Out of the Ordinary since 1974

INVESTEC ANNUAL REPORT
2024

Investec Bank Limited Group and
Company annual financial statements

Page references
Refers readers to information elsewhere in this report.

Website
Indicates that additional information is available on our website:
www.investec.com

Group sustainability
Refers readers to further information in the Investec Group's 2024 sustainability report which is published and available on our website:
www.investec.com

Reporting standard
Denotes our consideration of a reporting standard

Feedback
We value feedback and invite questions and comments on our reporting. To give feedback please contact our Investor Relations division.

For queries regarding information in this document:

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www.investec.com/en_za/welcome-to-investec/about-us/investor-relations.html

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Overview of the activities of Investec Bank Limited

Our purpose is to *create enduring worth*. This underpins who we are and how we create long-term sustainable value. This section provides an overview of Investec Bank Limited.

IN THIS SECTION

OUR BUSINESS AT A GLANCE

One Investec

Our purpose is to create enduring worth.

Our mission	Investec is a distinctive bank and wealth manager, driven by commitment to our purpose, values, core philosophies and culture. We deliver exceptional service to our clients in the areas of banking and wealth management, striving to create long-term value for all of our stakeholders and contributing meaningfully to our people, communities and the planet.
Our distinction	The Investec distinction is embodied in our entrepreneurial culture, supported by a strong risk management discipline, client-centric approach and an ability to be nimble, flexible and innovative. We do not seek to be all things to all people. Our aim is to build well defined, value-adding businesses focused on serving the needs of select market niches where we can compete effectively and build scale and relevance. Our unique positioning is reflected in our iconic brand, our high-touch and high-tech approach and our positive contribution to society, macro-economic stability and the environment. Ours is a culture that values purposeful thinking and stimulates extraordinary performance. We take pride in the strength of our leadership team, our people are empowered and committed to our values and culture.
Our philosophies	Single organisation Meritocracy Focused businesses Differentiated, yet integrated Material employee ownership Creating an environment that stimulates extraordinary performance
Our values	Deep client partnerships, built on trust and Out of the Ordinary service, are the bedrock of our business We uphold cast-iron integrity in all our dealings, consistently displaying moral strength We seek creative, talented people with passion, energy and stamina, who collaborate unselfishly We thrive on change and challenge the status quo with courage, constantly innovating and adapting to an ever-changing world We believe in open and honest dialogue to test decisions, seek consensus and accept responsibility We pursue diversity and strive to create an environment in which everyone an bring their whole selves We show care for people, support our colleagues and respect the dignity and worth of the individual We are committed to living in society, not off it, contributing meaningfully to the communities in which we operate We embrace our responsibility to the environment and the well-being of our planet We trust our people to exercise their judgement, promoting entrepreneurial flair and freedom to operate with risk consciousness and unwavering adherence to our values

OVERVIEW OF THE ACTIVITIES OF INVESTEC BANK LIMITED

Specialist Banking

Our specialist teams are well positioned to provide solutions to meet private, business, corporate and institutional clients' needs. Each business provides specialised products and services to defined target markets.

What makes us distinct?

- Voted 'Best Private Bank & Wealth Manager' by London's Financial Times – 11 years in a row (2013 to 2023) and 'Bank of the Year in South Africa' at The Banker – Bank of the Year Awards (2023)
- High-quality specialist banking solutions to private and corporate clients with leading positions in selected areas
- Provision of high-touch personalised service with the ability to execute quickly
- Ability to leverage international, cross-border platforms
- Well positioned to capture opportunities between the developed and the emerging world
- Strong ability to originate, manufacture and distribute
- Balanced business model with good business depth and breadth.

Focus on helping our clients create and preserve wealth	**A highly valued partner and adviser to our clients**
High-income and high net worth private clients	**Corporates/government/institutional clients**

Private client banking activities

Private Banking

- Transactional banking
- Lending
- Private capital
- Property finance
- Savings
- Life assurance and investment products.

Corporate, investment banking and other activities

Corporate and Institutional Banking

- Business transactional banking
- Specialised lending
- Treasury and trading solutions
- Institutional research, sales and trading
- Fixed income, currency and commodities (FICC) trading.

Investec for Business

- Import and trade finance lending
- Cash flow lending
- Asset finance.

Investment Banking and Principal Investments

- Principal investments
- Advisory
- Debt and Equity Capital Markets.

Natural linkages between the private client and corporate business

Corporate Governance

IN THIS SECTION

GOVERNANCE FRAMEWORK

Who we are

Biographies of our directors as at 24 June 2024 are outlined on the following pages, including their relevant skills and experience, key external appointments and any appointments to Board committees.

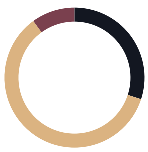
Committee membership key

A	IBL Audit Committee
B	IBL BRCC
R	IBL Remuneration Committee
C	DLC Audit Committee
D	DLC BRCC
N	DLC Nomdac
S	DLC SEC
■	Denotes Committee Chair

Gender diversity

Male	7
Female	3

Age



Age	Count	Percentage
44 – 53	3	30.0%
54 – 63	6	60.0%
64 – 73	1	10.0%

Race

Race	Count	Percentage
African	3	30.0%
White	4	40.0%
Indian	3	30.0%

Philip A Hourquebie

Chair

B D N R

Age
71

Nationality
British

Qualifications
BAcc, BCom (Hons), CA(SA)

Date of appointment
12 December 2018 (Board)
3 August 2023 (Chair)

Independent
Yes

Relevant skills and experience
Philip has substantial international and advisory experience, gained through a long career at Ernst & Young, where he held various positions, including Managing Partner for the sub-Saharan Africa and later, Central and South East Europe regions. This career experience, in conjunction with his time as Chair of the South African Institute of Chartered Accountants, brings deep finance, strategic, leadership and operational experience.

External appointments
Aveng Limited and Burstone Group Limited (previously known as Investec Property Fund Limited)

Zarina Bassa

Independent Non-Executive Director

A B C D N R

Age
60

Nationality
South African

Qualifications
BAcc, DipAcc, CA(SA)

Date of appointment
1 November 2014

Independent
Yes

Relevant skills and experience
Zarina's previous appointments include partner of Ernst & Young, Executive Director of Absa Bank, Chair of the South African Public Accountants' and Auditors' Board and the South African Auditing Standards Board. She has also been a member of the Accounting Standards Board, and a Non-Executive Director of the Financial Services Board, the South African Institute of Chartered Accountants, Kumba Iron Ore Limited, Mediclinic International, Sun International Limited, Mercedes South Africa, Oceana Group, Vodacom South Africa Proprietary Limited, YeboYethu Limited and Woolworths Holdings Limited. This background affords significant audit and risk experience, and financial, leadership, banking and regulatory reporting skills.

External appointments
JSE Limited

GOVERNANCE FRAMEWORK
CONTINUED

Diane Radley

Independent Non-Executive Director

A B

Age
58

Nationality
South African

Qualifications
BCom, BCompt (Hons), CA(SA), MBA (WBS), AMP (Harvard)

Date of appointment
6 March 2024

Independent
Yes

Relevant skills and experience
Diane's previous appointments include partner in charge of Transaction Services at PricewaterhouseCoopers, Group CFO of Allied Electronics Limited, Group FD of Old Mutual South Africa Limited and CEO of Old Mutual Investment Group Limited. She has also been a non-executive director of Omnia Holdings Limited, WIPHold Limited, Murray & Roberts Limited, Bytes Technology Group Limited and Allied Technologies Limited. This background affords significant audit and risk experience, financial, leadership, banking, long term insurance, fintech, wealth, savings and investment and regulatory reporting skills.

External appointments
Network International plc, Redefine Properties Limited, Base Resources Limited,Transaction Capital Limited

Cumesh Moodliar

Chief Executive

B

Age
55

Nationality
South African

Qualifications
BA, LLB, LLM

Date of appointment
1 April 2024

Independent
No

Relevant skills and experience
Cumesh has been with Investec in various capacities since 2012, and the CEO of Investec Bank Limited since 1 April 2024, responsible for Investec's operations in South Africa. Cumesh was appointed as head of the Private Client Franchise division in 2022. Before joining Investec, Cumesh was the managing partner (and a director) at Goldberg & De Villiers, an established Eastern Cape-based law firm (1996 – 2011). He completed his legal articles from 1994 to 1996 at the same firm. He brings extensive banking, tax, legal and industry expertise to the Board.

External appointments
Banking Association of South Africa (BASA)

Morris Mthombeni

Independent Non-Executive Director

B S

Age
50

Nationality
South African

Qualifications
BJuris, BProc, LLB, MBA, PhD

Date of appointment
2 March 2020

Independent
Yes

Relevant skills and experience
Morris has extensive commercial, strategic, governance and advisory related experience in finance, law and business education. Morris is the Dean at the Gordon Institute of Business Science (GIBS), a position he has held since 1 April 2022. Morris joined GIBS in 2014 where, among others, he rose to be the lead faculty member in the fields of corporate strategy and corporate governance. Morris plays a leading role in higher education at an international level. He is chair of the South African Business School Association (SABSA), and serves on the advisory and working boards of the UN Principles of Responsible Management Education (PRME), Responsible Research in Business Management (RRBM) and the Academy of International Business.

External appointments
King Price Life Limited, King Price Insurance Limited, Lombard Insurance Company Limited

GOVERNANCE FRAMEWORK
CONTINUED

Vanessa Olver

Independent Non-Executive Director

A B D N

Age
50

Nationality
South African

Qualifications
BCom, HDipAcc, HDipTax, CA(SA), CPA (USA)

Date of appointment
20 May 2021

Independent
Yes

Relevant skills and experience
Vanessa is a Chartered Accountant, who has substantial strategic, risk, finance, governance, and technology related experience, having held a number of senior executive roles, including previously serving as Chief Enablement Officer (Rest of Africa) at Absa Group, Deputy Chief Executive Officer at Business Connexion Group and Finance Director of Stanbic Bank after having spent 7 years abroad at Deloitte US and Aviva plc.

Vanessa is also the Founder of Quantum Change, an advisory and recruitment firm which focuses on enabling clients' business strategies through precision execution.

External appointments
None

Mvuleni G Qhena

Independent Non-Executive Director

A B R

Age
58

Nationality
South African

Qualifications
BCompt (Hons), CA(SA), Advanced Tax Certificate, SEP

Date of appointment
2 March 2020

Independent
Yes

Relevant skills and experience
Mvuleni served as the Chief Executive Officer and Managing Director of the Industrial Development Corporation (IDC) of South Africa Limited from 2005 to 2018, having previously served as its Chief Financial Officer between 2003 and 2005. Mvuleni completed his articles with KPMG, lectured at the University of Johannesburg and served as senior manager of restructuring for Transnet Group. He also served as the interim Chair of South African Airways (SAA). This industry experience demonstrates his wealth of strategic, risk and financial advisory skills.

External appointments
Chair of Exxaro Resources Limited and Telkom SA SOC Limited

Richard Wainwright

Executive Director

B

Age
61

Nationality
South African

Qualifications
BCom (Hons), CTA, CA(SA)

Date of appointment
1 February 2016

Independent
No

Relevant skills and experience
Richard has been with Investec in various capacities since 1995, and the CEO of Investec Bank Limited since 2016 until 31 March 2024, responsible for Investec's operations in South Africa. Richard started the financial products and project finance divisions in 1996. He was appointed as head of the Group's corporate and institutional banking division in 2005. He brings extensive investment banking, tax, risk and industry expertise to the Board.

External appointments
None

GOVERNANCE FRAMEWORK
CONTINUED

Fani Titi

Executive Director

B D S

Age
61

Nationality
South African

Qualifications
BSc (Hons) (cum laude), MA, MBA

Date of appointment
3 July 2002

Independent
No

Relevant skills and experience
Fani was appointed joint CEO of Investec Group on 1 April 2019, and sole Group Chief Executive on 16 March 2020. Prior to that Fani chaired the Investec Group Board between November 2011 and May 2018, and was a member of the Group Board since January 2004. Prior to joining Investec, Fani was a private equity professional with the private equity groups the Tiso group and Kagiso Trust Investments. Fani brings extensive banking and commercial expertise to the Board.

External appointments
IEP Group (Pty) Limited

Rupesh Govan

Finance Director

B

Age
49

Nationality
South African

Qualifications
BAcc, BAcc (Hons), CA(SA), Dip in Advanced Banking (cum laude)

Date of appointment
1 August 2022

Independent
No

Relevant skills and experience
Rupesh has extensive experience within the financial services sector. He has spent almost 2 years as Financial Director of Investec Bank Limited. He spent a total of 15 years with the Standard Bank Group and has held various senior leadership positions across Personal and Business Banking, Asset Liability Management, Wealth and more recently as the Chief Finance and Value Manager of Client Solutions. He also spent 4 years working at Peregrine Financial Services performing various roles in Finance and Risk Management. Rupesh is a Chartered Accountant with over 24 years' experience and has attended various International development leadership programmes, with emersion in China, Nigeria, London, Brazil and Dubai.

External appointments
Banking Association of South Africa (BASA)

GOVERNANCE FRAMEWORK
CONTINUED

Meeting attendance

The Board of Investec Bank Limited met six times during the financial year. Special meetings are called on an ad hoc basis. The Chair is responsible for setting the agenda for each meeting, in consultation with the Chief Executive and the Company Secretary. Comprehensive information packs on matters to be considered by the Board are provided to directors in advance.

				Investec Bank Limited Board (6 meetings in the year)	
Members	**Independent**	**Date of appointment**	**Date of resignation/ retirement**	**Eligible to attend**	**Attended**
Executive Directors					
Richard J Wainwright (Chief Executive)	No	1 Feb 2016		6	6
Cumesh J Moodliar (Chief Executive)*	No	1 Apr 2024		0	0
Fani Titi (Group Chief Executive)	No	3 Jul 2002		6	6
Rupesh Govan (Finance Director)	No	1 Aug 2022		6	6
Non-Executive Director					
Khumo L Shuenyane (Former Chair)**	Yes	8 Aug 2014	3 Aug 2023	2	2
Zarina BM Bassa	Yes	1 Nov 2014		6	6
Philip A Hourquebie (Chair)	Yes	12 Dec 2018		6	6
Morris Mthombeni	Yes	2 Mar 2020		6	6
Vanessa Olver	Yes	20 May 2021		6	6
Mvuleni G Qhena	Yes	2 Mar 2020		6	6
Diane C Radley***	Yes	6 Mar 2024		1	1

* CJ Moodliar was appointed as Chief Executive of Investec Bank Limited effective 01 April 2024
** KL Shuenyane retired as a director and the Chair of Investec Bank Limited effective 3 August 2023
*** D Radley was appointed as a director of Investec Bank Limited effective 6 March 2024

Other regular attendees

- IBL Chief Risk Officer
- DLC Chief Risk Officer
- DLC Chief Operating Officer
- Heads of key business units
- DLC Head of People & Organisation

Company Secretary

Niki van Wyk is the Company Secretary of Investec Bank Limited. The Company Secretary is professionally qualified and has gained experience over a number of years. Her services are evaluated by Board members during the annual Board evaluation process.

In compliance with the King IV™ and the Johannesburg Stock Exchange (JSE) Listings Requirements, the Board has considered and is satisfied that the Company Secretary is competent, has the relevant qualifications and experience and maintains an arm's length relationship with the Board. In addition, the Board confirms that for the period 1 April 2023 to 31 March 2024 the Company Secretary did not serve as a Director on the Board nor did she take part in Board deliberations and only advised on matters of governance, form or procedure.

Governance framework

Investec Bank Limited is a wholly-owned subsidiary of Investec Limited that has debt instruments listed on the JSE and the Cape Town Stock Exchange. Investec operates under a dual-listed company (DLC) structure and considers the corporate governance principles and regulations of both the United Kingdom and South Africa before adopting the higher standard for the Group, which also complies with requirements in both jurisdictions.

From a legal perspective, the DLC is comprised of:

- Investec plc – a public company incorporated in the United Kingdom and listed on the London Stock Exchange (LSE) with a secondary listing on the JSE
- Investec Limited – a public company incorporated in South Africa and listed on the JSE, with secondary listings on A2X, the Namibia Stock Exchange and the Botswana Stock Exchange.

The Bank consistently reviews and refines its governance structures, to ensure that it continues to operate with an appropriate level of independence and autonomy in the context of the wider Investec Group.

Details of the governance framework of the Investec Group can be found on page 152 of Investec Group's 2023 integrated annual and strategic report.

CHAIR'S INTRODUCTION

We remained steadfast in our objective to create sustainable, long-term value for our stakeholders despite the uncertain macro-economic environment and persistent market volatility that prevailed.

Philip Hourquebie
Chair

I am pleased to present the annual corporate governance report for the year ended 31 March 2024, which describes our approach to corporate governance.

Before going into the details of the Bank's governance process, I would like to reflect on the Board's achievements over the past year, the challenges faced and the key areas of focus for the year ahead.

The past year in focus

Investec Bank Limited had a strong performance during the past financial year, with the Bank's financial and operational performance remaining resilient, despite the volatile environment within which we operated.

South Africa and the Bank were challenged by numerous factors including a shrinking economy, inflationary pressure, market volatility following increasing concerns over the deterioration of government finances, policy uncertainty which contributed to depressed business confidence, an energy and water crisis, socio-political and geopolitical conflict as well as the continued greylisting of the country by the Financial Action Task Force.

Investor sentiment was dampened by uncertainty surrounding the nature of a coalition government, following the South Africa's national election in May 2024 which was declared free and fair on 2 June 2024. President Ramaphosa announced the formation of a Government of National Unity (GNU) pursuant to the ANC's inability to retain majority support for the first time since the dawn of democracy, and the party's decision to join other centre-leaning and moderate parties. The establishment of a new government has proceeded peacefully, with the first sitting of parliament having taken place on 14 June 2024

We remained steadfast in our objective to create sustainable, long-term value for our stakeholders despite the uncertain macro-economic environment and persistent market volatility that prevailed. Our highly differentiated and client-centric 'Out of the Ordinary' approach supported our growth and was underpinned by our disciplined approach to capital allocation and risk management. New and existing growth initiatives continue to gather pace across all client franchises, as we heighten our strategic focus on disciplined growth.

Changes to the directorate

Following Khumo Shuenyane's retirement as Chair of IBL at the AGM in August 2023, I stepped into this role and would like to extend my gratitude to the Board, organisation and our stakeholders for their continued support.

Cumesh Moodliar was appointed as Investec Bank Limited's Chief Executive with effect from 1 April 2024, following Richard Wainwright's retirement from this role on 31 March 2024. Richard will continue to serve as an Executive Director on the Board.

Diane Radley was appointed as an independent Non-Executive Director of Investec Bank Limited on 6 March 2024. Diane was additionally appointed as an independent Non-Executive Director of Investec Limited and Investec plc, and a member of the IBL and DLC Board Risk and Capital Committees as well as the IBL and DLC Audit Committees on the same date.

Zarina Bassa will not be standing for re-election at the 2024 AGM having reached nine years of service to the Investec Group in November 2023.

I wish to express my gratitude to Khumo, Richard and Zarina for their exemplary service, commitment, dedication and contribution to the organisation. Additionally, I would like to congratulate Cumesh and Diane on their respective appointments to the Board.

Board succession

We have continued to focus on Board and senior management succession from both a short- and long-term perspective. In line with the Board-approved Non-Executive Director succession plan, the Board has resolved to appoint Diane Radley as Chair of IBL's Audit Committee following Zarina's retirement from the Board in August 2024.

The Board will ensure that Investec Bank Limited continues to have an appropriate balance of Executive and Non-Executive Directors, a diverse directorate and an appropriate combination of directors who will serve only on the Bank's Board and directors who also serve on the Investec Group Board.

Culture and Diversity

Investec's unique cultural proposition has been reinforced through its purpose, values and culture as well as its processes, interactions and communication. This cultural proposition is evidenced in the way Investec's citizens live within, and experience, the organisation.

CHAIR'S INTRODUCTION
CONTINUED

Culture sessions were held across the organisation where Investec's purpose, values, philosophy of "client centricity" and other pertinent themes, including the significance of speed of execution and relational engagement, were considered and emphasised.

Diversity and inclusion remains a priority within the Bank, with numerous learning programmes and networks having been implemented and/or maintained to further progress the organisation's employment equity and transformation objectives.

In accordance with Investec's commitment to the spirit and letter of the King IV™ diversity protocols, and in line with the Group's diversity policy, the approach followed in recruiting new Board and senior management members is aimed at ensuring that the Bank has a diverse Board and leadership team.

Further details relating to the Board's diversity can be found on page 8.

Board effectiveness

Investec Bank Limited has a policy that governs the evaluation of the performance of the Board of Directors and its committees, the Chair and individual directors pursuant to the provisions of King IV™.

This policy is available on the website https://www.investec.com/en_za/

Each year the Board undertakes a formal evaluation of its performance. This year's review was facilitated internally, in the form of a self-assessment questionnaire, which was followed by one-on-one meetings between myself and each of the Board members.

Key themes from the review included strategy, Board oversight, stakeholder relations and governance structures at both a DLC and a subsidiary level.

The review indicated that the Board, its committees and the individual directors were performing effectively and provided a good perspective on matters concerning Investec Bank Limited. Stakeholder engagement and the constructive interaction between Non-Executive Directors and Executive Directors, underpinned by strong governance frameworks and clear delegations of authority, continued to contribute positively to the progress achieved by the Board. Overall, the Board was found to be operating effectively, with no material concerns being brought to the fore.

From a development perspective, the review reflected that the Board would benefit from enhanced presentations on Investec Bank Limited's underlying franchises, suppliers and corporate social investment initiatives and material clients. These presentations will continue as deep dives and the directors' development sessions informed by key strategic initiatives like sustainable finance, AI developments, and organizational resilience, as appropriate.

The outcomes and action plans emanating from the 2023/24 effectiveness review were largely driven at the DLC level and between the Chairs of the Group Boards. Following consideration, an appropriate action plan was agreed.

Board action plan

The Board action plan for 2024/25 includes:

- Enhanced feedback on key/material client, suppliers and corporate social investment related matters.

The Board, with the assistance of the DLC Nomdac, will continue to monitor the actions taken in response to the outcome of the review as the year progresses.

The Board committees were also reviewed and were considered to function well in terms of their effectiveness, decision-making and the rigorous manner in which they addressed issues.

Corporate governance

In the past financial year, corporate governance remained a key area of focus with the Board continuing to ensure that the organisation was aligned and compliant with the requirements of King IV™.

The full details of our compliance to King IV™ can be found on https://www.investec.com/en_za/

In further adhering to relevant corporate governance requirements, we have continued to comply with the Group's conflicts of interest policy. This policy addresses the manner in which conflicting interests are identified and managed or avoided for directors and executive management within the organisation. There were no conflicts of interest during the period under review. Accordingly, there are no recorded personal financial interests.

The policy is available on the website https://www.investec.com/en_za/

Notable awards during the year

The organisation was recognised as the 'Best Private Bank & Wealth Manager' by London's Financial Times for 11 years in a row (2013 to 2023) and 'Bank of the Year in South Africa' at The Banker – Bank of the Year Awards (2023).

The year ahead

During the upcoming year, we are looking to continue leveraging off our connectivity and linkages to the Investec Group. We will additionally be looking to complete the strategic actions taken to enhance the Bank's financial resilience. As part of our pivot to disciplined growth, we will persist in our effort to explore external partnerships with the aim of enhancing offerings, driving scale and accessing new markets. At the same time, we will continue to drive our organic growth initiatives.

Investec Bank Limited's prior investment in our digital and technology platforms has served us well to drive growth and we intend to continue investing strategically in our digital and technological capability. The Bank will additionally continue to invest in Artificial Intelligence with the aim of elevating innovation and efficiency within the organisation.

Board and senior leader succession planning and talent management as well as employment equity and the attainment of transformation targets will continue to be a key focus area for the Board. With the support of the DLC Nomdac, particular consideration will be given to attrition in the workplace, talent pipeline for senior leaders and employee wellbeing.

In response to the pressing climate change concerns, we plan to refine and implement our sustainable and transition finance proposition in line with our net zero emissions target. The organisation remains committed to contributing positively and in a sustainable manner to our financial, social and natural environment.

For further details please refer to the Group's sustainability and ESG supplementary report available on our website https://www.investec.com/en_za/

Philip Hourqebie

24 June 2024

BOARD COMMITTEES

Board committees

Investec Bank Limited (IBL) has a duly constituted IBL Audit Committee, IBL Board Risk and Capital Committee as well as an IBL Remuneration Committee. The mandate of these committees is in accordance with the relevant legislative, regulatory and governance requirements including, inter alia, the Companies Act No. 71 of 2008 (Companies Act), Banks Act No. 94 of 1990 (Banks Act), JSE Listings Requirements and King IV™.

