	—
Total assets	**650 516**	**628 379**	**594 542**	**594 542**
Liabilities				
Deposits by banks	31 789	27 725	26 420	26 420
Derivative financial instruments	18 473	18 519	18 531	18 531
Other trading liabilities	27 434	27 434	15 379	15 379
Repurchase agreements and cash collateral on securities lent	17 967	17 967	17 933	17 933
Customer accounts (deposits)	447 864	447 864	448 171	448 171
Debt securities in issue	7 747	3 840	2 585	2 585
Liabilities arising on securitisation of own originated loans and advances	3 594	3 594	3 594	3 594
Current taxation liabilities	647	646	554	554
Deferred taxation liabilities	95	95	19	19
Other liabilities	23 727	22 403	6 928	6 928
Loans from Group companies and subsidiaries	—	—	712	712
Liabilities to customers under investment contracts	2 433	—	—	—
	581 770	**570 087**	**540 826**	**540 826**
Subordinated liabilities	7 748	7 748	7 748	7 748
Total liabilities	**589 518**	**577 835**	**548 574**	**548 574**
Shareholders' equity				
Ordinary share capital	1	(8 427)	32	32
Ordinary share premium	4 885	1 627	14 250	14 250
Treasury shares	(3 854)	(3 854)	—	—
Other reserves	4 495	4 495	4 339	4 339
Retained income	39 894	41 126	24 637	24 637
Ordinary shareholders' equity	**45 421**	**34 967**	**43 258**	**43 258**
Perpetual preference shares in issue	2 445	2 445	—	—
Shareholders' equity excluding non-controlling interests	**47 866**	**37 412**	**43 258**	**43 258**
Other Additional Tier 1 securities in issue	3 260	3 260	2 710	2 710
Non-controlling interests	9 872	9 872	—	—
Total shareholders' equity	**60 998**	**50 544**	**45 968**	**45 968**

1. The 2023 comparative balance sheet has been restated. Refer to page 168 of the Investec Group's 2024 annual financial statements for detail of the restatement

CAPITAL ADEQUACY
CONTINUED

The purpose of the CCyB1 table below is to provide an overview of the geographical distribution of private sector credit exposures relevant for the calculation of the countercyclical buffer (CCyB)

CCYB1 – GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES USED IN THE COUNTERCYCLICAL CAPITAL BUFFER

	a	b	c	d	e
		Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer			
R'million	Countercyclical capital buffer rate	Exposure values	Risk-weighted assets	Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount[(1)]
At 31 March 2024					
Hong Kong	1.0%	44	7	0.0000%	—
Luxembourg	0.5%	6 036	4 814	0.0025%	0.12
Norway	2.5%	6	1	0.0000%	—
Czech Republic	2.0%	4	—	0.0000%	—
United Kingdom	2.0%	36 813	13 122	0.0400%	5.25
Australia	1.0%	1 139	129	0.0000%	—
Sweden	2.0%	449	89	0.0000%	—
France	1.0%	18	2	0.0000%	—
Germany	0.8%	2 594	1 034	0.0000%	—
Netherlands	1.0%	2 459	2 020	0.0000%	—
Total adjustment		**49 562**	**21 218**	**0.0425%**	**5.37**
At 31 March 2023					
Bulgaria	1.5%	—	—	0.0000%	—
Hong Kong	1.0%	42	11	0.0000%	—
Luxembourg	0.5%	4 188	3 614	0.0025%	0.09
Norway	2.5%	124	121	0.0000%	—
Czech Republic	2.0%	4	—	0.0000%	—
Slovakia	1.0%	—	—	0.0000%	—
United Kingdom	1.0%	18 388	11 162	0.0100%	1.12
Australia	1.0%	1 090	361	0.0000%	—
Sweden	1.0%	36	3	0.0000%	—
Total adjustment		**23 872**	**15 272**	**0.0125%**	**1.21**

(1) The countercyclical buffer amount is the bank-specific countercyclical capital buffer rate multiplied by total risk-weighted assets.

The CCyB add-on for South Africa is 0% and is subject to a one-year pre-announced date before implementation. CCyBs are incorporated into a weighted average calculation based on jurisdictional reciprocity. Reciprocity ensures that the application of the CCyB in each jurisdiction does not distort the level playing field between domestic banks and foreign banks with exposures to counterparties in the same jurisdiction.