The reports by the Chairs of the IBL Audit Committee, IBL Board Risk and Capital Committee as well as the IBL Remuneration Committee are contained in the applicable sections of the Investec Bank Limited Annual Report.

In addition to the IBL Audit Committee, IBL Board Risk and Capital Committee as well as the IBL Remuneration Committee, IBL relies on Investec Limited and Investec plc's Social and Ethics Committee (DLC SEC), the Nominations and Directors' Affairs Committee (DLC Nomdac) and DLC IT Risk and Governance Committee to fulfil the relevant functions on IBL's behalf. In line with the delegation of authority to the DLC SEC, DLC Nomdac and DLC IT Risk and Governance Committee, matters specific to IBL are considered at each meeting of the said DLC committees and IBL's Board receives a report on the proceedings of these DLC committees at each IBL Board meeting.

IBL Board member representation at the DLC committees ensures that key matters for IBL and its subsidiaries are visible at a Group level, and likewise matters of mutual interest for the Group and IBL are communicated and addressed, where applicable, in IBL and its subsidiaries.

DLC Social and Ethics Committee

In terms of the Companies Act, the Chair of the DLC Social and Ethics Committee (DLC SEC) is required to report to stakeholders on matters within its mandate. The DLC SEC performs the necessary functions required on behalf of IBL. Three members of the IBL Board are members of the DLC SEC.

For further details on the role of the Committee refer to pages 101 to 105 of the Investec Group's 2024 risk and governance report.

DLC Nominations and Directors' Affairs Committee

The DLC Nominations and Directors' Affairs Committee (DLC Nomdac) currently serves as the Nomdac for the Group, including IBL. The DLC Nomdac also undertakes the duties of a Directors' Affairs Committee as required by the Banks Act. Four members of the IBL Board are members of the DLC Nomdac.

The report from the DLC Nominations and Directors' Affairs Committee can be found on pages 97 to 100 of the Investec Group's 2024 risk and governance report.

DLC IT Risk and Governance Committee

The DLC IT Risk and Governance Committee currently serves as the IT Risk and Governance Committee for the Group, including IBL. The Committee oversees the sound management of risk inherent in the use of IT, which includes ongoing oversight of information technology, data, security and cyber risks to the Group. The Committee additionally reviews and assesses the response to emerging technology risks. The strategic alignment of IT and business are also tracked as part of the Committee's responsibility. Two members of IBL's Board are members of the DLC IT Risk and Governance Committee.

For further details on the role of the Committee refer to page 123 of the Investec Group's 2024 risk and governance report.

IBL AUDIT COMMITTEE REPORT

High quality audit and assurance services are essential for trusted financial information.

Zarina Bassa
Chair of the Investec Bank Limited Audit Committee

Introduction

I am pleased to present the Investec Bank Limited (IBL) Audit Committee (the Committee) report for the financial year ended 31 March 2024 which provides details on how we accomplished our statutory obligations, as well as the Key Audit and Other Matters (KAMs) we considered.

The Committee has further discharged its responsibilities and provided assurance on the integrity of the 2024 annual report and financial statements.

Role of the Committee

We provide independent challenge and oversight across the Bank's financial reporting and internal control practices.

The Board has delegated the following key functions to the Committee:

- Overseeing and ensuring the integrity of the Bank's financial reporting process. This includes additional scrutiny of the accounting for significant transactions and assessing the impact and cause of restatements of prior year financial statements
- Satisfying itself that significant judgements made by management during the Bank's financial reporting process are sound and reasonable
- Dealing with concerns, if any, from outside the Bank regarding the application of accounting principles and external reporting
- Review the effectiveness of the Bank's internal control environment and assurance processes
- Managing and overseeing the performance, conduct, quality and effectiveness of the Bank's internal audit functions
- Reviewing the annual work plan, capacity, scope and staffing and independence of internal audit
- Overseeing the Bank's compliance functions
- Overseeing the Bank's subsidiary audit committees, including in remote locations
- Appointing, managing and overseeing the relationship with the Bank's external auditors, including the audit scope, fees, quality control, effectiveness and independence of the external audit function
- Managing the policy, fees and the nature of non-audit services provided by the external auditors
- Managing the appropriateness of the design and effectiveness of the combined assurance model which incorporates the various disciplines of Risk Management, Operational Risk, Legal, Regulatory, Compliance, internal audit, external audit and other assurance providers
- Oversight of the processes in the Bank that culminate in the Chief Executive (CE) and Financial Director (FD) control attestation to the JSE at an Investec DLC level.

The Committee's terms of reference can be found at www.investec.com.

Committee composition, skills, experience and operation

The Committee is comprised entirely of independent Non-Executive Directors who meet predetermined skills, competency and experience requirements as determined by the DLC Nomdac.

The members continuing independence, as well as their required skill, competencies and experience is assessed annually.

In March 2024, Diane Radley was appointed to the Committee following her appointment as a Non-Executive Director to the IBL Board. Following my retirement at the August 2024 AGM, Diane will assume the role of Chair of the Committee.

Further details of the experience of the members can be found in their biographies on pages 8 to 11 of the report.

The CE, FD, Chief Operating Officer (COO), Chief Risk Officer (CRO), Head of Internal Audit, Chief Compliance Officer and representatives from the joint external auditors are invited to attend all meetings. Other members of management, including Tax and business unit heads, are invited to attend meetings to provide the Committee with greater insights into specific issues or areas of the Bank.

The Chair has regular contact with the Bank Executive Team to discuss and gain broader insight on relevant matters directly.

IBL AUDIT COMMITTEE REPORT
CONTINUED

The internal and external auditors have direct access to the Chair, including closed sessions with the Committee without management present, on any matter that they regard as relevant to the fulfilment of the Committee's responsibilities.

Members	Meetings attended/ Eligible to attend
Zarina Bassa (Chair)	10/10
Vanessa Olver	10/10
Geoffrey Qhena	9/10
Diane Radley[1]	1/1

1. Diane Radley was appointed as a member of the Committee effective 06 March 2024

Structure of the Investec Group Audit Committees

In terms of the DLC structure, the DLC Board has mandated authority to the DLC Audit Committee to be the Audit Committee of the Group. The DLC Audit Committee oversees and considers Group audit-related matters. It has responsibility for audit-related matters that are common to Investec plc and Investec Limited and works in conjunction with these two committees to address all Group reporting.

The Investec plc Board, Investec Limited Board, Investec Wealth & Investment International Board, Investec Bank plc Board and Investec Bank Limited Board have mandated authority to their respective audit committees to be the audit committees for the respective companies and their subsidiaries.

The Committee receives regular reports from the Bank's subsidiary audit committees as part of the oversight of subsidiary audit committees.

The Chair is also the Chair of the following audit committees:

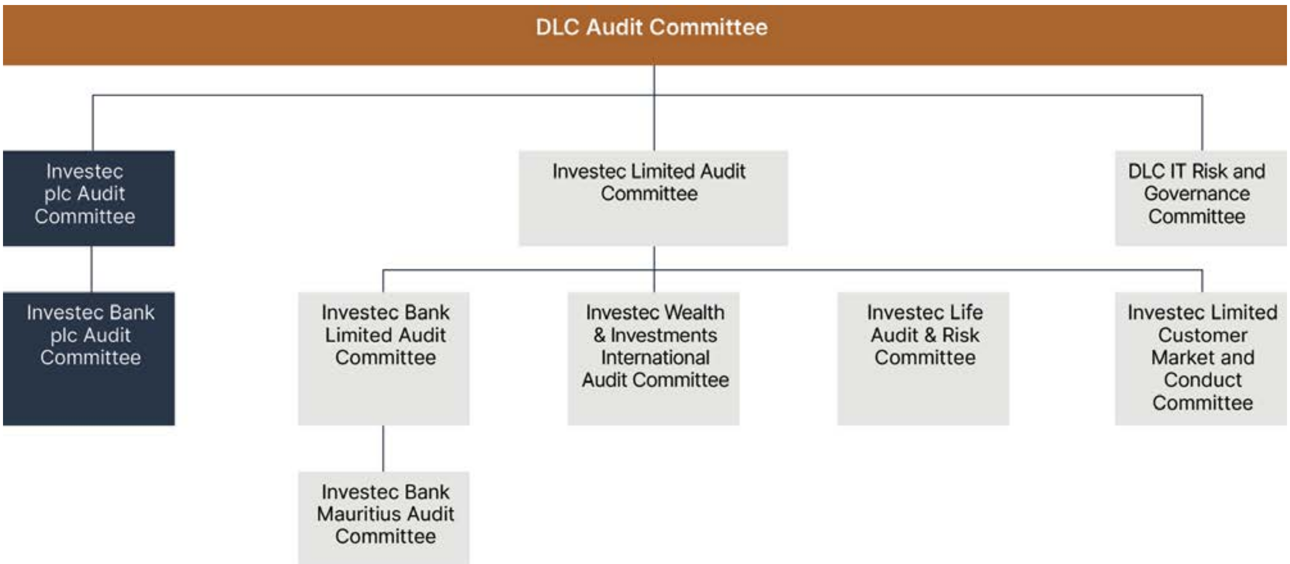
- Investec DLC
- Investec plc
- Investec Limited
- Investec Bank Mauritius (IBM)
- Investec Wealth and Investment International.

The Chair is also a member of the following audit committees:

- Investec Bank plc
- Investec Life
- Investec Wealth and Investment UK (up to the date of the Rathbones transaction).

The Chair attends the following committee meetings:

- Operational Risk Committee, as a white card holder
- DLC IT Risk and Governance Committee.



IBL AUDIT COMMITTEE REPORT
CONTINUED

Areas covered by the IBL Audit Committee

Key audit matters (KAM)

KAM are those matters that in the view of the Committee:

- Required significant focus from the Committee
- Were considered to be significant or material in nature, requiring exercise of judgement; or
- Matters which were otherwise considered to be subjective or complex from an accounting or auditing perspective.

Common membership of the DLC, Investec plc and Investec Limited Audit Committees ensures that KAM and matters of mutual interest are communicated and addressed, where applicable. The members of the Committee may also attend other Audit Committee meetings, as appropriate.

The following key audit matters were deliberated by the Committee during the year:

Key audit matters	What we did
Expected credit losses (ECL) assessment • The appropriateness of the allowance for ECL is highly subjective and judgemental.	• Challenged the level of ECL, model methodology and assumptions applied to calculate the ECL provisions held by the Bank • Reviewed the appropriateness of the ECL models and approved the forward-looking macro-economic scenarios applied in South Africa • Reviewed and monitored the Bank's calculation of ECLs, trends in staging changes, model changes, scenario updates, post-model adjustments, Significant Increase in Credit Risk (SICR) and volatility • Reviewed and satisfied ourselves on in-model adjustments and the release of overlays • Reviewed and satisfied ourselves on staging of key exposures • Reviewed for reasonableness the benchmarking of macro-economic scenarios, ECLs, Credit Loss Ratio (CLR) and coverage ratios against relevant South African peers • Assessed ECL experienced against forecasts and considered whether the level of ECL was appropriate • Assessed the appropriateness of the ECL provision raised by the Bank for large exposures in entities publicly perceived to be in financial distress, in conjunction with BRCC • Evaluated the International Financial Reporting Standard (IFRS® Accounting Standards), as issued by the International Accounting Standards Board (IASB) 9 disclosures for relevance and compliance with IFRS® Accounting Standards • Evaluated the impact of ECL on the interim and annual results.
Fair value of level 3 instruments and the resulting IFRS® Accounting Standards 13 fair value measurement (IFRS 13) disclosure • For level 3 instruments such as unlisted investments in private equity businesses, investment properties, fair value loans and large bespoke derivative structures, there is a large degree of subjectivity surrounding the inputs to the valuations and valuations methodology. With the lack of observable liquid market inputs, determining appropriate valuations continues to be highly judgemental.	• Received presentations on the material investments across the Bank, including an analysis of the key judgements, assumptions and valuation methodology applied and approved the valuation adjustments proposed by management for the year ended 31 March 2024 • Challenged and debated significant subjective exposures and assumptions including: – The valuation principles applied for the valuation of level 3 investments (unlisted and private equity investments) and fair value loans – The appropriateness of the IFRS 13 disclosures regarding fair value.

IBL AUDIT COMMITTEE REPORT
CONTINUED

Key audit matters	What we did
Restatements of prior year comparative information	**Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments** • It was identified that a restatement was required in respect of the application of hedge accounting (cash flow and fair value hedging) applied in prior years for certain portfolios in the Bank which did not meet the requirements to apply hedge accounting under IAS 39 and that certain financial instruments were incorrectly fair valued. The Committee spent time understanding the extent of the matter, how it came about, and what needed to be done to address the matter in the financial statements and to identify and prevent any occurrences in the future • Held two Committee meetings with executive management and external audit to evaluate the cause and impact of the restatements • The Committee and management, requested the undertaking of an independent in-depth investigation to assess whether there had been any fraud, malfeasance or deliberate intent in relation to the restatement of the application of hedge accounting. The results of this investigation did not indicate this to be the case • Met with internal audit to consider and deliberate on the results of a specific review undertaken on the control environment of the relevant area • Together with the Bank's BRCC reviewed management's analysis of the factors that gave rise to the restatement • Evaluated the causes of the restatements and considered their impact on the effectiveness of the Bank's control environment in the current and the prior year. The Committee will ensure relevant control enhancements are implemented and the requisite resourcing is in place if required • Reviewed the appropriateness of the disclosure provided for the restatements. Refer to note 53 in the annual financial statements for further information. **Other restatements** • The Committee concluded that the other restatements predominantly related to reclassifications and gross-up/gross down of balance sheet and income statement line items or where management elected to restate to achieve better disclosure. The Committee will continue to assess the remediation plan from management to improve the classification process.
Audit firm rotation	• Monitored and managed the rotation of the external audit from KPMG Inc. to PricewaterhouseCoopers Inc. for the Bank • Following conclusion of a competitive tender process conducted in 2023, recommended to the Board the appointment of Deloitte & Touche as the second new auditor, along with the re-appointment of PricewaterhouseCoopers Inc. as the joint external auditors of the Bank for the financial year ending 31 March 2025 • Managed the process and oversaw the commencement of the shadow audit process by Deloitte & Touche of the 2024 financial year audit • Monitored the non-audit services performed by Deloitte & Touche during the shadow audit process • Oversaw the allocation of non-audit work to the respective audit firms to ensure that there were no breaches of independence.

IBL AUDIT COMMITTEE REPORT
CONTINUED

Other matters considered by the IBL Audit Committee

The Committee considered the following matters during the year:

Other matters	What we did
Going concern	• Considered reports on the Bank's budgets, forecasts, profitability, capital, liquidity and solvency and the impact of legal proceedings, if any, on going concern • Considered the results of various stress testing analyses based on different economic scenarios and the possible impact on the ability of the Bank to continue as a going concern • Considered the impact of strategic corporate actions on the capital plans • Recommended the approval of the going concern assumption Underlying the annual financial statements to the IBL Board.
Information technology systems, cyber security and controls impacting financial reporting	• Received and reviewed reports in respect of IT systems, cyber security and controls impacting financial reporting • Received regular reports from internal audit on the effectiveness of IT controls tested as part of the internal audit process • Considered broader IT and Governance matters, including security, control improvements, IT strategy and operations through attendance by the Committee and BRCC Chairs at the DLC IT Risk and Governance Committee • Since 2015, Investec has been using Targeted Attack Simulations (TAS) to understand our cyber risk exposure and evaluate the adequacy of our security controls • Met with IT external auditors to discuss the results of the audit of IT systems and controls.
External audit and audit quality	• Monitored and managed the rotation of the external audit from KPMG Inc. to PricewaterhouseCoopers Inc. • Managed the relationship with the external auditors, Ernst & Young Inc. and PricewaterhouseCoopers Inc. • Considered the external audit report on the review performed on the interim results and the audit performed on the annual results • Met with key partners of Ernst & Young Inc. and PricewaterhouseCoopers Inc. prior to every Committee meeting to discuss the 2023/24 audit plan, key areas of focus, findings, scope and conclusions • Pre-approved all non-audit services provided by external audit and confirmed the services to be within the approved non-audit services policy • Discussed external audit feedback on the Bank's critical accounting estimates and judgements, restatements and the control environment • Approved the external audit plan, audit fee and the main areas of focus • Assessed the independence and objectivity of the external auditors • Received updates from the external auditors on the audit of the Annual Financial Statements (AFS) of the Bank including the Summary of Audit Differences for the year ended 31 March 2024. The Committee ensured that it was comfortable that the level of unadjusted audit differences were within tolerable error for both actual and judgemental differences and that there was no bias towards over or understatement • Noted and reviewed the unqualified independent audit report • Met separately with the leadership of Ernst & Young Inc., and PricewaterhouseCoopers Inc. to discuss Independent Regulatory Board for Auditors (IRBA) review ratings and accreditations, independence, firm quality control and the results of internal inspections of the firm and individual partners

IBL AUDIT COMMITTEE REPORT
CONTINUED

Other matters	What we did
External audit and audit quality (continued)	• Monitored audit quality and audit partner accreditation. In line with the conditions set out in Section 94(8) of the Companies Act and based on its assessment using the criteria set out by the King IV™, and the JSE Listings Requirements, the Committee confirms its satisfaction with the performance and quality of external audit, the external auditors and lead partners.
Regulatory compliance and reporting	• Received regular reports from the Regulatory Compliance functions and reviewed the adequacy of the scope and the effectiveness of the regulatory compliance processes applied. This included the evaluation of the quality of regulatory reporting, the scope and the integrity of the regulatory compliance process, the adequacy of internal regulatory compliance systems and processes, and the consideration and remediation of any findings of the internal and external auditors or regulators • Requested specific updates or presentations from management on areas considered high risk or where exceptions had been identified • Received regular updates from the compliance function in respect of Regulatory Interactions, Risk Ratings and High-Risk exposures, Conduct, Financial Crime, Compliance Monitoring, Training, Anti-Money Laundering (AML) and Combating of Financing of Terrorism (CFT) reviews conducted in respect of the Bank • Monitored regulatory developments and the potential impact on South Africa following the addition of South Africa to the Financial Action Task Force (FATF) greylist in February 2023.
Uncertain tax provisions and other legal matters	• Considered potential legal and uncertain tax matters with a view to ensuring appropriate accounting treatment in the financial statements • Received regular updates from the Executive, Group Tax, Group Finance and Group Legal Counsel on uncertain tax and legal matters to enable the Committee to probe and consider the matters and evaluate the basis and appropriateness of the accounting treatment • Analysed the judgements and estimates made and discussed the potential range of outcomes that might arise to determine the liability, if any, for uncertain tax positions as required by the International Financial Reporting Interpretations Committee (IFRIC) 23 • Concluded on the appropriateness of the International Accounting Standards (IAS) 37 accounting treatment, the scenarios and sensitivities, and any overall disclosure in the financial statements. Refer to note 47 in the annual financial statements.
Post balance sheet disclosure	• Considered any post balance sheet events that may require the AFS to be adjusted or require additional disclosure.
Climate, nature and biodiversity and environmental, social and governance (ESG)	• Reviewed ESG reporting and disclosures • Considered the changing regulatory landscape for all jurisdictions that the Bank operates in, including undertaking specific training for the Committee.
Internal controls • The effectiveness of the overall control environment, the status of any material control issues with emphasis on the progress of specific remediation plans.	• Attended regular meetings of the IBL BRCC. Based on reports presented at those meetings, evaluated the impact of an evolving risk environment, including operational risk, on the internal control environment • Evaluated and tracked the status of the most material control issues identified by internal and external audit and tracked the progress of the associated remediation plans against agreed time frames • Reviewed reports from the independent audit committees of the Group's subsidiaries, i.e. Investec Bank Mauritius and other entities for which IBL management are operationally responsible for • Evaluated the impact of working from home on the overall control environment and operational risk

IBL AUDIT COMMITTEE REPORT
CONTINUED

Other matters	What we did
Internal controls (continued)	• Evaluated reports on the internal control environment from the internal and external auditors with specific emphasis on culture and conduct elements in the internal audit reports • Attended and received regular reports from the DLC IT Risk and Governance Committee regarding the monitoring and effectiveness of the Bank's IT controls. Considered updates on key internal and external audit findings with respect to the IT control environment • Convened a special IBL Audit Committee meeting to consider the internal audit reports in respect of FRTB and the CVA model application • Reviewed and approved the combined assurance model, ensuring completeness of risks and adequacy and effectiveness of assurance coverage • Evaluated reports on cyber security within the Bank and received a presentation on the outcome of the 2023/24 TAS • Noted internal audit reports and conclusions on internal controls, internal financial controls and the risk management framework for the year under review • Reviewed the year-end conclusions from internal audit on internal controls, the risk management framework and internal financial controls based on their planned and actual audit coverage for the year.
Combined assurance matrix	• Confirmed our satisfaction with the appropriateness of the design and effectiveness of the combined assurance model applied, which incorporates the various disciplines of Risk Management, Operational Risk, Legal, Regulatory Compliance, internal audit, external audit and other assurance providers • Confirmed our satisfaction with the levels of assurance and mitigants so that, taken as a whole, there is sufficient and appropriate assurance regarding mitigants for the key risks • Reviewed the results of the Combined Assurance Matrix (CAM) coverage plan at the year-end to assess the results of actual coverage and conclusions relative to planned coverage for the year. Concluded that the CAM formed an appropriate basis for assurance coverage and outcomes.
Fair, balanced and understandable reporting • The Bank is required to assess and confirm that its external reporting is fair, balanced and understandable, and consider whether it provides the information necessary for stakeholders to assess the Bank's position and performance, business model and strategy.	• Undertook an assessment on behalf of the Board, to provide the Board with assurance that it can make the statement • Met with senior management to gain assurance that the processes underlying the compilation of the annual financial statements were appropriate • Conducted an in-depth critical review of the annual financial statements and, where necessary, requested amendments to disclosure • Reviewed the accounting treatment of key judgements and the quality of earnings assessment • Considered the appropriateness and the cause of the restatement of the annual financial statements. Reviewed the appropriateness of the remedial plans implemented by management to ensure the cause has been appropriately addressed • Reviewed the appropriateness of the disclosure provided regarding restatements and significant transactions completed during the financial year • Assessed disclosure controls and procedures • Confirmed that management had reported on and evidenced the basis on which representations to the external auditors were made • Obtained input and assurance from the external auditors and considered the level of and conclusion on the summary of audit differences • Took note of the areas highlighted to the Committee by the JSE through its Pro-active Monitoring Process of the AFS of listed companies. Ensured these were appropriately considered in the AFS

IBL AUDIT COMMITTEE REPORT
CONTINUED

Other matters	What we did
Fair, balanced and understandable reporting (continued)	• Reviewed feedback from Finance in respect of a project launched to refine the annual financial statements in order to improve disclosures, improve financial control and reporting processes • Concluded that the processes underlying the preparation of the annual report and financial statements for the financial year ended 31 March 2024 were appropriate in ensuring that those statements were fair, balanced and understandable • Reviewed feedback received from analysts in respect of the annual report as provided by Investor Relations and incorporated the feedback into the annual report • Reviewed the outcomes of the combined assurance coverage model as discussed above.
Business control environment • The effectiveness of the control environment in each individual business, including the status of any material control issues and the progress of specific remediation plans.	• Received regular reports from the subsidiary audit committee, including entities that IBL management is operationally responsible for • Attended the audit committee meetings of significant subsidiaries, ie Investec Bank Mauritius • Assessed reports on individual businesses and their control environments, scrutinised any identified control failures and closely monitored the status of remediation plans • Received updates from senior management and scrutinised action plans following internal audit findings • Reviewed the process for reporting to the Committee by key subsidiaries and associates and considered regular reports from such entities.
Finance function	• Considered the financial reporting as prepared by Finance regarding the interim results for the period ended 30 September 2023 and final results for the 31 March 2024 year end • In a closed session, discussed and concluded that the finance functions of both Investec plc and its subsidiaries were adequately skilled, resourced and experienced to perform the financial reporting for the Bank and that appropriate succession was in place for key roles • Concluded that the FD, Rupesh Govan, had the appropriate expertise and experience to meet the responsibilities of the position.
Compliance with applicable accounting standards	• Reviewed various accounting papers prepared by Finance addressing subjective accounting treatments and significant accounting judgements • The Committee Chair discussed the key judgements and complex accounting treatments with both external audit and management in the weekly meetings leading up to the year-end sign off • Reviewed and obtained confirmation from Finance that the recommendations in the JSE proactive monitoring report had been implemented in the preparation of the annual financial statements • Concluded on the reasonableness of the significant accounting judgements.
Related party disclosures	• Considered and reviewed related party disclosures for the Bank • Considered and reviewed the process followed by Finance to ensure the completeness of related party disclosure • DLC Nomdac reviewed key related party transactions during the year and ensured compliance with Investec related party policies.

IBL AUDIT COMMITTEE REPORT
CONTINUED

Other matters	What we did
Internal audit • The performance of Internal Audit and delivery of the Internal Audit plan, including scope of work performed, the level of resources, the risk assessment methodology and coverage of the internal audit plan • The Committee is responsible for assessing audit quality and the effectiveness of the internal audit function.	• Scrutinised and reviewed internal audit plans, risk assessments, methodology and staffing, and approved the annual plan • Reviewed and approved the internal audit charter • Oversaw and provided input into the appointment of a new Head of Internal Audit, Vilola Gounden • Provided input into and considered the annual performance and objectives of the Head of Internal Audit • Monitored delivery of the agreed audit plans, including assessing Internal Audit resources, Continued Professional Development (CPD), succession, core skills development and automation of audit processes • Monitored and followed up internal audit control findings, including IT, and ensured appropriate mitigation and timeous close-out by management • Tracked high and moderate risk findings, and monitored related remediation plans • Met with the Head of Internal Audit prior to each Committee meeting, without management being present, to discuss the remit of and reports of internal audit and any issues arising from the internal audits conducted • Monitored audit quality in relation to internal audit. The methodology, process and skills were presented to a separately convened Committee to consider audit quality • Discussed and considered the internal audit quality assurance programme. The internal audit quality assurance programme is designed in line with the Institute of Internal Auditors (IIA) International Professional Practices Framework (which includes the International Standards for the Professional Practice of Internal Auditing and the Code of Professional Conduct, including the Code of Ethics). The quality assurance programme is multi-faceted, and includes the attraction, development and retention of adequately skilled staff that exercise proficiency and due professional care, adherence to the Global internal audit governance framework and audit methodology, oversight and detailed review of every audit engagement and a quarterly post-engagement quality assurance programme • Reviewed the results of the post-engagement quality assurance programme which informs any training interventions required within the team. The results are consolidated and presented to the Audit Committee on an annual basis • IT Audit and Data Analysis – Internal audit developed automated test scripts, allowing for more comprehensive testing of controls covering the full population. This full population testing provides greater coverage than the traditional audit methodology which calls for a sample testing approach. Reviewed and considered the implications of the approach on the audit for the Group • Reviewed the Bank's written assessment of the overall effectiveness of the organisation's governance, risk, and control framework, including an assessment of internal financial controls, the risk management framework, adherence to the risk appetite and the effectiveness of the overall assurance achieved relative to that planned for the year through the CAM • Confirmed our satisfaction with the independence and performance of the internal audit function • Held a closed session regarding internal audit where the capacity, appropriate skills, independence and quality of the internal audit function was assessed • Considered succession and the skills matrix for internal audit • Assessed the effectiveness of the internal audit function through completion of a questionnaire which is based on the Internal Audit Financial Code of Practice. The results of the exercise were shared with the Committee, together with action plans to address any concerns raised, which will be tracked to completion • Convened a meeting with internal audit to consider the internal audit report in respect of the effectiveness of the internal controls of the credit investment desk, hedge accounting and reconciliations.

IBL AUDIT COMMITTEE REPORT
CONTINUED

External audit

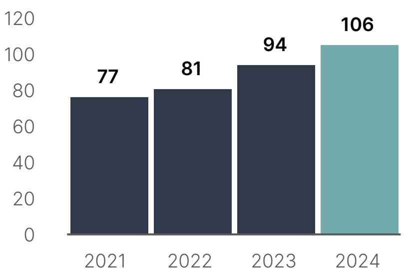
Non-audit services

Our policy regarding the engagement of the external auditors to provide non-audit services was developed by the Committee to safeguard auditor objectivity and independence. The policy includes guidelines on permitted and non-permitted services and the approval process required by the Committee.

Total fees paid for the year ended 31 March 2024 amounted to R106 million (2023: R94 million), of which R0.2 million (2023: R0.4 million) related to the provision of non-audit services. The non-audit services related to services required to be provided by the external auditor, such as, regulatory audits and work to be performed as reporting accountant. Non-audit fees were pre-approved by the Chair of the Committee prior to every assignment.

The Committee also required the policy to be applied to any external services provided by Deloitte & Touche to ensure the independence of the firm prior to its appointment as external auditor for the financial year ending 31 March 2025.

Total Fees (Rm)



Based on the above-mentioned policy, approval process and reviews performed, the Committee was satisfied that the level and type of non-audit work undertaken throughout the year did not impair the independence of Ernst & Young Inc., PricewaterhouseCoopers Inc. and Deloitte & Touche.

Auditor independence and objectivity and audit quality

Critically evaluated audit quality at an engagement and firm level, audit effectiveness, independence and audit rotation requirements applicable to all jurisdictions in which the Bank operates. Audit Regulator reviews were considered at a firm and individual partner level. Continuity, quality control on assignment as well as the independence of staff on the assignment were considered.

The Committee was satisfied that in reviewing audit quality and independence, it had followed a comprehensive process during which detailed feedback was received and evaluated.

As part of the process:

- The Committee considers the independence of the external auditors on an ongoing basis
- The external auditors confirmed their independence and were requested to review and confirm the level of staff transactions with Investec, if any, to ensure that all auditors on the Bank's audit meet the independence criteria
- The key audit partners are required to rotate every five years. The tenure of each of the partners was reviewed and concluded to be aligned with this policy.

Francois Prinsloo was appointed as the PricewaterhouseCoopers Inc. lead signing partner for the Bank.

Following due consideration, the Committee believes the safeguards as implemented by the Committee are adequate to ensure the objectivity and effectiveness of the audit process, based on the following:

- The extent of audit cross-reviews between the joint auditors
- Restrictive policy for non-audit services, including pre-approval of non-audit work
- The confirmation of the independence of the firms and auditors involved
- Formal audit quality process undertaken by the Committee.

Audit firm rotation

In terms of the South African Banks Act, the Bank has to appoint joint auditors. In 2019, the Committee decided to commence the process to rotate the Bank's external auditors, being mindful of regulatory requirements, the views expressed by shareholders, the need to have joint auditors and the risks inherent to an auditor transition.

Following a competitive tender process, and upon approval from shareholders at the 2023 AGM, PricewaterhouseCoopers Inc. was appointed as the first new joint external auditor, replacing KPMG Inc., for the financial year ended 31 March 2024.

The joint external auditors of the Bank for the financial year ended 31 March 2024 were therefore Ernst & Young Inc. and PricewaterhouseCoopers Inc.

Following a competitive tender process, Deloitte & Touche have been nominated as the second new joint external auditors for the financial year ending 31 March 2025, subject to approval by ordinary shareholders at the AGM to be held in August 2024.

Transition process

A formal transition process commenced during 2023, whereby Deloitte & Touche shadowed the full 2024 audit cycle performed by the incumbent external auditors. The purpose of the shadow period was for Deloitte & Touche to obtain sufficient information about the Bank, the financial control environment and the audit process to ensure a smooth transition as lead external auditor in the following financial year.

Year	Auditors	Shadow Auditors
2023/24	EY (SA)	Deloitte (SA)
	PwC (SA)	
2024/25	Deloitte (SA)	
	PwC (SA)	

IBL AUDIT COMMITTEE REPORT
CONTINUED

Re-election and appointment of auditors

The Committee has considered the following in selecting external auditors:

- The regulatory need for joint auditors
- The level of specialisation, footprint, capacity and experience required by a firm in performing a joint audit of a Bank or financial services group which is of systemic importance
- Transformation
- Technology
- Credentials and Partners
- Legal cases and reputational matters
- The level of quality control within the audit firms as evidenced by the results of internal and external regulatory reviews performed on audit firms and engagement partners
- The level of inherent risk in auditing a financial services group and the consequent audit risks
- The independence of the external auditor
- The fundamental demands on audit quality, the level of audit risk given the turmoil in the audit profession, balanced against shareholder views on firm rotation
- Regulatory requirements
- Understanding of the Bank's business, culture and financial statement risks.

In line with the conditions set out in Section 94(8) of the South African Companies Act, and based on its assessment, using the criteria set out by the King IV™ and the JSE, the Committee confirms its satisfaction with the performance and quality of the external audit function, the external audit firms and the engagement partners.

In making the recommendation for the re-election and appointment of the Bank's auditors, the Board and the Committee have taken into consideration the South African Companies Act and the South African PA requirements with respect to joint auditors, regulatory requirements, together with the results of the Committee's extensive, formalised process to satisfy itself as to auditor independence and audit quality.

The Board and the Committee is recommending the appointment of Deloitte & Touche, and the re-election of PricewaterhouseCoopers Inc., as joint auditors of the Bank at the AGM in August 2024 for the financial year ending 31 March 2025.

Looking ahead

The role of the Committee will remain focused on:

- Ensuring the improvement and the effective functioning of the Bank's financial systems and processes, financial control environment, monitored by an effective combined assurance model
- Audit quality and independence
- Management's response in respect of future changes to the IFRS® Accounting Standards, legislation and other regulations impacting disclosure requirements
- Ensuring a smooth transition of the external audit to the new audit firms
- The implications of ESG risk in measuring the sustainability and societal impact of loans or an investment in a company of business together with ESG accounting disclosures and assurance processes
- Continuing to exercise oversight over subsidiary audit committees, including in remote locations
- Monitoring the implementation of the JSE Listings Requirements, including the effectiveness of internal financial controls.

Vote of thanks

The Committee and I would like to thank Ernst & Young Inc. for their robust challenge, support and quality audits performed during their years of service. Ernst & Young LLP fulfilled the role as lead auditor for Investec DLC and played a pivotal role in the transition of the external audit function over the past two years. I have personally appreciated the manner in which this has been conducted.

I would further like to welcome Diane in her new role as Chair designate of the Committee. It is a role I'm sure she will enjoy and I believe that the Bank will benefit from her insights and experience.

I will be retiring from the Bank's Board at the August 2024 AGM having served close to ten years on the Board. I would like to acknowledge and thank the various assurance providers I have worked closely with over the last eight years, ie Finance, Compliance, Internal and External audit, amongst others. I would further like to thank management and the leadership for the ongoing commitment to a constantly evolving and improving control environment. Lastly, as Chair, I would like to thank my fellow Audit Committee members for their diligence and support over the years.

Zarina Bassa

Chair, IBL Audit Committee

24 June 2024

IBL BOARD RISK AND CAPITAL COMMITTEE REPORT

Rough waters test our leadership and put our risk management practices to the test now and into the future.

Vanessa Olver
Chair of IBL BRCC

Introduction

As Chair of the IBL BRCC (the Committee), I am pleased to report on how the Committee has discharged its responsibilities during the year in line with the applicable South African legislation and regulations.

Role of the committee

Mandated by the IBL Board to meet the requirements of the Companies Act, Banks Act and the King IV ™, the role of the Committee is to provide effective oversight of the Bank's and its key subsidiaries' risk and capital frameworks, systems, processes and people.

This independent oversight includes the challenge and review of compliance with approved risk tolerance levels, risk policies and capital plans and exposures.

Risks which are directly related to the Bank's business strategy and/or strategic decisions remain the direct responsibility of the Board.

In addition, the Committee considers whether the remit and resources of the Bank's risk management function are adequate, independent, and free from restrictions which may impair its effectiveness.

Moreover, through Committee meetings and interactions with the Group Chief Risk Officer, the IBL Chief Risk Officer and Heads of Risk of the various subsidiaries, we ensure that both current and emerging risks as well as capital plans and actions are adequately assessed and appropriately considered and that actions are addressed within a reasonable time frame.

The Committee met five times during the year and considered the risk and capital reports presented by management and various presentations as requested by the Committee.

The Committee's terms of reference can be found at www.investec.com.

Composition and attendance

The Committee comprises Executive and Non-Executive members, with the composition designed to provide the breadth of risk expertise and commercial acumen to discharge its responsibilities.

Other regular attendees include:

- Group Chief Risk Officer
- Head of Operational Risk
- Head of Internal Audit
- Head of Liquidity Risk
- Head of Credit Risk
- Head of IT and Information Risk

Members	Meetings attended/ Eligible to attend
Vanessa Olver (Chair)	6/6
Zarina Bassa	6/6
Philip Hourquebie	6/6
Khumo Shuenyane[1]	2/2
Fani Titi	6/6
Richard J Wainwright	6/6
Morris Mthombeni	6/6
Mvuleni G Qhena	6/6
Kevin Kerr	6/6
Rupesh Govan	6/6
Diane Radley[2]	1/1

1. Khumo Shuenyane stepped down from the Committee effective from 3 August 2023.
2. Diane Radley was appointed as a member of the Committee effective 6 March 2024.

Where a director is unable to attend a meeting, they receive papers in advance and have the opportunity to provide comments to the Chair of the Committee.

IBL BOARD RISK AND CAPITAL COMMITTEE REPORT
CONTINUED

Audit Committee

The primary role of the IBL Audit Committee is to provide assurance to the Board that appropriate material controls are in place to mitigate risk. The IBL Audit Committee relies on the output of the IBL BRCC to provide assurance through the Combined Assurance Model, as regards principal risk management.

Connectivity

The Chair of the Committee is also the Chair of the DLC BRCC and a member of the IBP BRCC. This ensures the connectivity between the Bank and the Group.

Large Exposure Committee

The IBL's Large Exposure Committee reports into the IBL BRCC. It comprises three Non-Executive and four Executive Directors as well as the Group Chief Risk Officer, the Investec Bank Limited Chief Risk Officer, the Head of Credit and two members from Credit.

The main objective of the Committee is to assist the Board in discharging its responsibilities in terms of monitoring credit to a single counterparty or to a group of connected counterparties.

There were no regulatory breaches during the year.

DLC IT Risk and Governance Committee

Technology, information security and cyber risks are delegated to the DLC IT Risk and Governance Committee (DLC ITRG), which submits its reports to the IBL BRCC, IBP BRCC and the DLC BRCC and the Audit Committees of these entities.

Myself as Chair of the DLC and IBL BRCC, Chair of the DLC and IBL Audit Committee, Zarina Bassa, David Germain and Paul Seward, IBP BRCC representative members, attended DLC IT Risk and Governance Committee meetings to provide enhanced oversight of IT risk.

Refer to the DLC BRCC report in the Investec Group's 2024 risk and governance report for more information in respect of the functions of DLC ITRG.

Investec Limited Operational Risk Committee

The Investec Limited Operational Risk Committee (the Ops Risk Committee) meets at least four times a year and as often as is necessary to discharge its duties and objectives.

The Ops Risk Committee is mandated by the DLC BRCC to review, challenge and report matters related to operational risk, and also to approve and recommend operational risk policies.

The Ops Risk Committee reports to the IBL BRCC.

Subsidiaries

Investec Bank Mauritius

Investec Bank Mauritius has its own independent governance structures in place including their own Risk Committee, with Group representation.

Executive summaries of Investec Bank Mauritius' financial position and material compliance and risks matters are presented at each meeting.

Investec Bank Mauritius's liquidity and capital continued to be managed well above regulatory minimums.

Concentration risk in terms of loans and deposits was closely monitored.

Global versus local outlook

This past year has certainly been a turbulent one, characterised by many global challenges, geopolitical tensions and economic uncertainties. These challenges came on the back of high interest rates and high inflation and with significant cyber and ransomware threats, as well as new technological advances, most notably Artificial Intelligence (AI). This environment also contributed to bank failures in the United States (US) and Europe (SBV, First Republican Bank, Signature Bank and Credit Suisse) which had no impact on the Bank's liquidity position and the broader financial sector in SA and were decisively resolved by regulators in their respective markets.

South Africa had its own set of challenges namely loadshedding, logistical constraints at ports and rail as well as the country being placed on the Financial Action Task Force (FATF) grey list. Inflation and interest rate increases posed added risks to clients and corporate institutions. The Prime interest rate in South Africa is at its highest level in 14 years at 11.75%.

In this highly volatile environment, our risk disciplines remained vigilant to these risk factors, regularly monitoring events and challenges and developing strategies to mitigate potential impacts on the Bank.

2023/24 key achievements

- Monitored regulatory developments and the potential impact relevant to Basel III post-crises reforms
- Monitored regulatory developments in regard to South Africa's FATF greylisting
- Monitored geopolitical and local South African developments and the impact on credit, liquidity, other key risks and the business as a whole
- Assessed the US and Europe bank failures on the Bank
- Monitored the actions taken to improve the Bank's organisational and operational resilience
- Conducted external information security and cyber risk assessments
- Reviewed and challenged the Internal Capital Adequacy Assessment Process and capital plans
- Reviewed stress tests performed by the Bank and monitored material credit and investment performance in the current interest rate cycle we find ourselves in.

IBL BOARD RISK AND CAPITAL COMMITTEE REPORT
CONTINUED

What we did in 2023/24

The standard and regular agenda items of the Committee include comprehensive reports covering the following risks:

Risk framework and appetite	Technology, information security and cyber risk	Risk data aggregation and risk reporting
Risk management and reporting	Investment risk	Resources
Balance sheet management	Market risk	Other matters
Capital adequacy	Reputational and legal	
Credit and counterparty risk	Regulatory developments and risks	
Operational risk	Climate change, nature and environmental, social and governance (ESG) risk	

Risk framework and appetite

As in previous years, the Committee discharged its responsibilities as set out in the IBL BRCC terms of reference and as mandated by the Bank's Board. Amendments to the risk appetite statement and framework were considered and approved by the Committee, a process which is performed annually. Risk limits are reviewed and challenged to ensure the framework is appropriate for the Bank given its size, scale and the nature of its activities. The risk appetite statement and framework is then in turn approved by the IBL Board.

Risk management and reporting

The Committee reviews, discusses, debates and challenges the risk and capital reports at each of its meetings. The reporting includes notification of any breaches of risk limits and the remedial action taken by management. In addition, the Committee reviews new and material risks as they are identified and ensures that they are proactively managed.

Balance sheet management

Furthermore, the Committee monitors liquidity and interest rate risk in the respective banking books with the key regulatory metrics being the Liquidity Cover Ratio (LCR) and Net Stable Fund Ratio (NSFR) ratios. Both of these were comfortably above regulatory minimums.

During the year the Committee discussed and approved:

- The Investec Limited Contingency Funding Plan and Recovery plan.

Capital adequacy

The Committee reviewed and approved the capital plans for IBL under various stress scenarios, which in turn were approved by the IBL Board.

The Committee reviewed IBL's submission in response to the Common Scenario Stress Test (CSST) facilitated by the South African Prudential Authority (South African PA). The CSST required participating banks to forecast credit risk, liquidity risk and capital adequacy over a three-year horizon under three distinct economic scenarios formulated by the South African PA. The consolidated CSST outcome for all participating banks was published in the second edition of the Financial Stability Review.

In February 2024 the South African PA approved the Investec for Business and Fund Finance models to move to Advanced Internal Rating Based (AIRB) effective April 2024, with 87.7% of the portfolio now being on the AIRB method.

During the year the Committee reviewed and challenged and approved:

- The IBL three-year capital plans, including, under various stress scenarios, as key input into the Investec Limited ICAAP.

Credit and counterparty risk

The Committee debated material credit and counterparty names at each meeting considering the current local and global environment with higher entrenched inflation, weak economic growth and high interest rates.

The Committee also reviewed the Top 20 client and bank exposures as well as the staging of these exposures to ensure we have appropriate credit provisions.

In addition, the Committee assessed the quality of the book, reviewed Stage 2 and 3 exposures and benchmarked key metrics against peers.

A deep dive into the core loan portfolio including risks, growth and asset quality as well as key portfolios at risk under stress was presented to the Committee in November 2023.

We reviewed our exposures specifically in Ghana which as a country defaulted on its external debt repayments. In addition, the Committee reviewed all exposure to Government and State Owned Enterprises (SOEs).

The Committee challenged management on the credit overlay, certain Stage 3 Expected Credit Losses (ECL's) and any IFRS 9 model overrides.

Operational risk

The Committee continued to focus on operational risk, which includes data management, external and internal fraud risk, financial crime risk, information security risk, legal risk, model risk, operational resilience risk, people risk, physical security and safety risk, processing and execution risk, technology risk and third party risk.

The operational risk management framework in place to identify, manage and monitor operational risks, was reviewed and approved by the Committee. A maturity assessment of the operational risk management framework was also conducted by internal audit.

The Committee requested a review of operational risk losses over a five-year period for IBL of all gross and net losses per business unit as well as near misses with larger isolated losses debated and clarified.

Operational resilience continued to be top of mind, given the current power and water challenges in South Africa and with Investec Bank Mauritius and the UK reliant on South Africa for certain important business services.

During the year the Committee reviewed and approved two Investec Limited policies with these being the most relevant to IBL:

- The Investec Limited Operational Risk Policy
- The Investec Limited Operational Risk Management Policy.

Technology, information security and cyber risk

The Committee received updates on the effectiveness and adequacy of controls in managing IT risk. Technology risk exposures were discussed and closely monitored and tracked.

IBL BOARD RISK AND CAPITAL COMMITTEE REPORT
CONTINUED

The Committee considered the effectiveness of technology resilience and operational stability.

Incidents are well managed and operational processes are continually enhanced based on root cause analyses.

The Committee received updates from the IT Head on current and emerging risks which included insider and cyber threats, third party management and supply chain, generative Artificial Intelligence, technology talent and resourcing, and resilience.

With the increasing dependence on external service providers, the Committee reviewed work underway to enhance third party monitoring and oversight, with particular focus on cloud providers and concentration risk.

Updates were received regarding the progress of strategic technology initiatives.

There was heightened focus on information security and cyber risk, in light of the inherent exposure to insider risk and sophisticated cyber threats. Updates were received on progress relating to external security assessments, data protection, user access management and privileged access management.

The Committee considered security risk exposures and the ongoing control improvements, with particular focus on privileged access management, data loss detection and insider monitoring.

Since 2015, Investec has used targeted attack simulations to understand our cyber risk posture and evaluate the adequacy of security controls. These are undertaken by specialist independent security firms.

The most recent assessment concluded that controls were effective in detecting and protecting against external attack. A small number of findings were identified which were swiftly addressed. Planning for the next targeted attack simulation is in progress.

External security specialists were also engaged to perform a ransomware readiness assessment for assurance on the effectiveness of Investec's controls. Recommendations were prioritised and implemented.

Cyber posture is benchmarked by industry-recognised security scoring firms, which place Investec above the industry average and in the leader's category. Controls are adaptive in line with the changing technology landscape and emerging threats.

Investment risk

There were no risk appetite breaches during the year.

Key investments were regularly discussed by the Committee.

Market risk

There were no unapproved risk appetite breaches during the year.

The IBL BRCC reviewed and challenged management on desk specific losses that impacted the current and prior year and requested a report on new additional controls and measures that management had implemented, which were discussed and challenged.

Reputational and legal risk

The Committee reviewed regular reports on reputational matters to enable it to discuss and consider these matters and evaluate management's response to such risks and any impact on the Bank.

Regulatory developments and risk

In February 2023, South Africa was added to the FATF Grey List. Enhanced due diligence was applied by the UK, Switzerland, the Channel Island and Mauritius to all new and existing clients in any transaction or business relationship with a person established in a high-risk third country, which included South African clients. Regulatory developments in this regard and the potential impact on South Africa were monitored by the Committee together with the IBL Audit Committee during the year.

The implementation of the final phase of the Basel III post-crisis reforms, which sharpens the Credit Risk, Credit Valuation Adjustment (CVA), Market Risk (i.e., the Fundamental Review of the Trading Book – FRTB), Operational Risk and Output Floor frameworks, remains a key focus and the Committee continues to be kept abreast on the effects of the proposed reforms on IBL's capital position. The proposed effective date of the capitalisation requirements for these reforms is 1 January 2025. IBL remains well positioned to absorb these changes.

The Committee reviewed and approved both the CVA and FRTB applications to the South African PA.