CCA – MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS AND OTHER TLAC-ELIGIBLE INSTRUMENTS

The main features of the Group's regulatory capital instruments are disclosed on our Investor Relations website.

Operational risk

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OPERATIONAL RISK
CONTINUED

Operational risk

Refer to pages 77 to 79 of the Investec Annual Report 2024 - Investec risk and governance report for qualitative disclosure requirements related to operational risk.

Operational risk is an inherent risk in the ordinary course of business activity. The impact could be financial as well as non-financial. Possible non-financial impacts could include customer detriment, reputational or regulatory consequences.

Management and measurement of operational risk

The Group manages operational risk through an operational risk management framework that is embedded across all levels of the organisation and is supported by a strong risk management culture. The key purpose of the operational risk management framework is to define the policies and practices that provide the foundation for a structured and integrated approach to identify, assess, mitigate/manage, monitor and report on operational risks.

The key operational risk practices are as follows:

Identify and assess	
Risk and control assessments	• Risk and control assessments are forward-looking, qualitative assessments of inherent and residual risk that are performed on key business processes using a centrally defined risk framework • These assessments enable business to identify, manage and monitor operational risks, incorporating other elements of the operational risk management framework such as risk events and key indicators • Detailed control evaluations are performed, and action plans developed and implemented where necessary to ensure that risk exposure is managed within acceptable levels.
Internal risk events	• Internal risk events provide an objective source of information relating to failures in the control environment • The tracking of internal risk event data provides an opportunity to improve the control environment and to minimise the occurrence of future risk events • In addition, internal risk event data is used as a direct input into the Pillar II capital modelling process.
External risk events	• External risk events are operational risk related events originating outside the organisation • The Group is an active member of a global external data service used to benchmark our internal risk event data against other local and international financial service organisations • The external data is analysed to enhance the control environment, inform scenario analysis and provide insight into emerging operational risks.
Mitigate/manage	
Risk exposures	• Risk exposures are identified through the operational risk management processes, including but not limited to risk assessments, internal risk events, key indicators and audit findings • Residual risk exposure is evaluated in terms of the Group's risk appetite and mitigated where necessary by improving the control environment, transferring through insurance, terminating the relevant business activity or accepting the risk exposure for a period of time subject to formal approval and monitoring.
Monitor	
Key risk indicators	• Indicators are metrics used to monitor risk exposures against identified thresholds • The output provides predictive capability in assessing the risk profile of the business.

OPERATIONAL RISK
CONTINUED

Operational risk governance framework

The operational risk governance structures form an integral part of the operational risk management framework. Key components of the governance structures are:

Roles and responsibilities

The Group, in keeping with sound governance practices, has defined roles and responsibilities for the management of operational risk in accordance with the three lines of defence model, i.e. business line management, an independent operational risk function and an independent internal audit function.

Specialist control functions are responsible for the management of key operational risks. These include, but are not limited to: compliance (including financial crime compliance), cyber, finance, fraud, legal, technology and information security risks.

Committees

Operational risk is managed and monitored through various governance forums and committees that are integrated with the Group's risk management governance structure and report to Board level committees.

The Group's operational risk profile is reported to the governance forums and committees on a regular basis, which contributes to sound risk management and decision-making by the Board and management.

- Operational risk:

Management forums and committees are in place at each entity level. Key responsibilities include the monitoring of operational risk and oversight of the operational risk management framework, including approval of the operational risk management policies.

- Technology, information security and cyber risk:

The DLC IT Risk and Governance Committee is responsible for the monitoring of current and emerging technology and information security risks. In addition, this committee considers the strategic alignment of technology within the business.

Risk appetite

Operational risk appetite is defined as the level of risk exposure that is acceptable to the Board in order to achieve its business and strategic objectives. The Board is responsible for setting and regularly reviewing the risk appetite. The operational risk appetite policy defines the amount of operational risk exposure, or potential adverse impact of a risk event, that the Group is willing to accept through qualitative and quantitative measures.

Operational risks are managed in accordance with the approved risk appetite. Any breaches of limits are escalated in accordance with the appropriate governance structures.

Remuneration

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Pillar 3 remuneration disclosures – 2024

Investec Limited and Investec Bank Limited are required to make certain quantitative and qualitative remuneration disclosures on an annual basis in terms of the South African Prudential Authority's Basel Pillar 3 disclosure requirements.