The Committee considered the implications of the new Resolution Framework which became effective in June 2023 as well as the proposed First Loss After Capital (FLAC) instruments, a new subordinated class of loss-absorbing debt instruments. These instruments, applicable to designated institutions, enable statutory bail-in as part of the Resolution Framework. The Draft Prudential Standard on FLAC was issued for industry comment in December 2023, with a proposed effective date of 1 January 2025.

In a Proposed Directive issued in November 2023 the South African PA proposed the implementation of a positive cycle-neutral countercyclical capital buffer (PCN CCyB) of 1%, effective from 1 January 2026. The PCN CCyB would increase IBL's regulatory minimum capital requirement.

Climate change, nature and environmental, social and governance (ESG) risk

The Committee was kept updated on the improvement actions being taken from an ESG and climate risk perspective. These included assessing core loans and advances as well as reviewing the risk classifications per the International Finance Corporation (IFC) guidelines.

The DLC SEC and the Committee approved the Sustainable and Transition Finance Classification Framework. Management is now focusing on setting targets by the end of this year in order to achieve net zero by 2050.

The DLC Sec and the Committee reviewed all the ESG-related policies. The Group also conducted a double materiality assessment the findings of which are included in the Investec Group's 2024 integrated and strategic annual report metrics were reviewed in each meeting.

Investec-related sustainability policies and disclosures can be found at www.investec.com.

Risk data aggregation and risk reporting (RDARR)

The Committee reviewed and approved the IBL RDARR framework and terms of references and confirmed compliance with the Basel Committee on Banking Supervision (BCBS) 239 principles for effective RDARR.

Resources

The Committee is required to consider whether the remit and resources of the Bank's risk management function are adequate, independent, and free from restrictions which may impair its effectiveness.

The Committee was comfortable that IBL Group Risk comprised well-qualified, experienced individuals who oversaw the key areas of risk within the Bank. The team was independent of the underlying business units and formed the second

IBL BOARD RISK AND CAPITAL COMMITTEE REPORT
CONTINUED

line of defence in the Bank's three lines of defence model responsible for challenging business lines' inputs to, and outputs from risk management activities.

The IBL risk function has sufficient depth to mitigate risks associated with succession and there were no vacancies in key or critical risk roles.

Other matters

The Committee approved the following during the course of the year:

- Relevant committee Terms of Reference
- South African Banks Act Regulation 39 and 40 reviews
- Credit frameworks and limits
- Policy attestation including updates, review and frequency
- Operational risk policy limit reviews
- Interest Rate Risk in the Banking Book policy
- Sustainable and Transition Finance Framework.

2024/25 focus areas

- Monitor and assess the interest rate environment and impact on the core loan book
- Monitor and assess the impact of global headwinds including the ongoing war in Ukraine, geopolitical tensions in the Middle East and the relationship between China and Taiwan on the Bank
- Monitor the impact of regulatory capital reforms including FLAC developments
- Receive and focus on business unit presentations and updates on control improvement focus areas identified in the current year
- Continue to focus on technology and information security including cyber security
- Monitor, debate and review emerging risks such as disruptive technology, e.g. Artificial Intelligence (AI), the metaverse and blockchain and mitigating controls
- Focus on the climate and transition finance impact on the loan book
- Continue to focus on operational resilience plans and contols.

Vanessa Olver
Chair, IBL BRCC
24 June 2024

Remuneration report

REMUNERATION REPORT

We sought to recognise outstanding performers and those who effectively responded to the challenges faced by our business and people.

Zarina Bassa
Chair of the Investec Bank Limited Remuneration Committee

Key achievements in FY2024

- Considered and approved the proposed 2024 remuneration for senior management, top 100 earners, control function employees and other employees
- Reviewed and approved the proposed variable remuneration spend and overall remuneration approach for the financial year ended 31 March 2024
- Reviewed and approved the objectives for each Executive Director of Investec Bank Limited
- Reviewed the remuneration philosophy, policy and structures, including the diversity pay gap figures
- Considered the interaction between culture and reward and the potential implications thereof
- Reviewed the non-standard remuneration structures within Investec Bank Limited
- Regularly considered external legislative and regulatory developments
- Reviewed key new hires and exits, including the remuneration outcomes for leavers.

Areas of focus in FY2025

- Consider and recommend the remuneration framework and objectives for the Chief Executive, in the context of the Group Executive Team framework to the DLC Remuneration Committee
- Consider and approve the remuneration framework and objectives for the Specialist Bank Executive Committee including the Finance Director
- Consider the remuneration philosophy, policy and frameworks including equal pay and the diversity pay gaps
- Consider how our remuneration philosophy, policy and practices support and align with our Sustainability initiatives
- Consider how the overall remuneration philosophy and approach supports and aligns with the Investec Group strategy
- Consider the alignment of remuneration policy and practices for all employees with the Chief Executive and executive team
- Review and consider how the remuneration philosophy, policy and approach align with and support our culture
- Consider the risk implications of our remuneration policy and frameworks
- Review regulatory changes relating to remuneration.

Members	Member since	Meetings attended	Eligible to attend
Zarina Bassa (Chair)	4 Jun 2020	4	4
Henrietta Baldock	5 Aug 2021	4	4
Mvuleni G Qhena	4 Jun 2020	4	4
Philip Hourquebie	3 Aug 2023	3	3
Khumo Shuenyane[1]	4 Jun 2020	1	1

1 Khumo Shuenyane stepped down as a member of the Investec Bank Limited Remuneration Committee on 3 August 2023.

I am pleased to present the IBL Remuneration Committee (the Committee) report for the financial year ended 31 March 2024.

Introduction

The IBL Remuneration Committee is an independent Committee of the IBL Board. It ensures compliance with applicable legislation and governance requirements of the jurisdiction within which the Bank operates, including its obligations as an independent Bank regulated by the South African PA and FSCA.

The Committee gives full consideration to the Directors' Duties contained in the Companies Act and considers the factors listed in the Companies Act, the JSE Listings Requirements, King IV™ and any other relevant legal or regulatory requirements.

REMUNERATION REPORT
CONTINUED

The role of the Committee

The Committee is responsible for remuneration within the Bank, however it reports to both the IBL Board and the DLC Remuneration Committee on key matters. Where there are Group reserved matters, the Committee is also required to give input at the DLC Remuneration Committee.The details of the role and responsibilities of the DLC Remuneration Committee are set out in the 2024 Investec Group remuneration report.

The remuneration framework and performance measures for the IBL Chief Executive Richard Wainwright, who was a person discharging managerial responsibilities (PDMR) of the Investec Group, was determined by the DLC Remuneration Committee following consultation with the IBL Remuneration Committee. DLC Executive Director remuneration is assessed against financial and non-financial measures including ESG, the details of which can be found in the 2024 Investec Group remuneration report. Remuneration for IBL Executive Directors, namely Richard Wainwright for the period August 2023 to March 2024 (after he stepped down as an Executive Director of DLC) and Rupesh Govan, the Finance Director of IBL, is determined by the IBL Remuneration Committee.

Composition of the Committee

The Committee is comprised of independent Non-Executive Directors (as outlined in the table above) who meet predetermined skill, competency, and experience requirements. The members' continued independence is assessed annually by the DLC Nomdac, which in turn makes a recommendation on the members' independence to the Board. The DLC Nomdac and the Board have concluded that the IBL Remuneration Committee has the appropriate balance of knowledge and skills to discharge its duties.

I have served as the Chair of the Committee since 13 November 2021. The other members of the Committee are Henrietta Baldock, Mvuleni G Qhena and Philip Hourquebie, who replaced Khumo Shuenyane, when he stepped off the Committee in August 2023.

The Committee met four times during the year ended 31 March 2024.

We believe that the Committee has fulfilled its mandate to enhance the Bank's existing independent governance processes, and provide oversight and enquiry of the Bank's remuneration framework, philosophy and its implementation.

The past year in focus

As outlined in our 2024 Annual Report, Investec Bank Limited delivered a strong performance during the past financial year, with the Bank's financial and operational performance remaining resilient despite the volatile environment within which we operate. Given the performance of the business, we sought to recognise outstanding performers and those who effectively responded to the challenges faced by our business and people.

The Committee reviewed the proposed spend and approved the remuneration payable for June 2024. As part of our ongoing review, the Committee and management consistently prioritise the consideration of our people in relation to future talent, critical skills, diversity, development and retention.The Committee considers the need for the application of discretion to remuneration outcomes and applies this where it is deemed appropriate.

Bowmans continues to provide additional advice and insight into remuneration best practice in South Africa. The Committee evaluates the advice received from external advisors on an ongoing basis to ensure that it is both objective and independent.

The Committee further reviewed specific analysis and reports that outlined non-standard remuneration practices, severance policies and practices, and non-standard payments above the agreed thresholds.

REMUNERATION REPORT
CONTINUED

Outcomes for the year

The year was characterised by the ongoing challenging macro-economic environment, subdued growth in the South African economy, an energy and water crisis, policy uncertainty and market volatility. Notwithstanding these challenges, the Bank and its people have demonstrated a strong performance, reflecting the strength of our client franchises and success in our strategic execution, for the year ended 31 March 2024.

The Bank achieved operating income growth of 8.5%, which was primarily due to higher average interest earning assets, positive endowment effect from higher interest rates, increased client activity and continued client acquisition in line with our growth strategy. Operating profit before goodwill and acquired intangibles' grew 12.6% to R9 727.0 million (FY2023: R8 639.0 million). The cost to income ratio was 47.9% (FY2023: 47.2%), as costs grew ahead of revenue. Operating costs increased 10.1% to R8 783 million (FY2023: R7 980 million). Fixed costs growth was driven by annual inflationary salary increases, higher regulatory fees and increased technology expenses. Variable costs grew in line with business performance.

We considered the needs of all our stakeholders, including our shareholders, when determining the remuneration spend for the year. The following principles were agreed to guide our approach this year:

- Reward performance in the context of the Group performance and the local environment
- Protect our business (to ensure we retain talent for a sustainable, viable business for the long term)
- Support our people during these challenging times
- Mitigate flight risk and potential impact to franchises, particularly for key individuals
- Account for external factors, including the views of regulators and shareholders.

Following due consideration of the above principles we followed the standard annual reward process in respect of the financial year ended 31 March 2024.

In reaffirming our purpose to create enduring worth for all our stakeholders, our minimum annual salary is R250,000, thereby ensuring all employees are rewarded meaningfully and competitively.

Further details on the philosophy, policy and relevant disclosures per governance requirements, including details on non-financial and ESG measures, can be found throughout the 2024 Investec Group remuneration report on pages 4 to 52.

Conclusion

IBL has demonstrated a solid underlying performance in the past financial year.

Our reward approach has focused on supporting the continued performance of IBL and the sustainability of our business and people. Due consideration has been taken of the challenging and changing times we operate in. The Committee is aware of and supports the ongoing conversations the business is having to ensure we retain a diverse, motivated and engaged employee population, while ensuring we maintain distinctive performance and our unique culture.

The Committee undertook to balance these realities with the principles outlined earlier in applying the reward philosophy and policy in the context of the external and internal commercial environments while ensuring that we protect our people and retain key employees.

My tenure as both a member and the Chair of the IBL Remuneration Committee will be ending in August 2024. I would like to extend my thanks to the other Committee members and to management for their support over the years. I wish IBL continued success in all its future endeavours.

Zarina Bassa

Chair of the IBL Remuneration Committee

24 June 2024

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Annual financial statements

Our performance is a testament to the continued *execution of our strategy.* This section contains Investec Bank Limited's annual financial statements.

IN THIS SECTION

DIRECTORS' RESPONSIBILITIES

The Company's directors are responsible for the preparation and fair presentation of the Group annual financial statements and the Company annual financial statements of Investec Bank Limited, comprising the balance sheets as at 31 March 2024 and the income statements, statements of total comprehensive income, statements of changes in equity and the statements of cash flows and the notes to the financial statements for the year then ended, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards), South African Institute of Chartered Accountants (SAICA) Financial Reporting Guide as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act No. 71 of 2008 (Companies Act).

The directors' responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors' responsibilities also include maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the Group and Company's ability to continue as a going concern and there is no reason to believe that the Group's business will not be a going concern in the year ahead.

The directors confirm that Investec Bank Limited complied with the applicable laws of establishment, Investec Bank Limited's memorandum of incorporation and the Companies Act.

Approval of Investec Bank Limited's Group and Company financial statements

The Investec Bank Limited Group and Company annual financial statements, as identified in the first paragraph, were approved by the Board of Directors on 24 June 2024 and are signed on its behalf by:

Philip Hourquebie
Chair

Cumesh Moodliar
Chief Executive

DIRECTORS' REPORT

Nature of business

Investec Bank Limited is a specialist bank providing a diverse range of banking products and services to a niche client base in South Africa and Mauritius.

Financial results

The Group and Company financial results of Investec Bank Limited are set out in the annual financial statements and accompanying notes for the year ended 31 March 2024.

Total operating income increased by 8.5% to R18 347 million (FY2023: R16 908 million). The components of operating income are analysed further below:

- Net interest income increased 15.2% to R14 071 million (FY2023: R12 214 million) driven by loan book growth and higher interest rates. Net core loans grew by 5.9% to R341.6 billion (FY2023: R322.6 billion) primarily due to continued credit demand in corporate portfolios, as well as mortgage growth in the HNW and other private client lending portfolios
- Net fee and commission income increased 11.7% to R3 609 million (FY2023: R3 232 million), benefitting from growth in client activity. The increased fee income from higher card point of sale activity structured retail products and trade finance activity was partially offset by higher costs associated with fee generation
- Investment income of R700 million (FY2023: R274 million) represents higher dividend and realised income from investment portfolios
- Trading loss arising from customer flow of R385 million (FY2023: R1 148 million gain) reflects the reduced trading volumes, lower fair value adjustments, and trading losses in the interest rate desk. Trading income from balance sheet management activities increased to R349 million (FY2023: R42 million) due to mark-to-market movements on interest rate hedging positions.

ECL impairment charges were a net release of R163 million compared to a R289 million charge in the prior year. The recoveries on previously written-off exposures, ECL release from model recalibration and management overlays were partially offset by the ECL raised on specific exposures which migrated to Stage 3. The credit loss ratio was a net release of (4bps) (FY2023: 9bps).

The cost to income ratio was 47.9% (FY2023: 47.2%) as costs grew ahead of revenue. Operating costs increased 10.1% to R8 783 million (FY2023: R7 980 million). Fixed costs growth was driven by annual inflationary salary increases, higher regulatory fees and increased technology expenses. Variable costs grew in line with business performance.

The aforementioned factors resulted in profit before taxation growth of 13.1% to R9 714 million (FY2023: R8 587 million) while profit after taxation increased 18.9% to R8 076 million (FY2023: R6 792 million).

The preparation of the Group and Company annual financial statements was supervised by the Finance Director, Rupesh Govan.

Authorised and issued share capital

Details of the share capital are set out in note 41 of the annual financial statements.

Ordinary dividends

Having met the solvency and liquidity requirements that are stipulated in the Companies Act No. 71 of 2008 (Companies Act), the following interim and final ordinary dividends were declared and paid during and subsequent to the year end:

- R3 billion (three billion Rand) was declared on 19 July 2023 and paid to Investec Bank Limited's sole shareholder on 21 August 2023
- R2.5 billion (two and a half billion Rand) was declared on 14 November 2023 and paid to Investec Bank Limited's sole shareholder on 31 December 2023
- R3 billion (three billion Rand) was declared on 20 May 2024 and will be paid to Investec Bank Limited's sole shareholder on 1 September 2024.

Directors

The names of the current directors of Investec Bank Limited, along with their biographical details, are set out on pages 8 to 11. Changes to the composition of the Board since 1 April 2023 up to the date of this report are shown in the table below:

	Date of appointment	Date of resignation/ retirement
CJ Moodliar	1 Apr 2024	
DC Radley	6 Mar 2024	
KL Shuenyane	8 Aug 2014	3 Aug 2023

Directors' shareholdings

No director holds any ordinary shares in Investec Bank Limited.

Directors' shareholdings in Investec plc and in Investec Limited's preference shares are set out on page 156.

Directors' remuneration

Directors' remuneration is disclosed on pages 155 to 159.

Company Secretary and registered office

The Company Secretary is Niki van Wyk. The registered office is c/o Company Secretarial, Investec Limited, 100 Grayston Drive, Sandown, Sandton, 2196.

Audit Committee report

The IBL Audit Committee report is disclosed on pages 16 to 26.

DIRECTORS' REPORT
CONTINUED

Social and Ethics Committee (DLC SEC

As provided for under the Companies Act, the DLC SEC performs the necessary functions required on behalf of Investec Bank Limited. Two members of the Investec Bank Limited Board are members of DLC SEC. Further details on the role and responsibilities of the DLC SEC are set out on pages 101 to 105 of the Investec Group's 2024 risk and governance report.

Sustainability report

The sustainability report is disclosed on pages 107 to 122 of the Investec Group's 2024 integrated annual and strategic report.

Nominations and Directors' Affairs Committee (DLC Nomdac

The Board of IBL has delegated the duties of the Directors' Affairs Committee as set out in the Banks Act No. 94 of 1990 (Banks Act), to the DLC Nomdac. Three members of the Investec Bank Limited Board are members of DLC Nomdac. Further details of the role and responsibilities of the DLC Nomdac are set out on pages 97 to 100 of the Investec Group's 2024 risk and governance report.

Investec Bank Limited has a policy dealing with the process for the nomination and appointment of directors. The policy is available on Investec's website.

Remuneration Committee

The Remuneration Committee report is disclosed on pages 34 to 36.

DLC IT Risk and Governance Committee

The DLC IT Risk and Governance Committee carries out the relevant functions on behalf of Investec Bank Limited. Two members of the IBL Board are members of DLC IT Risk and Governance Committee. Further details of the role and responsibilities of the Committee are set out on page 123 of the Investec Group's 2024 risk and governance report.

Large Exposures Committee

Further details of the role and responsibilities of the Large Exposures Committee are set out in the BRCC report on pages 27 to 31.

Auditors

Following a detailed review, which included an assessment of their independence and audit quality, the Audit Committee and Board of IBL, has recommended that PwC Inc. be reappointed and Deloitte & Touche be appointed as the joint auditors of Investec Bank Limited for the financial year ending 31 March 2025. In terms of the Banks Act, Investec Bank Limited has to appoint joint auditors. A resolution pertaining to the above will be proposed at the AGM that is scheduled to take place on 8 August 2024.

In line with, inter alia, the mandatory audit firm rotation rule as issued by IRBA, the requirements of the Companies Act, and following a comprehensive tender process, Deloitte & Touche was nominated as one of the new joint external auditors for the financial year starting on 1 April 2024.

Further details regarding the appointment process are contained in the IBL Audit Committee report on page 16.

Debt officer

Laurence Adams currently serves as the Debt Officer of Investec Bank Limited. In compliance with the JSE Debt Listings Requirements, the Board of Investec Bank Limited has considered and is satisfied with the competence, qualifications and experience of the Debt Officer.

Holding company

The Bank's holding company is Investec Limited.

Major shareholders

Investec Limited owns 100% of the issued ordinary shares.

Subsidiary and associated companies

Details of principal subsidiary companies are reflected on page 128 and the associate companies on page 122.

Special resolutions

At the AGM held on 3 August 2023, special resolutions were passed in terms of which:

- A renewable authority was granted to Investec Bank Limited to acquire its own preference shares in terms of the provisions of the Companies Act
- A renewable authority was granted to Investec Bank Limited to provide direct or indirect financial assistance to its subsidiaries by way of loan, guarantee, the provision of security or otherwise, not in the ordinary course of business
- A renewable authority was granted to Investec Bank Limited to approve directors' remuneration in order to comply with Sections 65(11)(h), 66(8) and 66(9) of the Companies Act.

Accounting policies and disclosure

Accounting policies are set having regard to commercial practice and are in accordance with IFRS Accounting Standards, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Standards Council, as well as the requirements of the Companies Act. These policies are set out on pages 59 to 71.

Restatements

Refer to note 53.

Diversity and employees

Investec Bank Limited's policy is to recruit and promote on the basis of aptitude and attitude, with the deliberate intent to build a diverse workforce and promote an inclusive workplace, appropriate to and representative of the jurisdiction's population. A diverse workforce is vital to our ability to be an innovative organisation that is able to adapt and prosper in a fast-changing world.

We have various processes to encourage debate and dialogue around valuing diversity and difference. Emerging and established leaders are invited to participate in discussions with the executive leadership around all issues related to talent management and diversity. The Investec Group policy is to adopt an open management style thereby encouraging informal consultation at all levels about aspects of the Group's operations and motivating staff involvement in the Group's performance by means of employee share schemes.

Further information is provided in the Investec Group's 2024 integrated annual and strategic report.

DIRECTORS' REPORT
CONTINUED

Political donations and expenditure

Investec Bank Limited made no political donations in 2024 (2023: Rnil).

Empowerment and transformation

Investec Bank Limited endeavours to prevent and/or eliminate any form of discrimination based on gender, race, ethnicity, religion, age, disability, nationality or sexual preference. People with disabilities are an essential part of a diverse talent pool and are always considered, with every effort made to accommodate and facilitate an accessible environment. In the event of employees becoming disabled while in our employ, we are committed to ensuring their continued employment to the extent possible.

Climate, nature and biodiversity

Investec Bank Limited is committed to pursuing sound environmental policies in all aspects of its business, and seeks to encourage and promote good environmental practice among its employees and within the communities in which it operates.

Further information regarding Investec's environmental practices is provided in the Investec Group's 2024 integrated and strategic annual report.

Going concern

In adopting the going concern basis for preparing the consolidated and separate financial statements, the directors have considered Investec Bank Limited's business activities, objectives and strategy, principal risks and uncertainties in achieving its objectives, and performance. The directors have performed a robust assessment of the Investec Bank Limited's financial forecasts across a range of scenarios over a 12-month period from the date the financial statements are authorised for issue. Based on these, the directors confirm that they have a reasonable expectation that Investec Bank Limited Company and Group, as a whole, have adequate resources to continue in operational existence for the 12 months from the date the financial statements are authorised for issue. The directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the accompanying consolidated financial statements.

Events after the reporting period

Refer to note 54.

Philip Hourquebie
Chair
24 June 2024

Cumesh Moodliar
Chief Executive
24 June 2024

Declaration by the Company Secretary

In terms of Section 88(2)(e) of the Companies Act No. 71 of 2008 (Companies Act), I hereby certify that, to the best of my knowledge and belief, Investec Bank Limited has lodged with the Companies and Intellectual Property Commission, for the financial year ended 31 March 2024, all such returns as are required in terms of the Companies Act and that all such returns are true, correct and up to date.