The Bank's remuneration policies, procedures and practices, collectively referred to as the 'remuneration policy', are designed, in normal market conditions, to:

- Be in line with the business strategy, objectives, values and long-term interests of the Bank
- Be consistent with and promote sound and effective risk management and not encourage risk-taking that exceeds the level of tolerated risk of the Bank
- Ensure that payment of variable remuneration does not limit the Bank's ability to maintain or strengthen its capital base
- Target gross fixed remuneration (base salary and benefits including pension) at median market levels to contain fixed costs
- Ensure that variable remuneration is largely economic value added (EVA) based and underpinned by our predetermined risk appetite and capital allocation
- Facilitate alignment with shareholders through deferral of a portion of short-term incentives into shares and long-term incentive share awards and
- Target total compensation (base salary, benefits and incentives) to the relevant competitive market at upper quartile levels for superior performance.

Given our stance on maintaining a low fixed cost component of remuneration, our commitment to inspiring an entrepreneurial culture and our risk-adjusted return on capital approach to EVA, we do not apply an upper limit on variable rewards. The fixed cost component of remuneration is, however, designed to be sufficient so that employees do not become dependent on their variable compensation as we are not contractually (and do not consider ourselves morally) bound to make variable remuneration awards.

Remuneration Structure

Element	Operation
Salary	• Paid monthly in cash. • Reflects skills, experience and contribution made by the individual. • Salaries are set at median market levels when compared to peer group organisations.
Benefits and pension	• Benefits include retirement schemes; life, disability and personal accident insurance; medical cover; and other benefits, as dictated by competitive local market practices.
Short-term incentive	• All employees are eligible to be considered for a discretionary performance bonus based on business and individual performance. • The total amount (pool) available to be distributed is based on the Bank-wide risk adjusted Economic Value Added (EVA) model which is calculated considering profitability after accounting for the cost of capital deployed. • At an individual level the bonus allocations are determined based on performance against qualitative and quantitative factors. • All annual bonus awards exceeding a predetermined hurdle level are subject to a 60% share deferral in respect of the portion that exceeds the hurdle level. The deferred amount is awarded in the form of forfeitable share awards vesting in three equal tranches at the end of 12 months, 24 months, and 36 months. Forfeitable shares are not subject to performance conditions providing that employment is not terminated. In the event of resignation, the shares will be forfeited. In the event of redundancy, retirement or death the share vesting will be accelerated.
Long-term incentive	• In line with our philosophy of employee ownership, all employees across the organisation participate in our staff share awards, and have the opportunity to be part of our long term growth. • The long-term share incentive plan is designed to align the interests of employees with those of shareholders and long-term organizational interests. • Awards are made in the form of forfeitable share awards that are subject to one third vesting after approximately three, four and five years. • The share awards are forfeitable upon termination; however "good leaver" discretion is applied in exceptional circumstances.
Other	• Variable remuneration of employees in the audit, risk and compliance functions is set independently of the business they oversee. • The Non-Executive Directors are not eligible to participate in any of the Group's incentive plans or to join any retirement scheme. They do not receive any taxable benefits over and above reimbursement for agreed travel and subsistence.

REMUNERATION
CONTINUED

Determination of remuneration for employees

Qualitative and quantitative considerations form an integral part of the determination of overall levels of remuneration for each individual.

Factors considered for overall levels of remuneration at the level of the Investec Group include:

- Financial measures of performance
  - Risk-adjusted EVA model
  - Affordability
- Non-financial measures of performance
  - Market context
  - Specific input from the risk and compliance functions

Factors considered to determine total compensation for each individual include:

- Financial measures of performance
  - Achievement of company and individual targets and objectives
  - Scope of responsibility and individual contributions
- Non-financial measures of performance
  - Alignment with Investec's purpose, values and culture
  - Commitment to belonging, inclusion and diversity
  - Contribution to sustainability principles and initiatives
  - The level of cooperation and collaboration fostered
  - Development of self and others
  - Risk consciousness and effective risk management
  - Adherence to internal control procedures
  - Compliance with the Bank's regulatory requirements and relevant policies and procedures, including treating customers fairly
  - The ability to grow and develop markets and client relationships
  - Multi-year contribution to performance and brand building

Risk and remuneration

Risk management is independent from the business units and monitors, manages and reports on the Bank's risk to ensure it is within the stated risk appetite as mandated by the Board of Directors through the IBL Board Risk and Capital Committee (BRCC). The Bank monitors and controls risk exposure through credit, market, liquidity, operational and legal risk divisions/forums/committees.

Risk consciousness and management is embedded in the organisational culture from the initiation of transactional activity through to the monitoring of adherence to mandates and limits and throughout everything we do. The IBL BRCC (comprising both executive and non-executive directors) sets the overall risk appetite for the Bank and determines the categories of risk, the specific types of risks and the extent of such risks which the Bank should undertake, as well as the mitigation of risks and overall capital management and allocation process.

The remuneration framework, performance measures and metrics for the IBL Chief Executive, who is a person discharging managerial responsibilities (PDMR) of the Investec Group. The annual remuneration for the Chief Executive is reviewed by the IBL Remuneration committee, with a recommendation provided to the DLC Remuneration committee. The IBL Remuneration committee also reviews the salaries and performance bonuses awarded to Executive Directors and a number of other senior and higher paid employees across the bank. In addition, the committee specifically reviews and approves the salaries and performance bonuses awarded to each employee within the internal audit, compliance and risk functions, both in the business units and in the central functions, ensuring that such packages are competitive and are determined independently of the business areas they oversee. In making these decisions the Committee relies on a combination of external advice and supporting information prepared internally by the bank.

In the tables below senior management is defined as members of the Specialist Bank ExCo and Global Executive team in Southern Africa, excluding those executive directors that are separately disclosed in the Investec Group Remuneration Report. Material risk-takers are defined as anyone (not categorised above) who is deemed to be responsible for a division/function (e.g. lending, balance sheet management, advisory and transactional banking activities) which could be incurring risk on behalf of the Bank.

REMUNERATION
CONTINUED

The information contained in the tables below sets out Investec Limited quantitative disclosures for the year ended 31 March 2024.

Aggregate remuneration by remuneration type awarded during the financial year

	31 March 2024			31 March 2023		
R'million	**Senior management**	**Material risk takers**	**Total**	Senior management	Material risk takers	**Total**
Fixed Remuneration – Cash	84.1	71.6	**155.7**	66.3	60.1	126.4
Fixed Remuneration – Shares	—	—	**—**	—	—	—
Variable remuneration*	—	—	**—**			
– Cash	102.7	114.3	**217.0**	100.2	104.6	204.8
– Deferred shares	66.4	38.7	**105.1**	71.1	33.0	104.1
– Deferred cash	—	—	**—**	—	—	—
– Deferred shares – long-term incentive awards**	43.6	54.1	**97.7**	35.8	40.8	76.6
Total aggregate remuneration and deferred incentives (R'million)	**296.8**	**278.7**	**575.5**	**273.4**	**238.5**	**511.9**
Number of employees	17	25	**42**	14	21	35
Ratio of variable pay to fixed pay	2.5	2.9	**2.7**	3.1	3.0	1.4

* Total number of employees receiving variable remuneration was 42 (March 2023:31).
** Value represents the number of shares awarded multiplied by the applicable share price. These awards were made during the period but have not yet vested. These vest one third at the end of years three, four and five.

Additional disclosure on deferred remuneration

	31 March 2024			31 March 2023		
R'million	**Senior management**	**Material risk takers**	**Total**	Senior management	Material risk takers	**Total**
Deferred unvested remuneration outstanding at the beginning of the year	364.3	237.7	**602.0**	339.5	207.4	546.9
Deferred unvested remuneration adjustment – employees that are no longer employed by the bank and reclassifications	42.1	20.1	**62.2**	0.4	4.9	5.3
Deferred remuneration awarded in year	110.1	92.8	**202.9**	106.9	73.8	180.7
Deferred remuneration reduced in year through performance adjustments	—	—	**—**	—	—	
Deferred remuneration reduced in year through malus adjustments	—	—	**—**	—	—	
Deferred remuneration vested in year	(91.2)	(50.6)	**(141.8)**	(82.5)	(48.3)	(130.8)
Deferred unvested remuneration outstanding at the end of the year	**425.3**	**300.0**	**725.3**	**364.3**	**237.8**	**602.1**

	31 March 2024			31 March 2023		
R'million	**Senior management**	**Material risk takers**	**Total**	Senior management	Material risk takers	**Total**
Deferred unvested remuneration outstanding at the end of the year						
Equity	425.3	300.0	**725.3**	364.3	237.8	602.1
Cash	—	—	**—**	—	—	
Other	—	—	**—**	—	—	
	425.3	**300.0**	**725.3**	**364.3**	**237.8**	**602.1**