Niki van Wyk
Company Secretary
Investec Bank Limited
24 June 2024

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Investec Bank Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Our Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Investec Bank Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

What we have audited

Investec Bank Limited's consolidated and separate financial statements set out on pages 50 to 184 comprise:

- the consolidated and separate balance sheets as at 31 March 2024;
- the consolidated and separate income statements for the year then ended;
- the consolidated and separate statements of total comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate cash flow statements for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT
CONTINUED

Key audit matter	How our audit addressed the key audit matter
Valuation of expected credit losses on loans and advances to customers The disclosures with respect to this key audit matter are contained in the following notes to the consolidated and separate financial statements: • Accounting policies, *"Impairment of financial assets held at amortised cost or FVOCI"* and *"Key management assumptions";* • Note 5, *"Expected credit loss impairment charges";* • Note 24, *"Loans and advances to customers and other loans and advances"; and* • Note 56, *"Risk management".* Loans and advances and the related expected credit losses ('ECL') are material to the financial statements. The Group and Company reported total gross loans and advances to customers subject to ECL as at 31 March 2024 amounting to R337.4 billion and R318.9 billion respectively with a related ECL of R2.8 billion and R2.7 billion respectively. For the year ended 31 March 2024, the Group and Company recognised expected credit loss impairment charges on loans and advances to customers of R189 million and R162 million respectively. The valuation of ECL on loans and advances to customers has been determined to be a matter of most significance to the current year audit as a result of the subjectivity involved in its determination, and the consequent elevation in the risk of material misstatement. The determination of the ECL, and the related disclosures is subjective due to the factors mentioned below. • The modelling of ECL based on certain management assumptions and estimation of probabilities of default ("PD"), loss given default ("LGD") and exposures at default ("EAD"); • Determination of the range of forward-looking probability weighted macro- economic scenarios; • Assessment of the staging due to a significant increase in credit risk ("SICR"); • Adequacy of post model adjustments; and • Assessment of ECL on Stage 3 exposures. Management's judgements are explained further below: **ECL models:** Management applies significant levels of judgement in modelling ECL particularly as it relates to: • The application of certain accounting policies, identifying modelling assumptions and selecting appropriate data used in the PD, LGD and EAD models; and • Identifying key model assumptions and techniques, including the determination of write-off points.	Our audit procedures focused on key areas of significant judgement and estimation uncertainty in determining ECL on loans and advances to customers. In performing such procedures, we utilised our internal actuarial, quantitative and economic expertise. Our procedures comprised a combination of evaluating the key controls and performing substantive procedures as further explained relative to the key judgements below. **Modelled ECL impairment losses** • We obtained an understanding of management's data, methodologies and assumptions used in the ECL models; • We assessed the key controls over model governance, including the controls over the implementation of new ECL models (where relevant) and changes to current ECL models; • For selected ECL models, we tested the key IT general controls, including change management controls and application controls relating to the IT systems that support the modelled ECL processes; • We tested the completeness and accuracy of data inputs into the models by agreeing a sample of data inputs back to information sourced by management from internal systems and external data providers, or by testing data interface controls between these systems; • For selected ECL models, we independently recalculated ECL estimates or benchmarked the model calculations for material portfolios and independently reperformed the PD, EAD and LGD parameters, to test the assumptions and appropriateness of the judgement applied in the ECL calculations; • We evaluated the reasonableness of the write-off points applied relative to the requirements of IFRS 9 by comparing them to historical post write-off recoveries where applicable; and • We evaluated whether post write-off recoveries have been excluded from the LGD calculation and therefore do not impact on the ECL. **Incorporation of multiple forward-looking macroeconomic scenarios and weightings into the ECL calculation** • We tested the key controls relating to management's review and approval of macroeconomic forecasts and variables incorporated within the models; • Using our economic expertise, we independently assessed the appropriateness of the macroeconomic scenario forecasts and the probability weightings applied by management by benchmarking these against third-party data. This assessment included developments related to the current uncertain geopolitical and economic outlook; and • Using our financial modelling, actuarial and quantitative expertise, we assessed the correlation of the forecasted macroeconomic factors to the ECL and tested the impact of the macroeconomic changes on the ECL (under each macroeconomic scenario). This includes the impact of the macroeconomic scenarios on PDs, LGDs and SICR.

INDEPENDENT AUDITORS' REPORT
CONTINUED

Key audit matter	How our audit addressed the key audit matter
Multiple forward-looking macroeconomic scenarios: Judgement is applied in determining the appropriateness of the economic scenarios and incorporation of forward-looking information ('FLI') as well as the determination of probability weightings assigned to each of the scenarios and the identification of inputs and assumptions used to estimate their impact. **Staging/assessment of significant increase in credit risk:** Allocation of assets recognised in stages 1, 2 and 3, including the determination of the triggers for an asset moving between stages. **Post model adjustments:** Adequacy and completeness of post model adjustments recognised based on evolving risks and significant uncertainty faced with respect to the economic outlook. **Assessment of ECL raised on Stage 3 exposures:** Where the measurement of the ECL on individual Stage 3 assets is dependent on the subjectivity and estimation of recoverable amounts based on various recovery strategies, the valuation of related collateral and timing of cash flows. **Credit risk disclosures:** The disclosure associated with the ECL on exposures relies on credit data inputs and explains management judgements, estimates and assumptions used in determining the ECL.	**Staging of loans** • We tested the key controls relating to the staging of loans and advances to customers – including: – Controls over changes in the staging due to a significant increase or reduction in credit risk and over the monitoring of assets in each stage; – Manual overrides to staging outcomes; and – Data accuracy and completeness. • We assessed the appropriateness of the SICR methodologies and model calibrations with reference to IFRS 9 and tested the resultant stage allocations; and • We tested the performance of the SICR approach by considering historic volumes of accounts moving into arrears and the forward-looking view of default risk. **Post model adjustments** • We obtained an understanding of the model limitations to evaluate the completeness and appropriateness of the related adjustments; • We assessed the governance processes that the group and company have put in place to review and approve post model adjustments; and • We assessed the validity of management's rationale for releasing each component of the overlay and considered whether there were any material risks which the expected credit loss models did not cater for, and which would have required management to recognise an overlay. **Assessment of ECL raised on Stage 3 exposures** • We tested management's processes and key controls over judgements used to determine whether specific exposures are credit impaired; and • For a sample of stage 3 exposures, we performed independent credit reviews and performed an independent assessment of management's probability weighted scenarios. We evaluated the reasonability of the estimate of the recoverable amount and timing of expected future cash flows used in measuring ECL based on independently determined collateral or exit values, cash flow assumptions and exit strategies. **Disclosures related to credit risk** • We assessed the appropriateness of the ECL related disclosures for exposures in the consolidated financial statements in accordance with IFRS 7; and • We evaluated whether the credit risk disclosures are consistent with the ECL information tested as part of our audit procedures (which included the ECL data, models, estimates and macro-economic forecasts). **Overall stand-back assessment** • We performed a stand-back assessment of the ECL provision and coverage at an overall level and by stage to determine if provision levels were reasonable by considering the overall credit quality of the group and company's portfolios, risk profile and the impacts of the current economic conditions on the group and company's customers; and • We performed peer benchmarking where available to assess overall staging and provision coverage levels.

INDEPENDENT AUDITORS' REPORT
CONTINUED

Key audit matter	How our audit addressed the key audit matter
Valuation of fair value instruments with higher risk characteristics The disclosures with respect to this key audit matter are contained in the following notes to the consolidated and separate financial statements: • Accounting policies, *Financial Instruments* and *Key management assumptions; and* • Note 13, *Financial instruments at fair value;* and At 31 March 2024, the Group and Company reported financial instruments at fair value at a net total of R16.6 billion and R4.6 billion respectively, comprising assets of R117.9 billion and R105.9 billion respectively and liabilities of R101.3 billion. Within the financial instruments at fair value financial statement line item, we have identified certain assets and liabilities which represent a higher risk of material misstatement due to the estimation uncertainty inherent in valuing these assets and liabilities, specifically: • Level 2 derivative financial instruments; • Loans and advances to customers at fair value; and • Level 3 investments in the *Investment portfolio*. The valuation of the above assets and liabilities has been determined to be a matter of most significance to the current year audit as a result of the subjectivity involved in their determination, and the consequent elevation in the risk of material misstatement. In estimating the valuation of these assets and liabilities, management of the Group has exercised their judgement and applied assumptions in the following areas: • Complex valuation models; • Valuation techniques; • Inputs where there is limited market observability or liquidity; and • Fair value adjustments. The estimation of the fair value is also subject to the current uncertain economic outlook. Management's judgements are explained further below: • **Complex valuation models** – fair value calculations using complex valuation models related to derivatives, and fair value loans; • **Valuation techniques** – illiquid investments in, and fair value loans to, unquoted private companies valued using different valuation techniques (e.g. price-earnings multiples, discounted cashflow, net asset valuations); • **Inputs where there is limited market observability or liquidity** – Management applies judgement and estimation to determine appropriate inputs for certain of the fair value estimations. These include yield curves, liquidity, volatilities and sector specific factors, where applicable; and • **Fair value adjustments** – Factors such as unobservable inputs, funding costs, low levels of market liquidity, counterparty and own credit risk, and volatility increases the level of judgement required.	Our audit procedures focused on the key areas of significant judgement and estimation uncertainty in the valuation of the identified assets and liabilities. In performing such procedures, we utilised our valuation and modelling expertise. Our procedures comprised a combination of evaluating the key controls and performing substantive procedures, as further explained relative to the key judgements below. **Complex valuation models** Using our valuation and modelling expertise, where appropriate, we evaluated the appropriateness of models used, and the reasonability of assumptions and inputs for a selection of complex model-dependent valuations for derivatives, and fair value loans by performing an independent revaluation, and comparing the results to management's output. **Valuation techniques** For a sample of unlisted investments, fair value loans, and profit-sharing arrangements: • We assessed the earnings multiples used in price-earnings multiple valuations with reference to comparable companies' earnings multiples, including evaluation of the appropriateness of such companies; and • We assessed the reasonability of cash flows, discount rates and other significant inputs used in discounted cash flow valuations, with reference to relevant industry and market data and compared to those used by management. **Limited market observability or liquidity** For a sample of investments, fair value loans, and profit sharing arrangements, we performed procedures on inputs used in their valuation as follows, tailoring the approach based on the most appropriate method for the specified assets or liabilities: • We compared unobservable inputs used to alternative data/input sources; and • Using our valuation expertise, where applicable, we independently determined the valuations of a sample of positions, taking into account our independently determined risk factors to determine a range of acceptable fair values, and compared these to the fair values estimated by management. **Fair value adjustments** • We evaluated the accuracy of management's valuation adjustments against accepted market principles applied in financial instrument valuation, the requirements of IFRS Accounting Standards, and the prevailing economic and regulatory environment in which the Group operates; and • For a sample of fair value adjustments, we independently recalculated the fair values adjustments using our own inputs, assumptions and methodology.

INDEPENDENT AUDITORS' REPORT
CONTINUED

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Investec Annual Report - Investec Bank Limited Group and Company annual financial statements", which includes the Declaration by the Company Secretary, the Directors' report and the IBL Audit Committee report, included in the Corporate governance section, as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
CONTINUED

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. and PricewaterhouseCoopers Inc. have been the auditors of Investec Bank Limited for 49 years and 1 year, respectively.

Ernst & Young Inc.

Ernst & Young Inc.

Director: Ranesh P Hariparsad
Registered Auditor
Johannesburg
24 June 2024

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: Francois Prinsloo
Registered Auditor
Johannesburg
24 June 2024

INCOME STATEMENTS

For the year to 31 March R'million	Notes	Group 2024	Group 2023^	Company 2024	Company 2023^
Interest income	2	53 546	38 738	49 935	36 660
Interest income calculated using the effective interest method		50 091	35 124	46 847	33 281
Other interest income		3 455	3 614	3 088	3 379
Interest expense	2	(39 475)	(26 524)	(37 583)	(25 539)
Net interest income		**14 071**	**12 214**	**12 352**	**11 121**
Fee and commission income	3	4 593	4 106	4 368	3 871
Fee and commission expense	3	(984)	(874)	(942)	(844)
Investment income	4	700	274	1 008	193
Share of post-taxation profit/(loss) of associates	27	3	(3)	—	—
Trading (loss)/income arising from					
– customer flow*		(385)	1 148	(383)	984
– balance sheet management and other trading activities		349	42	174	42
Other operating income/(loss)		—	1	(1)	2
Operating income		**18 347**	**16 908**	**16 576**	**15 369**
Expected credit loss impairment release/(charges)	5	163	(289)	177	(353)
Operating income after expected credit loss impairment release/(charges)		**18 510**	**16 619**	**16 753**	**15 016**
Operating costs	6	(8 783)	(7 980)	(8 450)	(7 683)
Operating profit before goodwill and acquired intangibles		**9 727**	**8 639**	**8 303**	**7 333**
Impairment of goodwill	31	—	(1)	—	(1)
Amortisation of acquired intangibles	32	(13)	(51)	—	—
Profit before taxation		**9 714**	**8 587**	**8 303**	**7 332**
Taxation on operating profit before acquired intangibles	8	(1 642)	(1 809)	(1 382)	(1 641)
Taxation on acquired intangibles	8	4	14	—	—
Profit after taxation		**8 076**	**6 792**	**6 921**	**5 691**
Profit after taxation attributable to ordinary shareholders		7 718	6 536	6 563	5 435
Profit after taxation attributable to perpetual preference shareholders and Other Additional Tier 1 security holders		358	256	358	256

^ Restated as per note 53.
* Included in trading income arising from customer flow, as required by IAS 1, is income of R2.0 billion (2023: R2.7 billion) and interest expense of R2.4 billion (2023: R1.6 billion) in the Group. Included in trading income arising from customer flow, as required by IAS 1, is income of R2.0 billion (2023: R2.6 billion) and interest expense of R2.4 billion (2023: R1.6 billion) in the Company.

STATEMENTS OF TOTAL COMPREHENSIVE INCOME

For the year to 31 March **R'million**	Notes	**Group** **2024**	 2023^	**Company** **2024**	 2023^
Profit after taxation		8 076	6 792	6 921	5 691
Other comprehensive income:					
Items that may be reclassified to the income statement:					
Fair value movements on cash flow hedges taken directly to other comprehensive income^	8	(89)	(87)	(18)	(98)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income^	8	102	32	3	78
Gain on realisation of debt instruments at FVOCI recycled through the income statement	8	(90)	(59)	(85)	(59)
Foreign currency adjustments on translating foreign operations		644	1 425	14	—
Items that will not be reclassified to the income statement:					
Movement in post-retirement benefits liabilities	8	(9)	—	—	—
Net gain attributable to own credit risk	8	17	2	17	2
Total comprehensive income		**8 651**	**8 105**	**6 852**	**5 614**
Total comprehensive income attributable to ordinary shareholders		8 293	7 849	6 494	5 358
Total comprehensive income attributable to perpetual preference shareholders and Other Additional Tier 1 security holders		358	256	358	256
Total comprehensive income		**8 651**	**8 105**	**6 852**	**5 614**

^ Restated as per note 53.

BALANCE SHEETS

At 31 March R'million	Notes	Group 2024	2023^	2022^
Assets				
Cash and balances at central banks	16	14 795	22 761	11 893
Loans and advances to banks	17	7 751	10 502	19 609
Non-sovereign and non-bank cash placements		10 818	9 705	8 458
Reverse repurchase agreements and cash collateral on securities borrowed	18	77 352	57 916	63 721
Sovereign debt securities	19	72 142	69 833	50 219
Bank debt securities	20	8 297	15 496	28 044
Other debt securities	21	10 271	11 676	15 439
Derivative financial instruments	22	9 988	15 962	17 010
Securities arising from trading activities	23	7 980	6 735	2 276
Loans and advances to customers	24	335 120	316 592	292 247
Own originated loans and advances to customers securitised	25	6 446	5 988	7 228
Other loans and advances	24	—	1	108
Other securitised assets	25	—	—	—
Investment portfolio**	26	3 085	2 926	2 865
Interests in associated undertakings	27	22	33	31
Current taxation assets		—	1	2
Deferred taxation assets	28	1 498	1 548	1 571
Other assets	29	9 240	6 175	7 107
Property and equipment	30	3 778	3 306	3 427
Investment properties		—	—	1
Goodwill	31	171	171	172
Software	32	92	127	46
Other acquired intangible assets	32	—	13	64
Loans to Group companies	34	31 092	37 075	20 828
Non-current assets classified as held for sale		—	—	498
		609 938	**594 542**	**552 864**
Liabilities				
Deposits by banks		31 065	26 420	18 721
Derivative financial instruments	22	14 172	18 531	16 272
Other trading liabilities	36	20 410	15 379	14 763
Repurchase agreements and cash collateral on securities lent	18	19 706	17 933	12 091
Customer accounts (deposits)	37	448 635	448 171	419 480
Debt securities in issue	38	4 715	2 585	2 845
Liabilities arising on securitisation of own originated loans and advances	25	4 997	3 594	4 585
Current taxation liabilities		570	554	273
Deferred taxation liabilities	28	21	19	17
Other liabilities	39	7 975	6 928	7 089
Loans from Group companies	34	940	712	1 066
		553 206	**540 826**	**497 202**
Subordinated liabilities	40	7 283	7 748	9 133
		560 489	**548 574**	**506 335**
Equity				
Ordinary share capital	41	32	32	32
Ordinary share premium	42	14 250	14 250	14 250
Other reserves		5 138	4 339	2 867
Retained income		26 569	24 637	26 820
Shareholders' equity excluding non-controlling interests		**45 989**	**43 258**	**43 969**
Other Additional Tier 1 securities in issue	43	3 460	2 710	2 560
Total equity		**49 449**	**45 968**	**46 529**
Total liabilities and equity		**609 938**	**594 542**	**552 864**

^ Restated as per note 53.
** During the year the Group reassessed the order of liquidity within the balance sheet and moved 'investment portfolio' to below 'other securitised assets' as it was found to be less liquid than the items that were listed above it. The reorder has also been applied to the prior year and notes where the line items are listed.

BALANCE SHEETS
CONTINUED

At 31 March R'million	Notes	Company 2024	2023^	2022^
Assets				
Cash and balances at central banks	16	14 371	22 159	11 346
Loans and advances to banks	17	2 945	4 020	12 359
Non-sovereign and non-bank cash placements		10 818	9 705	8 759
Reverse repurchase agreements and cash collateral on securities borrowed	18	74 111	51 698	62 260
Sovereign debt securities	19	63 942	62 437	50 219
Bank debt securities	20	6 872	14 577	27 577
Other debt securities	21	8 660	10 327	14 576
Derivative financial instruments	22	9 965	15 960	17 005
Securities arising from trading activities	23	7 851	6 618	1 962
Loans and advances to customers	24	316 757	302 206	283 355
Other loans and advances	24	—	1	142
Investment portfolio**	26	2 515	2 504	2 562
Deferred taxation assets	28	1 472	1 527	1 543
Other assets	29	9 049	6 189	7 031
Property and equipment	30	3 736	3 302	3 420
Investment properties		—	—	1
Goodwill	31	—	—	1
Software	32	92	127	46
Loans to Group companies	34	29 357	35 336	18 877
Investment in subsidiaries	35	5 361	5 364	5 128
Non-current assets classified as held for sale		—	—	498
		567 874	**554 057**	**528 667**
Liabilities				
Deposits by banks		29 738	22 052	18 721
Derivative financial instruments	22	14 131	18 515	15 959
Other trading liabilities	36	20 365	15 379	14 763
Repurchase agreements and cash collateral on securities lent	18	18 683	16 991	12 091
Customer accounts (deposits)	37	422 383	423 126	403 332
Debt securities in issue	38	1 402	1 245	2 065
Current taxation liabilities		437	449	241
Other liabilities	39	7 572	6 827	6 386
Loans from Group companies	34	7 192	4 719	5 916
		521 903	**509 303**	**479 474**
Subordinated liabilities	40	7 283	7 748	9 133
		529 186	**517 051**	**488 607**
Equity				
Ordinary share capital	41	32	32	32
Ordinary share premium	42	14 250	14 250	14 250
Other reserves		74	100	151
Retained income		20 872	19 914	23 067
Shareholders' equity excluding non-controlling interests		**35 228**	**34 296**	**37 500**
Other Additional Tier 1 securities in issue	43	3 460	2 710	2 560
Total equity		**38 688**	**37 006**	**40 060**
Total liabilities and equity		**567 874**	**554 057**	**528 667**

^ Restated as per note 53.
** During the year the Group reassessed the order of liquidity within the balance sheet and moved 'investment portfolio' to below 'other loans and advances' as it was found to be less liquid than the items that were listed above it. The reorder has also been applied to the prior year and notes where the line items are listed.

STATEMENTS OF CHANGES IN EQUITY

R'million	Ordinary share capital	Ordinary share premium
Group		
At 31 March 2022	**32**	**14 250**
Restatement	—	—
At 1 April 2022	**32**	**14 250**
Movement in reserves 1 April 2022 – 31 March 2023		
Profit after taxation	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—
Foreign currency adjustments on translating foreign operations	—	—
Net gain attributable to own credit risk	—	—
Total comprehensive income for the year	**—**	**—**
Transfer between cash flow hedge reserve and retained income	—	—
Dividends paid to ordinary shareholders	—	—
Dividends declared to perpetual preference shareholders and Other Additional Tier 1 security holders	—	—
Dividends paid to perpetual preference shareholders and Other Additional Tier 1 security holders	—	—
Issue of Other Additional Tier 1 securities in issue	—	—
Redemption of Other Additional Tier 1 securities in issue	—	—
Contribution from parent Company*	—	—
Distribution to parent and Group companies*	—	—
Employee benefit liability recognised	—	—
Transfer to regulatory general risk reserve	—	—
At 31 March 2023	**32**	**14 250**
Movement in reserves 1 April 2023 – 31 March 2024		
Profit after taxation	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—
Foreign currency adjustments on translating foreign operations	—	—
Movement in post-retirement benefits liabilities	—	—
Net gain attributable to own credit risk	—	—
Total comprehensive income for the year	**—**	**—**
Dividends paid to ordinary shareholders	—	—
Dividends declared to perpetual preference shareholders and Other Additional Tier 1 security holders	—	—
Dividends paid to perpetual preference shareholders and Other Additional Tier 1 security holders	—	—
Issue of Other Additional Tier 1 securities in issue	—	—
Transfer from fair value reserve to retained income	—	—
Contribution from parent Company	—	—
Distribution to parent and Group companies	—	—
Transfer to regulatory general risk reserve	—	—
At 31 March 2024	**32**	**14 250**

^ Restated as per note 53.
* In the prior year, the capital contribution from the parent was netted off against the distribution to the parent in respect share-based payments to employees. The prior year statement of changes in equity has been restated to show the gross movements.

STATEMENTS OF CHANGES IN EQUITY
CONTINUED

Other reserves								
Fair value reserve^	Regulatory general risk reserve	Cash flow hedge reserve^	Own credit risk reserve	Foreign currency reserve	Retained income^	**Shareholders' equity excluding non-controlling interests^**	Other Additional Tier 1 issue securities in issue	**Total equity^**
(68)	**665**	**(1 620)**	**13**	**2 027**	**28 981**	**44 280**	**2 560**	**46 840**
56	—	1 794	—	—	(2 161)	(311)	—	(311)
(12)	**665**	**174**	**13**	**2 027**	**26 820**	**43 969**	**2 560**	**46 529**
—	—	—	—	—	6 792	6 792	—	6 792
—	—	(87)	—	—	—	(87)	—	(87)
32	—	—	—	—	—	32	—	32
(59)	—	—	—	—	—	(59)	—	(59)
—	—	—	—	1 425	—	1 425	—	1 425
—	—	—	2	—	—	2	—	2
(27)	**—**	**(87)**	**2**	**1 425**	**6 792**	**8 105**	**—**	**8 105**
—	—	26	—	—	(26)	—	—	—
—	—	—	—	—	(8 700)	(8 700)	—	(8 700)
—	—	—	—	—	(256)	(256)	256	—
—	—	—	—	—	—	—	(256)	(256)
—	—	—	—	—	—	—	500	500
—	—	—	—	—	—	—	(350)	(350)
—	—	—	—	—	685	685	—	685
—	—	—	—	—	(460)	(460)	—	(460)
—	—	—	—	—	(85)	(85)	—	(85)
—	133	—	—	—	(133)	—	—	—
(39)	**798**	**113**	**15**	**3 452**	**24 637**	**43 258**	**2 710**	**45 968**
—	—	—	—	—	8 076	8 076	—	8 076
—	—	(89)	—	—	—	(89)	—	(89)
102	—	—	—	—	—	102	—	102
(90)	—	—	—	—	—	(90)	—	(90)
—	—	—	—	644	—	644	—	644
—	—	—	—	—	(9)	(9)	—	(9)
—	—	—	17	—	—	17	—	17
12	**—**	**(89)**	**17**	**644**	**8 067**	**8 651**	**—**	**8 651**
—	—	—	—	—	(5 500)	(5 500)	—	(5 500)
—	—	—	—	—	(358)	(358)	358	—
—	—	—	—	—	—	—	(358)	(358)
—	—	—	—	—	—	—	750	750
43	—	—	—	—	(43)	—	—	—
—	—	—	—	—	467	467	—	467
—	—	—	—	—	(529)	(529)	—	(529)
—	172	—	—	—	(172)	—	—	—
16	**970**	**24**	**32**	**4 096**	**26 569**	**45 989**	**3 460**	**49 449**

STATEMENTS OF CHANGES IN EQUITY
CONTINUED

R'million	Ordinary share capital	Ordinary share premium
Company		
At 31 March 2022	**32**	**14 250**
Restatement	—	—
At 1 April 2022	**32**	**14 250**
Movement in reserves 1 April 2022 – 31 March 2023		
Profit after taxation	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—
Net gain attributable to own credit risk	—	—
Total comprehensive income for the year	**—**	**—**
Transfer between cash flow hedge reserve and retained income	—	—
Dividends paid to ordinary shareholders	—	—
Dividends declared to perpetual preference shareholders and Other Additional Tier 1 security holders	—	—
Dividends paid to perpetual preference shareholders and Other Additional Tier 1 security holders	—	—
Issue of Other Additional Tier 1 securities in issue	—	—
Redemption of Other Additional Tier 1 securities in issue	—	—
Employee benefit liability recognised	—	—
Contribution from parent Company*	—	—
Distribution to parent and Group companies*	—	—
At 31 March 2023	**32**	**14 250**
Movement in reserves 1 April 2022 – 31 March 2024		
Profit after taxation	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—
Foreign currency adjustments on translating foreign operations	—	—
Net gain attributable to own credit risk	—	—
Total comprehensive income for the year	**—**	**—**
Dividends paid to ordinary shareholders	—	—
Dividends declared to Other Additional Tier 1 security holders	—	—
Dividends paid to Other Additional Tier 1 security holders	—	—
Issue of Other Additional Tier 1 security instruments	—	—
Transfer from fair value reserve to retained income	—	—
Distribution to parent and Group companies	—	—
Contribution from parent Company	—	—
At 31 March 2024	**32**	**14 250**

^ Restated as per note 53.
* In the prior year, the capital contribution from the parent was netted off against the distribution to parent in respect share-based payments to employees. The prior year statement of changes in equity has been restated to show the gross movements.

STATEMENTS OF CHANGES IN EQUITY
CONTINUED

Other reserves							
Fair value reserve^	Cash flow hedge reserve^	Own credit risk reserve	Foreign currency translation reserve	Retained income^	**Shareholders' equity excluding non-controlling interests^**	Other Additional Tier 1 securities in issue	**Total equity^**
(57)	**(1 645)**	**13**	**(10)**	**25 228**	**37 811**	**2 560**	**40 371**
56	1 794	—	—	(2 161)	(311)	—	(311)
(1)	**149**	**13**	**(10)**	**23 067**	**37 500**	**2 560**	**40 060**
—	—	—	—	5 691	5 691	—	5 691
—	(98)	—	—	—	(98)	—	(98)
78	—	—	—	—	78	—	78
(59)	—	—	—	—	(59)	—	(59)
—	—	2	—	—	2		2
19	**(98)**	**2**	**—**	**5 691**	**5 614**	**—**	**5 614**
—	26	—	—	(26)	—	—	—
—	—		—	(8 700)	(8 700)	—	(8 700)
—	—	—	—	(256)	(256)	256	—
—	—	—	—	—	—	(256)	(256)
—	—	—	—	—	—	500	500
—	—	—	—	—	—	(350)	(350)
—	—	—	—	(83)	(83)	—	(83)
—	—	—	—	674	674	—	674
—	—	—	—	(453)	(453)	—	(453)
18	**77**	**15**	**(10)**	**19 914**	**34 296**	**2 710**	**37 006**
—	—	—	—	6 921	6 921	—	6 921
—	(18)	—	—	—	(18)	—	(18)
3	—	—	—	—	3	—	3
(85)	—	—	—	—	(85)	—	(85)
—	—	—	14	—	14	—	14
—	—	17	—	—	17	—	17
(82)	**(18)**	**17**	**14**	**6 921**	**6 852**	**—**	**6 852**
—	—	—	—	(5 500)	(5 500)	—	(5 500)
—	—	—	—	(358)	(358)	358	—
—	—	—	—	—	—	(358)	(358)
—	—	—	—	—	—	750	750
43	—	—	—	(43)	—	—	—
—	—	—	—	(520)	(520)	—	(520)
—	—	—	—	458	458	—	458
(21)	**59**	**32**	**4**	**20 872**	**35 228**	**3 460**	**38 688**

CASH FLOW STATEMENTS

For the year to 31 March R'million	Notes	Group 2024	Group 2023^	Company 2024	Company 2023^
Cash flows from operating activities					
Profit before taxation adjusted for non-cash, non-operating items and other required adjustments	45	9 872	9 266	7 955	7 962
Taxation paid		(1 620)	(1 559)	(1 407)	(1 479)
Dividends received from investment in subsidiaries		—	—	476	53
Increase in operating assets	45	(23 174)	(34 648)	(21 736)	(26 393)
Increase in operating liabilities	45	9 987	39 667	12 343	34 006
Net cash (outflow)/inflow from operating activities		**(4 935)**	**12 726**	**(2 369)**	**14 149**
Cash flows from investing activities					
Cash flow on acquisition of property, equipment and intangible assets		(333)	(287)	(315)	(287)
Cash flow on disposal of property, equipment and intangible assets		1	5	—	5
Cash flow on capital reduction of associate		17	—	—	—
Net cash outflow from investing activities		**(315)**	**(282)**	**(315)**	**(282)**
Cash flows from financing activities					
Dividends paid to ordinary shareholders	10	(5 500)	(8 700)	(5 500)	(8 700)
Dividends paid to perpetual preference shareholders and Other Additional Tier 1 security holders	10	(358)	(256)	(358)	(256)
Proceeds on issue of subordinated liabilities	40	1 250	2 359	1 250	2 359
Repayment of subordinated liabilities	40	(1 970)	(4 576)	(1 970)	(4 576)
Proceeds on issue of Other Additional Tier 1 securities in issue	43	750	500	750	500
Repayment of Other Additional Tier 1 securities in issue	43	—	(350)	—	(350)
Lease liabilities paid	39	(67)	(77)	(62)	(76)
Net cash outflow from financing activities		**(5 895)**	**(11 100)**	**(5 890)**	**(11 099)**
Effects of exchange rates on cash and cash equivalents		**333**	**1 135**	**—**	**—**
Net (decrease)/increase in cash and cash equivalents		**(10 812)**	**2 479**	**(8 574)**	**2 768**
Cash and cash equivalents at the beginning of the year		31 297	28 818	25 895	23 127
Cash and cash equivalents at the end of the year		**20 485**	**31 297**	**17 321**	**25 895**
Cash and cash equivalents is defined as including:					
Cash and balances at central banks		14 795	22 761	14 371	22 159
On demand loans and advances to banks		5 679	8 532	2 950	3 735
Expected credit loss on cash and cash equivalents		11	4	—	1
Cash and cash equivalents at the end of the year		**20 485**	**31 297**	**17 321**	**25 895**

^ Restated as per note 53.

Cash and cash equivalents are defined as including cash and balances at central banks and on demand loans and advances to banks which comprises of R5.7 billion (2023: R8.5 billion) in the Group and R3.0 billion (2023: R3.7 billion) in the Company of the loans and advances to banks carrying amount. All cash and cash equivalents have a maturity profile of less than three months.

The Group is required to maintain reserve deposits with central banks and other regulatory authorities and these amounted to R10.6 billion (2023: R10.5 billion) in the Group and R10.3 billion (2023: R10.2 billion) in the Company. These are included in cash and cash equivalents.

Included within net cash (outflow)/inflow from operating activities is interest received of R51.2 billion (2023: R36.2 billion), interest paid of R37.8 billion (2023: R24.2 billion) and dividends received of R390 million (2023: R108 million) in the Group and interest received of R47.9 billion (2023: R35.2 billion), interest paid of 36.0 billion (2023: 23.9 billion) and dividends received of R755 million (2023: R158 million) in the Company.

ACCOUNTING POLICIES

Basis of presentation

The Group and Company financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards), SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Standards Council, JSE Debt Listing requirements, as well as the requirements of the Companies Act.

The Group and Company financial statements have been prepared on a historical cost basis, except as otherwise stated.

As stated on page 43 the directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

'Group' refers to Group and Company in the accounting policies that follow unless specifically stated otherwise.

The accounting policies adopted by the Group are consistent with the prior year except as noted below:

The Group has adopted International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure. The mandatory exception applies retrospectively.

Basis of consolidation

All subsidiaries or structured entities are consolidated when the Group controls an investee. The Group controls an investee if it is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial results of subsidiaries are included in the consolidated annual financial statements of the Group from the date on which control is obtained until the date the Group can no longer demonstrate control.

The Group performs a reassessment of control whenever there is a change in the substance of the relationship between the Group and an investee. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The Group also holds investments in private equity investments, which give rise to significant, but not majority, voting rights. Assessing these voting rights and whether the Group controls these entities requires judgement that affects the date at which subsidiaries are consolidated or deconsolidated.

Entities, other than subsidiary undertakings, in which the Group exercises significant influence over operating and financial policies, are treated as interests in associated undertakings. Interests in associated undertakings are accounted for using the equity method from the date that significant influence commences until the date that significant influence ceases. In circumstances where interests in associated undertakings arise in which the Group has no strategic intention, these investments are classified as 'venture capital' holdings and are designated as held at fair value through profit or loss.

For equity accounted associates, the combined consolidated annual financial statements include the attributable share of the results and reserves of associated undertakings. The Group's interests in associated undertakings are included in the consolidated balance sheet at cost plus the post-acquisition changes in the Group's share of the net assets of the associated undertakings.

After application of the equity method, management evaluates if there is objective evidence that its net investment in the associate is impaired.

Because goodwill forms part of the carrying amount of the net investments in an associate or a joint venture, it is not separately recognised, therefore it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets. Instead, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 as a single asset, by comparing its recoverable amount (higher of value-in-use and fair value less costs of disposal) with its carrying amount whenever there is objective evidence that the net investment may be impaired.

The consolidated balance sheet reflects the associated undertakings net of accumulated impairment losses.

Investments in subsidiaries (including loan advances to subsidiaries) are accounted for at cost less impairment losses in the Company financial statements. Impairment on subsidiaries is accounted for in investment income on the income statement.

All intergroup balances, transactions and unrealised gains or losses within the Group that do not reflect an impairment to the asset are eliminated in full regarding subsidiaries and to the extent of the interest in associated undertakings.

ACCOUNTING POLICIES
CONTINUED

Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, where operating results are reviewed regularly by chief operating decision-makers who are considered to be executive members of the Board and for which discrete financial information is available.

The Group's segmental reporting is presented in the form of a business analysis. The business analysis is presented in terms of the Group's three principal business divisions namely, Private Banking, Corporate and Investment Banking and Other and Group Investments. Group costs that are disclosed separately largely relate to Group brand and marketing costs and a portion of executive and support functions which are associated with Group-level activities. These costs are not incurred by the operating divisions and are necessary to support the operational functioning of the Group.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at the acquisition date fair value and the amount of any prior non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed immediately in the income statement.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and the designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the income statement.

Any contingent consideration to be transferred by the Group will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognised in accordance with IFRS 9, either in the income statement or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration and amount recognised for non-controlling interest is less than the fair values of the identifiable net assets acquired, the discount on acquisition is recognised directly in the income statement as a gain in the year of acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The Group tests goodwill acquired in a business combination for impairment annually, irrespective of whether an indication of impairment exists and in accordance with IAS 36.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

Where goodwill forms part of a cash-generating unit, and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating units retained.

Share-based payments to employees

The Group engages in equity-settled and in certain limited circumstances cash-settled share-based payments in respect of services received from employees.

Share-based payments transactions will be settled with instruments of the parent company, Investec Limited. The obligation to provide shares to the employees is with the parent company. For these equity-settled transactions a corresponding increase in equity, a 'contribution from parent company', is recognised over the period the service conditions of the grant are met. The Group is required to pay Investec Limited for the share-based payments provided. The repayment to the holding company will be accounted for as a 'distribution to the parent company'.

The fair value of the services received in respect of equity-settled share-based payments is determined by reference to the fair value of the shares or share options on the date of grant to the employee. The cost of the share-based payment, together with a corresponding increase in equity, is recognised in the income statement over the period the service conditions of the grant are met, with the amount changing according to the number of awards expected to vest. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

Fair value measurements are based on option pricing models, taking into account the risk-free interest rate, volatility of the underlying equity instrument, expected dividends and share prices at grant date.

Where the terms of an equity-settled award are modified, the minimum expense recognised in staff costs is the expense as if the terms had not been modified. An additional expense is recognised for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

ACCOUNTING POLICIES
CONTINUED

The liability, in respect of cash-settled share-based payments, is recognised at the current fair value taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered the service to date. The change in fair value is recognised in the income statement. Subsequent to vesting the liability is measured at fair value, with gains and losses recognised in the income statement until such time as the liability is settled.

The loss of control of an employing subsidiary of the Group gives rise to an acceleration of the equity-settled share-based payments charge for the related employees and, on loss of control, the Group recognises the amount that would have been recognised for the award if it remained in place on its original terms.

All entities of the Group account for any share-based payment recharge costs allocated to equity in the period during which it is levied in their separate financial statements. Any excess over and above the recognised share-based payment expense is accounted for as an expense in the income statement. This cost is presented with the share-based payment expense.

Employee benefits

The Group operates various defined contribution schemes.

In respect of the defined contribution schemes, all employer contributions are charged to the income statement as incurred, in accordance with the rules of the scheme, and included under staff costs.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The long-term employment benefits liability relates to the obligation of the Investec Group to deliver ordinary shares of Ninety One plc and Ninety One Limited to employees over a predetermined vesting period. The fair value of this liability is calculated by applying the Black-Scholes option pricing model at each reporting date. The changes in fair value will be recognised as an employee benefit expense. The liability is included in other liabilities on the balance sheet.

Foreign currency transactions and foreign operations

The presentation currency of the Group is South African Rand, being the functional currency of the Company, and the currency in which its subsidiaries mainly operate, except Mauritius which is in US Dollars.

Foreign operations are subsidiaries, interests in associated undertakings or branches of the Group, the activities of which are based in a functional currency other than that of the reporting entity. The functional currency of Group entities is determined based on the primary economic environment in which the entity operates.

Foreign currency transactions are translated into the functional currency of the entity in which the transactions arise, based on rates of exchange ruling at the date of the transactions.

At each balance sheet date foreign currency items are translated as follows:

- Monetary items (other than monetary items that form part of the net investment in a foreign operation) are translated using closing rates, with gains or losses recognised in the income statement
- Exchange differences arising on monetary items that form part of the net investment in a foreign operation are determined using closing rates and recognised as a separate component of equity (foreign currency reserve) upon consolidation and are reclassified to the income statement upon disposal of the net investment
- Non-monetary items that are measured at historical costs are translated using the exchange rates ruling at the date of the transaction. Non-monetary items that are measured at fair value are translated using the exchange rate at the date of the valuation, with movements due to changes in foreign currency being presented in terms of the accounting policy for changes in the fair value movement of the respective item.

On consolidation, the results and financial position of foreign operations are translated into the presentation currency of the Group, as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet
- Income and expense items are translated at exchange rates ruling at the date of the transaction
- All resulting exchange differences are recognised in other comprehensive income (foreign currency translation reserve), which is recognised in the income statement on disposal of the foreign operation
- Cash flow items are translated at the exchange rates ruling at the date of the transactions.

On loss of control or disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation recognised in other comprehensive income is reclassified from equity to profit or loss.

Revenue recognition

Revenue consists of interest income, fee and commission income, investment income, trading income arising from customer flow, trading income arising from balance sheet management and other trading activities, share of post-taxation profit of associates and other operating income.

Interest income on debt instruments at amortised cost and FVOCI is recognised in the income statement using the effective interest method. Calculation of the effective interest rate takes into account fees payable or receivable that are an integral part of the instruments yield, premiums or discounts on acquisition or issue, early redemption fees and transaction costs.

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The effective interest method is based on the estimated life of the underlying instrument and, where this estimate is not readily available, the contractual life. Interest on instruments at fair value through profit or loss is recognised based on the contractual rates.

Fee and commission income includes revenue from contracts with customers earned from transactional banking fees and providing advisory services as well as portfolio management which is recognised at a point in time.

Revenue from contracts with customers is recognised in accordance with five steps to: identify the contract; identify the performance obligations; determine the transaction price; allocate the transaction price to the performance obligations; and recognise revenue when the performance obligations are satisfied.

Investment advisory and management fees are earned over the period in which the services are provided. Performance fees can be variable and recognition is constrained until such time as it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the services related to the transactions have been completed under the terms of the contract.

Investment income includes income, other than margin from securities held for the purpose of generating interest yield, dividends and capital appreciation.

Customer flow trading income includes income from trading activities arising from making and facilitating client activities.

Trading income arising from balance sheet management and other trading activities consists of proprietary trading income and other gains or losses arising from balance sheet management.

Trading profit includes the unrealised profit on trading portfolios, which are marked-to-market daily. Equity investments received in lieu of corporate finance fees are included in investment portfolio and valued accordingly.

Dividend income is recognised when the Group's right to receive payment is established.

Included in other operating income is incidental rental income, gains on realisation of properties (other than investment properties which is included in investment income) and operating lease income.

Rewards programme

The Group has a Rewards programme whereby account cardholders are awarded Rewards points in proportion to eligible transactions. Rewards points may be redeemed at a later stage for goods or services at a variety of lifestyle, shopping, travel and financial partners. Client rewards are considered to be a cost of the interchange service fee revenue stream included in fees and commission income, where the cardholder is not considered to be the customer but rather that the associated rewards are incentives paid to cardholders in respect of this stream. As a result, the costs to provide cardholders with these rewards are considered to be expenses and recognised in fee and commission expenses as the related income is earned, with the obligation to settle these points reflected in other liabilities until such time as they are redeemed.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of an asset or a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The Group classifies disclosed fair values according to a hierarchy that reflects the significance of observable market inputs.

A transfer is made between the hierarchy levels when the inputs have changed or there has been a change in the valuation method. Transfers are deemed to occur at the end of each semi-annual reporting period.

Financial instruments

Financial instruments are initially recognised at their fair value. For financial assets or financial liabilities not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities are included in the initial measurement. All other transaction costs are recorded in the income statement immediately. Regular way purchase and sales transactions in respect of financial assets that require delivery of a financial instrument within the time frame established by market convention are recorded at settlement date.

Business model assessment

For financial assets, IFRS 9 requires that a business model assessment is carried out which reflects how the Group manages the assets in order to generate cash flows. The assessment is at a portfolio level, being the level at which the portfolio is managed. Factors considered by the Group in determining the business model for a Group of assets include past experience on how the cash flows for these assets were collected, how the assets' performance is evaluated and reported and how risks are assessed and managed.

The standard sets out different types of business models:

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- **Hold to collect:** it is intended to hold the asset to maturity to earn interest, collecting repayments of principal and interest from the customer. These assets are accounted for at amortised cost
- **Hold to collect and sell:** this model is similar to the hold to collect model, except that the entity may elect to sell some or all of the assets before maturity to achieve the objectives of the business model. These assets are accounted for at FVOCI
- **Hold to sell/managed on a fair value basis:** the entity originates or purchases an asset with the intention of disposing of it in the short or medium term to benefit from capital appreciation or the portfolio is managed on a fair value basis. These assets are accounted for at FVPL.

However, the Group may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:

- Elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in OCI
- A debt instrument that meets the amortised cost or FVOCI criteria as measured at FVPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

The classification into one of these categories is based on the Group's business model for managing the assets and the contractual cash flow characteristics of the assets.

Solely payments of principal and interest (SPPI)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the assets' cash flows represent solely payments of principal and interest (the SPPI test). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related asset is classified and measured at FVPL.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Financial assets measured at amortised cost

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise to cash flows that are solely payments of principal and interest, such as most loans and advances to banks and customers and some debt securities, are measured at amortised cost. In addition, most financial liabilities are measured at amortised cost.

The Group may commit to provide a loan which has not yet been drawn. When the loan that arises from the lending commitment is expected to meet the criteria to be measured at amortised cost, the undrawn commitment is also considered to be and is included in the impairment calculation.

The carrying value of these financial assets at initial recognition includes any directly attributable transaction costs. If the initial fair value is lower than the cash amount advanced, such as in the case of some leveraged finance and syndicated lending activities, the difference is deferred and recognised over the life of the loan through the recognition of interest income, unless the loan is credit impaired.

Financial assets measured at fair value through other comprehensive income (FVOCI)

Financial assets held for a business model that is achieved by both collecting contractual cash flows and selling and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. They are recognised on the trade date when the Group enters into contractual arrangements to purchase and are normally derecognised when they are either sold or redeemed.

They are subsequently remeasured at fair value and changes therein (except for those relating to impairment, interest income and foreign currency exchange gains and losses) are recognised in other comprehensive income until the assets are sold. Upon disposal, the cumulative gains or losses in other comprehensive income are recognised in the income statement as 'Gains less losses arising from derecognition of debt instruments measured at fair value through other comprehensive income'.

Financial assets measured at FVOCI are included in the impairment calculations set out below and impairment is recognised in profit or loss.

Impairment of financial assets held at amortised cost or FVOCI

At each balance sheet date, each financial asset or portfolio of advances categorised at amortised cost or at FVOCI, issued financial guarantee and loan commitment is measured for ECL impairment.

The costs of loss allowances on assets held at amortised cost and at FVOCI are presented as impairments in the income statement. Allowances in respect of financial guarantees and loan commitments are presented as other liabilities and charges recorded within income statement impairments. Financial assets held at amortised cost are presented net of allowances, except where the asset has been wholly or partially written off.

Stage 1

Financial assets that are considered performing and have not had a significant increase in credit risk are reported as Stage 1 assets. Stage 1 financial assets have loss allowances measured at an amount equal to a 12-month ECL.

ACCOUNTING POLICIES
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Stage 2

Financial assets are considered to be in Stage 2 when their credit risk has increased significantly since initial recognition. A loss allowance equivalent to a lifetime ECL is required to be held.

The Group's primary indicator for Stage 2 assets are distressed loans, potential problem loans and exposures in arrears that require additional attention and supervision from watchlist committees and are under management review.

Assets in forbearance are considered to be, at a minimum, Stage 2. Forbearance measures refer to concessions such as modification of the terms and conditions or refinancing that has been granted to a debtor in financial difficulty. These exposures are assessed on a case-by-case basis to determine whether the proposed modifications will be considered as forbearance. Where the Credit Committee considers it likely that the client will be able to return to perform against the original contractual obligations within a reasonable time frame these assets will be considered performing and in Stage 2. Forbearance is distinguished from commercial renegotiations which take place as part of normal business activity and standard banking practice.

In addition to loans under management review, an asset may also move from Stage 1 to Stage 2 if the model calculated probability of default (PD) has significantly increased since origination. This is tested on both a relative and absolute basis to assess whether a significant deterioration in lifetime risk of default has occurred. In South Africa, the change in the lifetime PD from deal origination to the reporting date is monitored monthly. The absolute and relative changes in lifetime PDs are tested against predefined trigger levels. When the change in lifetime PDs exceeds the trigger levels, it is considered a significant increase in credit risk and the exposure is migrated to Stage 2. The trigger levels have been defined for each asset class and are a function of the internal credit rating and the remaining maturity of the exposure.

The Group adopts the view that all financial assets that are more than 30 days past due have experienced a significant increase in credit risk.

Exposures move back to Stage 1 once they no longer meet the criteria above for a significant increase in credit risk and as cure periods (specifically relating to forborne exposures) are met.

Stage 3

Financial assets are included in Stage 3 when there is objective evidence of credit impairment. The Group assesses a loan as Stage 3 when contractual payments of either principal or interest are past due for more than 90 days, the debtor is assessed as unlikely to pay and credit impaired, or the loan is otherwise considered to be in default, for example, due to the appointment of an administrator or the client is in receivership. Forborne loans that are considered non-performing, for example, if a loan is not expected to meet the original contractual obligations in a reasonable time frame, the loan will be classified as Stage 3. Loans which are 90 days or more past due are considered to be in default.

The Group calculates the credit adjusted effective interest rate on Stage 3 assets, which is calculated based on the amortised cost of the financial asset (i.e. gross carrying amount less ECL allowance) instead of its gross carrying amount and incorporates the impact of the ECLs in estimated future cash flows.

Definition of default

The Group has aligned the IFRS 9 and regulatory definitions of default, credit impaired and non-performing exposure. Assets that are more than 90 days past due, or considered by management as unlikely to pay their obligations in full without realisation of collateral are considered as exposures in default.

ECL

The assessment of credit risk and the estimation of ECL are required to be unbiased, probability-weighted and should incorporate all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money. As a result, the recognition and measurement of impairment is intended to be forward-looking and therefore, potentially volatile.

Write-offs

A loan or advance is normally written off in full against the related ECL impairment allowance when the proceeds from realising any available security have been received or there is a reasonable amount of certainty that the exposure will not be recovered. This is assessed on a case-by-case basis with considerations to indicators such as whether the exposure has been restructured or the given financial position of the borrower and guarantors. Any recoveries of amounts previously written off decrease the amount of impairment losses.

Cured assets

Loans and advances are regularly assessed to determine whether conditions which led to a significant increase in credit risk or impairment still exist. Where applicable, the cured asset will move to the appropriate performing stage which reflects the re-assessed credit risk in line with our Arrears, default and recovery (ADR) policy which is aligned to the applicable Regulatory requirements.

Process to determine ECL

ECLs are calculated using three main components:

- A probability of default (PD);
- A loss given default (LGD); and
- The exposure at default (EAD).