REMUNERATION
CONTINUED

Additional disclosure on deferred remuneration

	31 March 2024			31 March 2023		
R'million	**Senior management**	**Material risk takers**	**Total**	Senior management	Material risk takers	**Total**
Deferred remuneration vested in year						
– For awards made in 2022 financial year	24.7	8.9	**33.6**			
– For awards made in 2021 financial year	33.0	15.7	**48.7**	20.7	7.4	28.1
– For awards made in 2020 financial year	14.0	6.5	**20.5**	11.9	6.3	18.2
– For awards made in 2019 financial year	19.5	19.5	**39.0**	22.1	17.0	39.1
– For awards made in 2018 financial year	—	—	**—**	26.2	14.2	40.4
– For awards made in 2017 financial year	—	—	**—**	1.6	3.4	5.0
	91.2	**50.6**	**141.8**	**82.5**	**48.3**	**130.8**

Other remuneration disclosures: special payments

	31 March 2024			31 March 2023		
R'million	**Senior management**	**Material risk takers**	**Total**	Senior management	Material risk takers	**Total**
Sign-on payments						
Made during the year (R'mn)	—	2.3	**2.3**	2.5	—	2.5
Number of beneficiaries	—	1.0	**1.0**	1.0	—	1.0
Severance payments						
Made during the year (R'mn)	—	—	**—**	2.5	—	2.5
Number of beneficiaries	—	—	**—**	1.0	—	1.0
Guaranteed bonuses						
Made during the year (R'mn)	—	—	**—**	—	—	—
Number of beneficiaries	—	—	**—**	—	—	—

Abbreviations

14

ABBREVIATIONS

In the sections that follow, the following abbreviations are used on numerous occasions:

AIRB	Advanced IRB
AMA	Advanced measurement approaches
ASF	Available stable funding
AT1	Additional Tier 1
BCBS	Basel Committee on Banking Supervision
BOM	Bank of Mauritius
BRCC	Board Risk and Capital Committee
CCB	Capital conservation buffer
CCF	Credit conversion factor
CCP	Central counterparty
CCR	Counterparty credit risk
CCyB	Countercyclical capital buffer
CDS	Credit default swap
CET1	Common Equity Tier 1
CLN	Credit-linked notes
CMR	Capital Management & Reporting
CR	Credit risk
CRM	Credit risk mitigation
CRR	Capital Requirements Regulations
CVA	Credit valuation adjustment
D-SIB	Domestically Significant Important Bank
EAD	Exposure at Default
ECAI	External Credit Assessment Institution
ECL	Expected credit loss
ERC	Executive Risk Committee
ERRF	Executive Risk Review Forum
FCTR	Foreign currency translation reserve
FIRB	Foundation IRB
FRTB	Fundamental Review of the Trading Book
Group	Investec Limited and its subsidiaries
G-SIB	Globally systemically important bank
G-SII	Global systemically important institution
HQLA	High-quality liquid asset
HVCRE	High-volatility commercial real estate
IAA	Internal assessment approach
IBL	Investec Bank Limited
ICAAP	Internal capital adequacy assessment process
ICR	Internal credit rating
IMA	Internal model approach
IMM	Internal Model Method
IFRS	International Financial Reporting Standards
IPRE	Income-producing real estate
IRB	Internal ratings-based
IRBA	Internal ratings-based advanced approach

ABBREVIATIONS
CONTINUED

IRBF	Internal ratings-based foundation approach
IRC	Incremental risk charge
IRRBB	Interest Rate Risk in the Banking Book
ISDA	International Swaps and Derivatives Association Master Agreement
LCR	Liquidity coverage ratio
LGD	Loss-given-default
MR	Market risk
NSFR	Net stable funding ratio
OTC	Over-the-counter
PCN	Positive cycle-neutral countercyclical capital buffer
PD	Probability of default
PFE	Potential future exposure
PSE	Public sector entity
PVA	Prudential valuation adjustment
QCCP	Qualifying central counterparty
RBA	Ratings-based approach
RSF	Required stable funding
RWA	Risk-weighted asset
SA	Standardised Approach
SEC	Securitisations
SFT	Securities financing transaction
SME	Small and medium-sized enterprise
STD	Standardised Approach
sVaR	Stressed VaR
TLAC	Total loss-absorbing capacity
VaR	Value at Risk