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The 12-month and lifetime PDs represent the probability of a default occurring over the next 12 months or the lifetime of the financial exposures, respectively, based on conditions existing at the balance sheet date and future forecast macro-economic conditions that affect credit risk.

The LGD represents losses expected on default, taking into account the mitigating effect of collateral, its expected value when realised and the time value of money.

The EAD represents the expected balance at default, taking into account any expected drawdown on a committed facility.

The calculation of the 12-month ECL is based on the 12-month PD and LGD along with the EAD and EIR for the asset. Lifetime ECL is calculated using the lifetime PD curve, and the appropriate LGDs and EADs and discount rates derived from the EIR based on the remaining life of the financial asset.

Expert judgement models or appropriate proxies for PD's are also utilised for certain portfolios where the ECL is found to be minimal, either due to the portfolio's small relative size or the low default nature of these portfolios, such as cash and balances held at central banks.

Management adjustments are made to modelled output to account for situations where additional information and known or expected risk factors have not been captured in the modelling process.

Financial assets and liabilities held at fair value through profit or loss

Financial instruments held at fair value through profit or loss include all instruments classified as held for trading, those instruments designated as held at fair value through profit or loss and those financial assets which do not meet the criteria for amortised cost or FVOCI.

Financial instruments classified as FVPL are initially recorded at fair value on the balance sheet with changes in fair value subsequently recognised in the income statement. Financial instruments are classified as held for trading when they are held with the intention of short-term disposal, held with the intention of generating short-term profit, or are derivatives which are not designated as part of effective hedges. Financial instruments designated as held at fair value through profit or loss are designated as such on initial recognition of the instrument and remain in this classification until derecognition.

Financial assets and liabilities are designated as held at fair value through profit or loss only if:

- They eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- A group of financial liabilities or both financial assets and financial liabilities is managed and their performances evaluated on a fair value basis in accordance with a documented risk management or investment strategy and information about the Group is provided internally on that basis to the Group's key management personnel; or
- A financial liability contract contains one or more embedded derivatives (which significantly modifies the cash flows that would be required by the contract and is not clearly prohibited from separation from the host contract) and the Group has designated the entire hybrid contract as a financial instrument at fair value through profit or loss.

Changes in fair value of financial liabilities designated at fair value that is attributable to changes in own credit is recognised in other comprehensive income. Any other changes in fair value are recognised in the income statement.

Equity instruments measured at FVOCI

The Group measures equity instruments at FVOCI when it considers the investments to be strategic or held for long-term dividend yield. The equity instruments are not held for trading. Gains or losses on the derecognition of these equity securities are not transferred to profit or loss.

Otherwise, equity instruments are measured at fair value through profit or loss (except for dividend income, which is recognised in profit or loss).

Securitisation/credit investment and trading activities exposures

The Group makes use of securitisation vehicles as a source of finance, as a means of risk transfer and to leverage returns through the retention of equity tranches in low default rate portfolios. The Group predominantly focuses on the securitisation of residential and commercial mortgages and lease receivables. The Group also trades in structured credit investments.

The structured entities are consolidated under IFRS 10 Consolidated Financial Statements when the Group has exposure to or rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Loans and advances that are originated are transferred to structured entities, and the structured entities issue debt securities to external investors to fund the purchase of the securitised assets. When the Group consolidates the structured entity, the Group recognises the assets and liabilities on a gross basis. When the Group does not consolidate the structured entity, the securitised assets are derecognised and only any position still held by the Group in the structured entity is reflected.

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Day-one profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument or based on the valuation technique whose variables include only data from observable markets, the difference between the transaction price and fair value is recognised immediately in the income statement. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the income statement when the inputs become observable, when the instrument is derecognised or over the life of the transaction.

Derecognition of financial assets and liabilities

A financial asset, or a portion thereof, is derecognised when the Group's rights to cash flows have expired or when the Group has transferred its rights to cash flows relating to the financial assets and either (a) the Group has transferred substantially all the risks and rewards associated with the financial assets or (b) the Group has neither transferred nor retained substantially all the risks and rewards associated with the financial assets but has transferred control of the assets.

The treatment of a renegotiation or modification of the contractual cash flows of a financial asset depends upon whether the modification is done for commercial reasons, in which case if they are significant the old asset is derecognised and a new asset recognised, or because of financial difficulties of the borrower.

A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled or expired. When an existing financial liability is replaced or modified with substantially different terms, such a replacement or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Reclassification of financial instruments

Financial assets are only reclassified where there has been a change in business model. Financial liabilities can be reclassified to equity.

Derivative instruments

All derivative instruments of the Group are recorded on the balance sheet at fair value. Positive and negative fair values are reported as assets and liabilities, respectively.

Derivative positions are entered into either for trading purposes or as part of the Group's asset and liability management activities to manage exposures to foreign currency, interest rate and equity risks. Both realised and unrealised profit or losses arising on derivatives are recognised in the income statement as part of trading income (other than circumstances in which cash flow hedging is applied as detailed in the hedge accounting section below).

Derivative instruments entered into as economic hedges which do not qualify for hedge accounting and derivatives that are entered into for trading purposes are treated in the same way as instruments that are held-for-trading.

Credit derivatives are entered into for trading purposes. Credit derivatives are initially recognised at their fair values, being the transaction price of the derivative. Subsequently the derivatives are carried at fair value, with movements in fair value through the income statement, based on the current market price or remeasured price. The counterparty risk from derivative transactions is taken into account when reporting the fair value of derivative positions. The adjustment to the fair value is known as the credit value adjustment (CVA).

Hedge accounting

When the Group first implemented IFRS 9, it made an election to continue to apply the hedge accounting requirements of IAS 39 as an accounting policy.

The Group applies either fair value, cash flow hedge or hedge of net investments in foreign operations accounting when the transactions meet the specified hedge accounting criteria.

To qualify for hedge accounting treatment, the Group ensures that all of the following conditions are met:

- At inception of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s) including the risk management objectives and the strategy in undertaking the hedge transaction. Also at the inception of the hedge relationship, a formal assessment is undertaken to ensure the hedging instrument is expected to be highly effective in offsetting the designated risk in the hedged item. A hedge is expected to be highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated are expected to offset in a range of 80% to 125%
- For cash flow hedges, a forecasted transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect the income statement
- The effectiveness of the hedge can be reliably measured, i.e. the fair value or cash flows of the hedged item that are attributable to the hedged risk and the fair value of the hedging instrument can be reliably measured
- The hedge effectiveness is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

For qualifying fair value hedges, the change in fair value of the hedging instrument is recognised in the income statement. Changes in fair value of the hedged item that is attributable to the hedged risk are also recognised in the income statement.

For qualifying cash flow hedges in respect of non-financial assets and liabilities, the change in fair value of the hedging instrument relating to the effective portion is initially recognised directly in other comprehensive income in the cash flow hedge reserve and is

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included in the initial cost of any asset/liability recognised or in all other cases released to the income statement when the hedged firm commitment or forecasted transaction affects net profit. If the forecast transaction or firm commitment is no longer expected to occur, the balance included in other comprehensive income is reclassified to the income statement immediately and recognised in trading income from balance sheet management and other trading activities.

For qualifying cash flow hedges in respect of financial assets and liabilities, the change in fair value of the hedging instrument, which represents an effective hedge, is initially recognised in other comprehensive income and is reclassified to the income statement in the same period during which the relevant financial asset or liability affects the income statement. Any ineffective portion of the hedge is immediately recognised in the income statement.

For qualifying hedges of a net investment in a foreign operation including a hedge of a monetary item that is accounted for as part of the net investment are accounted for in a way similar to cash flow hedges. Changes in the fair value of the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the income statement. On disposal of the foreign operation, the cumulative value of any such gain or loss recorded in other comprehensive income is reclassified to the income statement.

Hedge accounting is discontinued when it is determined that the instrument ceases to be highly effective as a hedge; when the derivative expires, or is sold, terminated or exercised; when the hedged item matures or is sold or repaid; when a forecasted transaction is no longer deemed highly probable or when the designation as a hedge is revoked.

Sources of hedge ineffectiveness may arise from basis risk, including but not limited to the discount rates used for calculating the fair value of derivatives, hedges using instruments with a non-fair value, and notional and timing differences between the hedged items and hedging instruments.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset when there is both an intention to settle on a net basis (or simultaneously) and a currently enforceable legal right to offset exists.

Issued debt and equity financial instruments

Financial instruments issued by the Group are classified as liabilities if they contain a contractual obligation to deliver cash or another financial asset.

Financial instruments issued by the Group are classified as equity where they confer on the holder a residual interest in the Group, and the Group has no obligation to deliver either cash or another financial asset to the holder. The components of compound issued financial instruments are accounted for separately with the liability component separated first and any residual amount being allocated to the equity component.

Equity instruments issued by subsidiaries of Investec plc or Investec Limited are recorded as non-controlling interests on the balance sheet.

Equity instruments are initially measured net of directly attributable issue costs.

Dividends on ordinary shares are recognised as a deduction from equity at the earlier of payment date or the date that it is approved by Investec plc (in relation to dividends declared by Investec plc) and Investec Limited (in relation to dividends declared by Investec Limited) shareholders.

Non-sovereign and non-bank cash placements

Non-sovereign and non-bank cash placements relates to overnight deposits placed with large corporate clients callable on demand.

Sale and repurchase agreements (including securities borrowing and lending)

Securities sold subject to a commitment to repurchase, at a fixed price or a selling price plus a lender’s return, remain on-balance sheet. Proceeds received are recorded as a liability on the balance sheet under ‘repurchase agreements and cash collateral on securities lent’. Securities that are purchased under a commitment to resell the securities at a future date are not recognised on the balance sheet. The consideration paid is recognised as an asset under ‘reverse repurchase agreements and cash collateral on securities borrowed’.

Where sovereign debt securities have been purchased at the same time as derivatives with the same counterparty, such that the combined position has the economic substance similar to secured lending, an asset is recognised under ‘reverse repurchase agreements and cash collateral on securities borrowed’.

The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of the agreement using the effective interest method.

Securities borrowing transactions that are not cash collateralised are not included on the balance sheet. Securities lending and borrowing transactions which are cash collateralised are accounted for in the same manner as securities sold or purchased subject to repurchase commitments.

The cash collateral from agency-based scrip lending transactions are disclosed on a net basis, in accordance with master netting agreements and the intention to settle net.

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Financial guarantees

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due, in accordance with the terms of a debt instrument. Financial guarantees, which are not classified as insurance contracts, are initially recognised at fair value, adjusted for the transaction costs that are directly attributable to the issuance of the guarantee.

Subsequent to initial recognition, the liability under each guarantee is measured at the higher of the amount recognised less cumulative amount of income recognised in accordance with IFRS 15 and the best estimate of expected credit loss calculated for the financial guarantee. Subsequent to initial measurement, all changes in the balance sheet carrying value are recognised in the income statement.

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and impairments.

Cost is the cash equivalent paid or the fair value of the consideration given to acquire an asset and includes other expenditures that are directly attributable to the acquisition of the asset.

Depreciation is provided on the depreciable amount of each component on a straight-line basis over the expected useful life of the asset.

The depreciable amount related to each asset is determined as the difference between the cost and the residual value of the asset. The residual value is the estimated amount, net of disposal costs that the Group would currently obtain from the disposal of an asset in similar age and condition as expected at the end of its useful life.

The current and comparative annual depreciation rates for each class of property and equipment are as follows:

- Equipment 10% – 33%
- Furniture and vehicles 10% – 25%
- Freehold buildings 2% – 4%
- Leasehold property and improvements*
- Right-of-use assets*

*Leasehold improvements depreciation rates are determined by reference to the appropriate useful life of its separate components, limited to the period of the lease. Leasehold property and right-of-use asset depreciation rates are determined by reference to the period of the lease.

No depreciation is provided on freehold land. However, similar to other property-related assets, it is subject to impairment testing when an indication of impairment exists.

Routine maintenance and service costs for Group assets are expensed as incurred. Subsequent expenditure is only capitalised if it is probable that future economic benefits associated with the item will flow to the Group.

Leases

At inception of a contract the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and
- The Group has the right to direct the use of the asset.

As a lessee, the Group recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the rate implicit in the lease, or, where that is not available, at the Group's incremental borrowing rate.

The lease liability will increase for the accrual of interest, and will result in a constant rate of return throughout the life of the lease, and reduce when payments are made.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any indirect costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is subsequently remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

Where the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in the income statement if the carrying amount of the ROU asset has been reduced to zero.

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The Group has elected not to recognise ROU assets and lease liabilities for low value assets and short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is the lessor, the lease must be classified as either a finance lease or an operating lease. A finance lease is a lease which confers substantially all the risks and rewards of the leased assets on the lessee. An operating lease is a lease where substantially all of the risks and rewards of the leased asset remain with the lessor.

When the lease is deemed a finance lease, the leased asset is not held on the balance sheet; instead a finance lease receivable is recognised representing the minimum lease payments receivable under the terms of the lease, discounted at the rate of interest implicit in the lease.

When the lease is deemed an operating lease, the lease income is recognised on a straight-line basis over the period of the lease unless another systematic basis is more appropriate.

For the balance sheet, the ROU assets are included within property and equipment, finance lease receivables are included within loans and advances to customers and the lease liabilities are included within other liabilities.

Where the Group has a head lease and sublease arrangement with external partners, the finance lease receivable is recognised in other assets on the balance sheet.

Trading properties

Trading properties are carried at the lower of cost and net realisable value.

Software and other acquired intangibles

Software and other acquired intangible assets are recorded at cost less accumulated amortisation and impairments. Software and intangible assets with a finite life are amortised over the useful life on a straight-line basis. Amortisation of each asset starts when it becomes available for use. The depreciable amount related to each asset is determined as the difference between the cost and the residual value of the asset.

The current and comparative annual amortisation rates for each class of intangible assets are as follows:

- Client relationships 8 years
- Acquired software 3 years.

Impairment of non-financial assets

At each balance sheet date, the Group reviews the carrying value of non-financial assets, other than investment property, for indication of impairment. The recoverable amount, being the higher of fair value less cost of disposal and value-in-use, is determined for any assets for which an indication of impairment is identified. If the recoverable amount of an asset is less than its carrying value, the carrying value of the asset is reduced to its recoverable amount.

Impairment losses are recognised as an expense in the income statement in the period in which they are identified. Reversals of impairment losses are recognised in income in the period in which the reversals are identified, to the extent that the carrying value of the asset does not exceed the amount that would have been calculated without impairment.

Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Assets in the measurement scope of IFRS 5 are carried at the lower of their carrying amount and fair value less costs to sell.

Trust and fiduciary activities

The Group acts as a trustee or in other fiduciary capacities that result in the holding, placing or managing of assets for the account of and at the risk of clients. As these are not assets of the Group, they are not recognised on the balance sheet but are included at market value as part of third party assets under management.

Taxation and deferred taxation

Current taxation payable is provided for based on the amount expected to be payable on taxable profit at rates that are enacted or substantively enacted and applicable to the relevant period.

Deferred taxation is provided on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base, except where such temporary differences arise from:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction has no effect on the income statement or taxable profit
- Temporary differences associated with the investments in subsidiaries and interests in associated undertakings, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

ACCOUNTING POLICIES
CONTINUED

Deferred taxation assets or liabilities are measured using the taxation rates that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation assets are recognised to the extent that it is probable that future taxable profit will be available against which the deferred taxation asset can be utilised. Items recognised directly in other comprehensive income are net of related current and deferred taxation.

Borrowing costs

Borrowing costs that are directly attributable to property developments which take a substantial period of time to develop are capitalised to qualifying properties.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the income statement net of any reimbursement. Contingent assets and contingent liabilities are not recognised on the balance sheet.

Standards and interpretations issued but not yet effective

There are no standards and interpretations issued but not yet effective which are expected to have a material impact on the Group.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. These new requirements are expected to impact all reporting entities.

IFRS 18 and the consequential amendments to other standards is effective for reporting periods beginning on or after 1 January 2027 and the Group is considering its impact.

Amendments to IFRS 9 Amendments to Classification and Measurement of Financial Instruments and IFRS 7 disclosures

The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date.

The classification of financial assets with ESG linked features has been clarified via additional guidance on the assessment of contingent features.

Clarifications have been made on non-recourse loans and contractually linked instruments.

Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified at fair value through OCI. The amendments are effective for annual periods starting on or after 1 January 2026 and the Group is considering the impact.

All other standards and interpretations issued but not yet effective are not expected to have a material impact on the Group.

Key management assumptions

In preparation of the annual financial statements, the Group makes estimations and applies judgement that could affect the reported amount of assets and liabilities within the next financial year.

Key areas in which estimates are made include:

- In accordance with IFRS 13 Fair Value Measurement, the Group categorises financial instruments carried on the balance sheet at fair value using a three level hierarchy. Financial instruments categorised as level 1 are valued using quoted market prices and therefore there is minimal judgement applied in determining fair value. However, the fair value of financial instruments categorised as level 2 and, in particular, level 3 are determined using valuation techniques including discounted cash flow analysis, price-earnings multiples, net asset value and complex valuation models. The valuation techniques for level 3 financial instruments involve management judgement and estimates, the extent of which, depends on the complexity of the instrument, counterparty and own credit risk, funding cost, low levels of market liquidity, and the availability of market observable information. In particular, significant uncertainty exists in the valuation of unlisted investments and fair value loans in the private equity and direct investments portfolios.The estimation of fair value is subject to an uncertain economic outlook. Key valuation inputs are based on the most relevant observable market information and can include expected cash flows, yield curves, discount rates, growth rates, earnings multiples and the underlying assets and liabilities within a business, adjusted where necessary for factors that specifically apply to the individual investments, sector specific factors and recognising market volatility and liquidity. Further details of the Group’s level 3 financial instruments, valuation techniques, key valuation inputs applied and the sensitivity of the valuation including the effect of applying reasonably possible alternative assumptions in determining their fair value are set out in note 13.

ACCOUNTING POLICIES
CONTINUED

Details of unlisted investments can be found in note 26 with further analysis contained on page 176.

- The measurement of ECL has reliance on expert credit judgement. Key judgmental areas are highlighted below and are subject to robust governance processes. Key drivers of measurement uncertainty include:
  - The assessment of staging due to a significant increase in credit risk
  - Adequacy of post model adjustments;
  - Assessment of ECL on Stage 3 exposures, including the valuation of collateral, expected timing of cash flows, client industry considerations and recovery strategies
  - The determination of write-off points
  - A range of forward-looking probability weighted macro-economic scenarios
  - Estimations of probabilities of default, loss given default and exposures at default using models.

Following a detailed review of the outcome of the ECL models, management removed the overlay provision in South Africa

- In accordance with IFRS 10 Consolidated Financial statements, the Group controls and consolidates an investee where the Group has power over the entity's relevant activities, is exposed to variable returns from its involvement with the investee and has the ability to affect the returns through its power over the entity. Determining whether the group controls another entity requires judgement by identifying an entity's relevant activities, being those activities that significantly affect the investee's returns, and whether the Group controls those relevant activities by considering the rights attached to both current and potential voting rights, de facto control and other contractual rights including whether such rights are substantive.

  Details of subsidiaries can be found in note 35.

- The Group's income tax charge and balance sheet provision are judgemental in nature. This arises from certain transactions for which the ultimate tax treatment can only be determined by final resolution with the relevant local tax authorities. The Group has recognised in its current tax provision certain amounts in respect of taxation that involve a degree of estimation and uncertainty where the tax treatment cannot finally be determined until a resolution has been reached by the relevant tax authority and whether the proposed tax treatment will be accepted by the authorities. The carrying amount of this provision is sensitive to the resolution of issues, which is often dependent on the timetable and progress of discussion and negotiations with the relevant tax authorities, arbitration process and legal proceedings in the relevant tax jurisdictions in which the Group operates. Issues can take many years to resolve and assumptions on the likely outcome would therefore have to be made by the Group in order to determine if an exposure should be measured based on the most likely amount or expected value In making any estimates, management's judgement has been based on various factors, including:
  – The current status of tax audits and enquiries;

  – The current status of discussions and negotiations with the relevant tax authorities;

  – The results of any previous claims; and – Any changes to the relevant tax environments.

- The Group operates in a legal and regulatory environment that exposes it to litigation risks. As a result, the Group is involved in disputes and legal proceedings which arise in the ordinary course of business. The Group evaluates all facts, the probability of the outcome of legal proceedings, commercial outcomes and advice from internal and external legal counsel when considering the accounting implications

- The Group makes use of reasonable and supportable information to make accounting judgements and estimates related to climate change. This includes information about the observable impact of climate change on the current credit risk of clients and the valuation of assets. Many of the effects arising from climate change will be longer term in nature, with an inherent level of uncertainty and have limited effect on accounting judgements and estimates for the current period.

  The following items represent the most significant effects that climate change can have on the shorter term:

  – The measurement of ECL considers the ability of borrowers to make contractual payments as and when they become due. Investec performed an assessment of specific sectors that could be most impacted by climate risk in all jurisdictions, specifically focusing on the ability of the clients in these sectors to meet their financing needs. The assessment further included a review of Investec's appetite to fund clients in the respective sectors. While these have not resulted in material impact to ECL, the determination of the impact of these risks into PD, LGD and other inputs into the ECL calculation is ongoing.

  – The assessment of asset impairment, based on value in use, and the ability to recognise deferred tax assets are based on future expected cash flows. The expected cash flows are based on management's best estimate of the operational results, including the near-term impact of climate risk. The Group did not consider any additional adjustments to the cash flows to account for this risk given the time frame of the cash flows that were considered – The use of market indicators as inputs to fair value is assumed to include current information and knowledge regarding the effect of climate risk.

Key areas in which judgement is applied include:

- On the basis of current financial projections and having made appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence up to 24 June 2025, which is a period greater than twelve months from the date of issue of the financial statements. Accordingly, the going concern basis is adopted in the preparation of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Segmental analysis

For the year to 31 March 2024 R'million	Specialist Banking Private Client Private Banking	Specialist Banking Corporate, Investment Banking and Other	Group Investments	Group Costs	Total
Group					
Net interest income	6 106	7 988	(23)	—	14 071
Net fee and commission income	1 027	2 582	—	—	3 609
Investment income	216	539	(55)	—	700
Share of post-taxation profit/(loss) of associates	3	—	—	—	3
Trading (loss)/income arising from					
– customer flow	—	(385)	—	—	(385)
– balance sheet management and other trading activities	(4)	353	—	—	349
Operating income	**7 348**	**11 077**	**(78)**	**—**	**18 347**
Expected credit loss impairment release/(charges)	55	108	—	—	163
Operating income after expected credit loss impairment release/(charges)	**7 403**	**11 185**	**(78)**	**—**	**18 510**
Operating costs	(3 929)	(4 500)	(1)	(353)	(8 783)
Profit/(loss) before goodwill, acquired intangibles and taxation	**3 474**	**6 685**	**(79)**	**(353)**	**9 727**
Cost to income ratio	53.5%	40.6%	n/a	n/a	47.9%
Total assets	241 675	367 642	621	—	609 938

For the year to 31 March 2023^ R'million	Specialist Banking Private Client Private Banking	Specialist Banking Corporate, Investment Banking and Other	Group Investments	Group Costs	Total
Group					
Net interest income	6 133	6 095	(14)	—	12 214
Net fee and commission income	1 047	2 185	—	—	3 232
Investment income	310	(40)	4	—	274
Share of post-taxation profit/(loss) of associates	(3)	—	—	—	(3)
Trading (loss)/income arising from					
– customer flow	—	1 148	—	—	1 148
– balance sheet management and other trading activities	—	42	—	—	42
Other operating income/(loss)	—	1	—	—	1
Operating income	**7 487**	**9 431**	**(10)**	**—**	**16 908**
Expected credit loss impairment release/(charges)	(247)	(42)	—	—	(289)
Operating income after expected credit loss impairment release/(charges)	**7 240**	**9 389**	**(10)**	**—**	**16 619**
Operating costs	(3 544)	(4 120)	(2)	(314)	(7 980)
Profit/(loss) before goodwill, acquired intangibles and taxation	**3 696**	**5 269**	**(12)**	**(314)**	**8 639**
Cost to income ratio	47.3%	43.7%	n/a	n/a	47.2%
Total assets	228 960	364 904	678	—	594 542

^ Restated as per note 53.

Refer to note 6 for a further analysis of operating costs.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

1. Segmental analysis (continued)

For the year to 31 March 2024 R'million	Specialist Banking Private Client Private Banking	Specialist Banking Corporate, Investment Banking and Other	Group Investments	Group Costs	Total
Company					
Net interest income	5 765	6 610	(23)	—	12 352
Net fee and commission income	1 014	2 412	—	—	3 426
Investment income	82	981	(55)	—	1 008
Trading (loss)/income arising from					
– customer flow	—	(383)	—	—	(383)
– balance sheet management and other trading activities	1	173	—	—	174
Other operating income/(loss)	—	(1)	—	—	(1)
Operating income	**6 862**	**9 792**	**(78)**	**—**	**16 576**
Expected credit loss impairment release/(charges)	76	101	—	—	177
Operating income after expected credit loss impairment release/(charges)	**6 938**	**9 893**	**(78)**	**—**	**16 753**
Operating costs	(3 922)	(4 174)	(1)	(353)	(8 450)
Profit/(loss) before goodwill, acquired intangibles and taxation	**3 016**	**5 719**	**(79)**	**(353)**	**8 303**
Cost to income ratio (%)	57.2%	42.6%	n/a	n/a	51.0%
Total assets	235 750	331 503	621	—	567 874

For the year to 31 March 2023^ R'million	Specialist Banking Private Client Private Banking	Specialist Banking Corporate, Investment Banking and Other	Group Investments	Group Costs	Total
Company					
Net interest income	5 864	5 271	(14)	—	11 121
Net fee and commission income	1 035	1 992	—	—	3 027
Investment income	218	(29)	4	—	193
Trading (loss)/income arising from					
– customer flow	—	984	—	—	984
– balance sheet management and other trading activities	4	38	—	—	42
Other operating income/(loss)	—	2	—	—	2
Operating income	**7 121**	**8 258**	**(10)**	**—**	**15 369**
Expected credit loss impairment release/(charges)	(221)	(132)	—	—	(353)
Operating income after expected credit loss impairment release/(charges)	**6 900**	**8 126**	**(10)**	**—**	**15 016**
Operating costs	(3 534)	(3 833)	(2)	(314)	(7 683)
Profit/(loss) before goodwill, acquired intangibles and taxation	**3 366**	**4 293**	**(12)**	**(314)**	**7 333**
Cost to income ratio	49.6%	46.4%	n/a	n/a	50.0%
Total assets	224 471	328 908	678	—	554 057

^ Restated as per note 53.

Refer to note 6 for a further analysis of operating costs.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

2. Net interest income

For the year to 31 March R'million	Notes	2024 Average balance sheet value*	2024 Interest income	2024 Average yield	2023^ Average balance sheet value*	2023^ Interest income	2023^ Average yield
Group							
Cash, near cash and bank debt and sovereign debt securities	1	198 471	14 009	7.06%	186 479	9 637	5.17%
Core loans and advances	2	333 625	36 079	10.81%	307 315	26 932	8.76%
Private client		233 349	25 030	10.73%	224 838	19 417	8.64%
Corporate, Investment Banking and Other		100 276	11 049	11.02%	82 477	7 515	9.11%
Other debt securities and other loans and advances		10 479	668	6.37%	12 647	661	5.23%
Other	3	34 864	2 790	n/a	28 156	1 508	n/a
		577 439	**53 546**		**534 597**	**38 738**	

For the year to 31 March R'million	Notes	2024 Average balance sheet value*	2024 Interest expense	2024 Average yield	2023^ Average balance sheet value*	2023^ Interest expense	2023^ Average yield
Deposits by banks and other debt-related securities	4	51 698	(3 856)	7.46%	37 751	(1 572)	4.16%
Customer accounts (deposits)		458 639	(33 653)	7.34%	433 434	(23 497)	5.42%
Subordinated liabilities		7 683	(631)	8.21%	7 565	(511)	6.75%
Other	5	5 378	(1 335)	n/a	4 863	(944)	n/a
		523 398	**(39 475)**		**483 613**	**(26 524)**	
Net interest income			**14 071**			**12 214**	
Net interest margin			**2.44%**			**2.28%**	

1. Comprises (as per the balance sheet) cash and balances at central banks; loans and advances to banks; non-sovereign and non-bank cash placements; reverse repurchase agreements and cash collateral on securities borrowed; sovereign debt securities; bank debt securities.
2. Comprises (as per the balance sheet) loans and advances to customers; own originated loans and advances to customers securitised.
3. Comprises (as per the balance sheet) other securitised assets and loans to Group companies as well as interest income from derivative financial instruments where there is no associated balance sheet value.
4. Comprises (as per the balance sheet) deposits by banks; debt securities in issue; repurchase agreements and cash collateral on securities lent.
5. Comprises (as per the balance sheet) liabilities arising on securitisation of own originated loans and advances, lease liabilities and loans from Group companies, as well as interest expense from derivative financial instruments where there is no associated balance sheet value.

^ Restated as per note 53.
* The average balance sheet value is calculated using a straight-line 13 point average. The prior year has been restated to reflect the impact of restatements detailed in note 53.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

2. Net interest income (continued)

For the year to 31 March R'million	Notes	2024 Average balance sheet value*	2024 Interest income	2024 Average yield	2023^ Average balance sheet value*	2023^ Interest income	2023^ Average yield
Company							
Cash, near cash and bank debt and sovereign debt securities	1	178 072	12 923	7.26%	169 821	9 117	5.37%
Core loans and advances	2	311 039	33 537	10.78%	288 162	25 330	8.79%
Private client		228 552	23 909	10.46%	217 192	18 641	8.58%
Corporate, Investment Banking and Other		82 487	9 628	11.67%	70 970	6 689	9.43%
Other debt securities and other loans and advances		9 067	621	6.85%	11 596	637	5.49%
Other	3	32 254	2 854	n/a	25 291	1 576	n/a
		530 432	**49 935**		**494 870**	**36 660**	

For the year to 31 March R'million	Notes	2024 Average balance sheet value*	2024 Interest expense	2024 Average yield	2023^ Average balance sheet value*	2023^ Interest expense	2023^ Average yield
Deposits by banks and other debt-related securities	4	44 257	(3 327)	7.52%	33 947	(1 390)	4.09%
Customer accounts (deposits)		433 234	(32 860)	7.58%	410 401	(23 105)	5.63%
Subordinated liabilities		7 683	(631)	8.21%	7 565	(511)	6.75%
Other	5	6 558	(765)	n/a	4 991	(533)	n/a
		491 732	**(37 583)**		**456 904**	**(25 539)**	
Net interest income			**12 352**			**11 121**	
Net interest margin			**2.33%**			**2.25%**	

1. Comprises (as per the balance sheet) cash and balances at central banks; loans and advances to banks; non-sovereign and non-bank cash placements; reverse repurchase agreements and cash collateral on securities borrowed; sovereign debt securities; bank debt securities.
2. Comprises (as per the balance sheet) loans and advances to customers; own originated loans and advances to customers securitised.
3. Comprises (as per the balance sheet) other securitised assets and loans to Group companies as well as interest income from derivative financial instruments where there is no associated balance sheet value.
4. Comprises (as per the balance sheet) deposits by banks; debt securities in issue; repurchase agreements and cash collateral on securities lent.
5. Comprises (as per the balance sheet) liabilities arising on securitisation of own originated loans and advances, lease liabilities and loans from Group companies, as well as interest expense from derivative financial instruments where there is no associated balance sheet value.

^ Restated as per note 53.
* The average balance sheet value is calculated using a straight-line 13 point average. The prior year has been restated to reflect the impact of restatements detailed in note 53.

3. Net fee and commission income

For the year to 31 March R'million	Group 2024	Group 2023^	Company 2024	Company 2023^
Specialist Banking net fee and commission income	**3 609**	**3 232**	**3 426**	**3 027**
Fee and commission income	4 593	4 106	4 368	3 871
Fee and commission expense	(984)	(874)	(942)	(844)
Net fee and commission income	**3 609**	**3 232**	**3 426**	**3 027**
Annuity fees (net of fees payable)	2 111	1 734	2 085	1 703
Deal fees	1 498	1 498	1 341	1 324

^ Restated as per note 53.
All revenue generated from fee and commission income arises from contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

4. Investment income

For the year to 31 March R'million	Listed equities	Unlisted equities	Profit shares	**Investment portfolio**	Debt securities (sovereign bank and other)	Trading properties	Other asset and liability categories	**Total**
Group								
2024								
Realised	—	162	97	259	124	1	(17)	367
Unrealised*	24	(151)	46	(81)	84	(4)	—	(1)
Dividend income	2	388	—	390	—	—	—	390
Funding and other net related costs	—	(52)	—	(52)	—	(4)	—	(56)
	26	**347**	**143**	**516**	**208**	**(7)**	**(17)**	**700**
2023								
Realised	—	32	90	122	200	60	11	393
Unrealised*	(21)	(76)	10	(87)	25	—	(122)	(184)
Dividend income	12	96	—	108	—	—	—	108
Funding and other net related costs	—	(39)	—	(39)	—	(4)	—	(43)
	(9)	**13**	**100**	**104**	**225**	**56**	**(111)**	**274**

For the year to 31 March R'million	Listed equities	Unlisted equities	Profit shares	**Investment portfolio**	Debt securities (sovereign bank and other)	Trading properties	Other asset and liability categories	**Total**
Company								
2024								
Realised	—	162	97	259	116	—	(17)	358
Unrealised*	2	(177)	46	(129)	84	—	(4)	(49)
Dividend income**	2	277	—	279	—	—	476	755
Funding and other net related costs	—	(52)	—	(52)	—	(4)	—	(56)
	4	**210**	**143**	**357**	**200**	**(4)**	**455**	**1 008**
2023								
Realised	—	32	90	122	199	(1)	12	332
Unrealised*	(21)	(144)	10	(155)	25	—	(122)	(252)
Dividend income**	9	96	—	105	—	—	53	158
Funding and other net related costs	—	(41)	—	(41)	—	(4)	—	(45)
	(12)	**(57)**	**100**	**31**	**224**	**(5)**	**(57)**	**193**

* In a year of realisation, any prior period mark-to-market gains/(losses) recognised are reversed in the unrealised item and recognised in the realised line item.
** In the Company, dividend income from investments in subsidiaries is presented in 'other asset and liability categories' above which is eliminated in the Group disclosures.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

5. Expected credit loss impairment charges

For the year to 31 March R'million	Group 2024	 2023	Company 2024	 2023
Expected credit loss impairment charges/(releases) is recognised on the following assets:				
Loans and advances to customers	(117)	278	(144)	286
Expected credit loss impairment charges (refer to note 24)	189	733*	162	813*
Post write-off recoveries	(306)	(455)	(306)	(527)
Own originated loans and advances to customers securitised	(6)	(7)	—	—
Core loans	**(123)**	**271**	**(144)**	**286**
Other balance sheet assets	(29)	26*	(19)	70*
Undrawn commitments and guarantees	(11)	(8)	(14)	(3)
Total expected credit loss impairment charges	**(163)**	**289**	**(177)**	**353**

* R13 million restated following balance sheet restatement of loans from non-sovereign and non-bank cash placements to loans and advances to customers. Refer to note 53.

6. Operating costs

For the year to 31 March R'million	Group 2024	 2023^"	Company 2024	 2023^"
Staff costs	6 395	5 866	6 234	5 718
Salaries and wages*	3 256	3 045	3 154	2 957
Variable remuneration*	1 891	1 778	1 842	1 738
Share-based payments expense*	540	449	530	441
Pensions and provident fund contributions*	374	351	374	340
Other	334	243	334	242
Business expenses**	850	743	773	677
Equipment expenses (excluding depreciation)	644	520	567	450
Premises expenses	306	310	295	301
Premises expenses (excluding depreciation)	123	127	118	122
Premises depreciation	183	183	177	179
Marketing expenses	460	389	456	387
Depreciation, amortisation and impairment on property, equipment, software and intangibles	128	152	125	150
	8 783	**7 980**	**8 450**	**7 683**

^ Restated as per note 53.
" The prior year has been restated for re-allocations between expense categories.
* Details of the directors' emoluments, pensions and their interests are disclosed in note 55.
** Business expenses mainly comprise insurance costs, consulting and professional fees, travel expenses and subscriptions.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

6. Operating costs (continued)

Segmental analysis of operating costs

Group

For the year to 31 March 2024 R'million	Specialist Banking	Group Investments	Group Costs	Total Group
Staff costs	6 277	—	118	6 395
Business expenses	707	1	142	850
Equipment expenses (excluding depreciation)	638	—	6	644
Premises expenses	298	—	8	306
Marketing expenses	387	—	73	460
Depreciation, amortisation and impairment on property, equipment, software and intangibles	122	—	6	128
	8 429	**1**	**353**	**8 783**

For the year to 31 March 2023^ R'million	Specialist Banking	Group Investments	Group Costs	Total Group
Staff costs	5 748	—	118	5 866
Business expenses	618	2	123	743
Equipment expenses (excluding depreciation)	516	—	4	520
Premises expenses	304	—	6	310
Marketing expenses	332	—	57	389
Depreciation, amortisation and impairment on property, equipment, software and intangibles	146	—	6	152
	7 664	**2**	**314**	**7 980**

Company

For the year to 31 March 2024 R'million	Specialist Banking	Group Investments	Group Costs	Total Group
Staff costs	6 116	—	118	6 234
Business expenses	630	1	142	773
Equipment expenses (excluding depreciation)	561	—	6	567
Premises expenses	287	—	8	295
Marketing expenses	383	—	73	456
Depreciation, amortisation and impairment on property, equipment, software and intangibles	119	—	6	125
	8 096	**1**	**353**	**8 450**

For the year to 31 March 2023^ R'million	Specialist Banking	Group Investments	Group Costs	Total Group
Staff costs	5 600	—	118	5 718
Business expenses	552	2	123	677
Equipment expenses (excluding depreciation)	446	—	4	450
Premises expenses	295	—	6	301
Marketing expenses	330	—	57	387
Depreciation, amortisation and impairment on property, equipment, software and intangibles	144	—	6	150
	7 367	**2**	**314**	**7 683**

^ Restated as per note 53.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

6. Operating costs (continued)

Auditors' remuneration

The following amounts were paid by the Group to the auditors in respect of the audit of the financial statements and for other services provided to the Group

For the year to 31 March R'million	Group 2024	Group 2023	Company 2024	Company 2023
Ernst & Young Inc. fees				
Total audit fees	**43**	**40**	**33**	**28**
Audit of the Group's accounts	28	27	29	25
Audit of the Group's subsidiaries pursuant to legislation	10	9	—	—
Audit-related assurance services	5	4	4	3
Total non-audit fees	**^**	*****	**—**	**—**
Audit-related assurance services	*	*	—	—
PwC 2024/ KPMG 2023 fees				
Total audit fees	**63**	**54**	**50**	**40**
Audit of the Group's accounts	50	41	40	36
Audit of the Group's subsidiaries pursuant to legislation	7	6	5	—
Audit-related assurance services	6	7	5	4
Total non-audit fees	**—**	*****	**—**	**—**
Audit-related assurance services	—	*	—	—
Tax compliance services	—	—	—	—
Total auditors' remuneration	**106**	**94**	**83**	**68**

* Less than R1 million.

NOTES TO THE FINANCIAL STATEMENTS
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7. Share-based payments and long-term employee benefits

The Group operates share option and long-term share incentive plans for employees which are on an equity-settled and cash-settled basis.

The purpose of the staff share schemes is to promote an *esprit de corps* within the organisation, create an awareness of the Investec Group's performance and provide an incentive to maximise individual business unit and Group performance by allowing all staff to share in the risks and rewards of the Group.

Awards made under the South African share schemes are settled in Investec Limited shares (INL).

These awards are contingent on the continued employment of employees up to the date of vesting.

The share incentive plans are granted in the following award types, each of which vest in line with the specified parameters.

Equity-settled awards granted under Investec share plans

Forfeitable share awards are shares held in the name of or for the benefit of an employee, for which the employee has dividend and voting rights.

Conditional awards are the right to receive a share at a future date once the service conditions have been met. Employees do not have a right to dividends or voting rights on these grants until vesting.

Share appreciation rights are conditional rights to acquire securities on vesting.

Forfeitable and conditional awards are awarded to employees for no consideration. These are settled by grants from the Group's share scheme trusts, which acquire shares through purchase of shares in one market.

Equity settled share appreciation rights are awarded to employees with a strike price. These are settled by grants from the Group's share scheme trusts, through the acquisition of call options from third parties.

Cash-settled awards

Cash settled share appreciation rights are conditional rights to receive cash on vesting.

These rights are awarded to employees with a strike price and are settled by grants from Investec Limited, through the acquisition of call options from third parties.

For the year to 31 March	Group		Company	
R'000	**2024**	2023	**2024**	2023
Weighted average fair value of awards granted in the year				
South African schemes	551 993	607 657	540 598	595 000

Equity-settled options

For the year to 31 March	Group			
	2024		2023	
Details of equity-settled awards outstanding during the year	**Number of shares**	**Weighted average exercise price**	Number of shares	Weighted average exercise price
Outstanding at the beginning of the year	26 793 860	6.39	24 396 236	—
Re-location of employees during the year	(71 634)	—	558 851	—
Granted during the year	6 538 896	21.59	7 897 007	21.68
Exercised during the year	(6 324 160)	—	(5 214 454)	—
Lapsed during the year	(842 398)	4.98	(843 780)	—
Outstanding at the end of the year	**26 094 564**	**11.72**	**26 793 860**	**6.39**
Vested and exercisable at the end of the year	**289 291**	**—**	**458 233**	**—**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

7. Share-based payments and long-term employee benefits (continued)

Equity-settled options (continued)

For the year to 31 March	Company			
	2024		2023	
Details of equity-settled awards outstanding during the year	**Number of shares**	**Weighted average exercise price**	Number of shares	Weighted average exercise price
Outstanding at the beginning of the year	26 307 967	6.42	23 978 670	—
Re-location of employees during the year	(198 574)	—	534 512	—
Granted during the year	6 428 901	21.96	7 744 955	21.82
Exercised during the year	(6 176 805)	—	(5 109 727)	—
Lapsed during the year	(836 509)	5.01	(840 443)	—
Outstanding at the end of the year	**25 524 980**	**11.69**	**26 307 967**	**6.42**
Vested and exercisable at the end of the year	**288 957**	**—**	**445 108**	**—**

The weighted average share price during the year was R111.30 (2023: R92.95).

The weighted average share price of options exercised during the year was R111.14 (2023: R90.22).

	Group		Company	
For the year to 31 March	**2024**	2023	**2024**	2023
The exercise price range and weighted average remaining contractual life for the options and shares granted during the year were as follows:				
Long-term incentive options with strike price				
Exercise price	R93.31 - R105.57	R93.31	R93.31 - R105.57	R93.31
Weighted average remaining contractual life of outstanding awards	2.55 years	3.16 years	2.55 years	3.16 years
Weighted average fair values of options and long-term grants granted during the period	R13.86	R14.42	R13.86	R14.42
Long-term incentive shares with no strike price				
Exercise price	Rnil	Rnil	Rnil	Rnil
Weighted average remaining contractual life of outstanding awards	1.66 years	1.81 years	1.66 years	1.81 years
Weighted average fair values of options and long-term grants granted during the period	R102.56	R95.87	R102.54	R95.87
The fair value of equity settled share appreciation rights were calculated using the Black-Scholes option pricing model while nil cost share grants were valued at market price, adjusted for relevant terms and conditions as applicable. For shares granted during the period, the inputs were as follows:				
Share price at date of grant	R103.60 - R120.45	R95.89 - R100.81	R103.60 - R120.45	R95.89 - R100.81
Expected volatility ^	29.74% - 29.84%	25.42 %	29.74% - 29.84%	25.42 %
Exercise price	Rnil, R105.57	Rnil, R93.31	Rnil, R105.57	Rnil, R93.31
Option life	1.00 - 5.03 years	2.50 - 5.00 years	1.00 - 5.03 years	2.50 - 5.00 years
Expected dividend yields	8.46% - 8.88%	5.89% - 6.06%	8.46% - 8.88%	5.89% - 6.06%
Risk-free rate	8.89% - 9.29%	7.07% - 7.52%	8.89% - 9.29%	7.07% - 7.52%

^ The expected volatility is determined by extracting historical volatilities from a trading and risk platform and performing a linear interpolation across strikes and maturities.

The fair value of forfeitable and conditional awards was calculated using market prices, adjusted for certain terms and conditions where applicable.

The fair value of share appreciation rights was calculated using the Black-Scholes pricing model.

For information on the share options granted to directors, refer to note 55.

NOTES TO THE FINANCIAL STATEMENTS
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7. Share-based payments and long-term employee benefits (continued)

Equity-settled options (continued)

For the year to 31 March	Group			
	2024		2023	
Summary by award type	**Number of shares outstanding**	**Year of vesting**	Number of shares outstanding	Year of vesting
Conditional awards	405 927	3,4,5	503 497	3,4,5
Equity-settled share appreciation rights	3 108 501	3,4,5	1 834 667	3,4,5
Forfeitable shares	22 580 136	3,4,5	24 455 696	3,4,5
Outstanding at the end of the year	**26 094 564**		**26 793 860**	

For the year to 31 March	Company			
	2024		2023	
Summary by award type	**Number of shares outstanding**	**Year of vesting**	Number of shares outstanding	Year of vesting
Conditional awards	405 927	3,4,5	503 497	3,4,5
Equity-settled share appreciation rights	3 032 618	3,4,5	1 811 067	3,4,5
Forfeitable shares	22 086 435	3,4,5	23 993 403	3,4,5
Outstanding at the end of the year	**25 524 980**		**26 307 967**	

For the year to 31 March	Group		Company	
	2024	2023	**2024**	2023
Awards granted but not exercised by option vesting period	**Number of shares**	Number of shares	**Number of shares**	Number of shares
Year to 31 March 2023	—	458 233	—	445 108
Year to 31 March 2024	289 291	6 151 293	288 957	6 033 165
Year to 31 March 2025	7 496 832	7 676 626	7 361 231	7 563 647
Year to 31 March 2026	7 093 122	7 306 991	6 924 440	7 169 572
Year to 31 March 2027	7 062 618	5 167 408	6 889 058	5 063 166
Year to 31 March 2028	4 107 318	33 309	4 015 911	33 309
Year to 31 March 2029	36 106	—	36 106	—
Year to 31 March 2030	9 277	—	9 277	—
Outstanding at the end of the year	**26 094 564**	**26 793 860**	**25 524 980**	**26 307 967**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

7. Share-based payments and long-term employee benefits (continued)

Cash-settled options

For the year to 31 March	Group			
	2024		2023	
Details of cash-settled awards outstanding during the year	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	3 276 763	54.03	3 222 328	54.03
Re-location of employees during the year	—	—	54 435	—
Exercised during the year	—	—	—	—
Outstanding at the end of the year	**3 276 763**	**54.03**	**3 276 763**	**54.03**
Vested and exercisable at the end of the year	**—**	**—**	**—**	**—**

For the year to 31 March	Company			
	2024		2023	
Details of cash-settled awards outstanding during the year	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at the beginning of the year	3 239 806	54.03	3 185 371	54.03
Re-location of employees during the year	—	—	54 435	—
Exercised during the year	—	—	—	—
Outstanding at the end of the year	**3 239 806**	**54.03**	**3 239 806**	**54.03**
Vested and exercisable at the end of the year	**—**	**—**	**—**	**—**

The cash-settled award to employees was a once-off award in the 2022 financial year and going forward awards are equity-settled with a strike price.

The Group liability is valued at R165.6 million (2023: R60.6 million) and R105.0 million (2023: R33.3 million) has been recognised in share-based payments expense within operating costs on the income statement.

The Company liability is valued at R163.7 million (2023: R60.0 million) and R103.8 million (2023: R33.0 million) has been recognised in share-based payments expense within operating costs on the income statement.

The fair value of the liability was calculated by using the Black-Scholes option pricing model.

At 31 March	Group		Company	
	2024	2023	2024	2023
The value of the cash-settled liability was calculated by using the Black-Scholes option pricing model:				
For the liability calculated the inputs into the model were as follows:				
Listed share price at 31 March	R124.93	R98.12	R124.93	R98.12
Exercise price	R54.03	R54.03	R54.03	R54.03
Expected volatility ^	27.85% - 27.96%	30.61%	27.85% - 27.96%	30.61%
Option life	0.42 - 2.08 years	1.41 - 3.08 years	0.42 - 2.08 years	1.41 - 3.08 years
Expected dividend yields	6.40% - 8.45%	5.94% - 6.34%	6.40% - 8.45%	5.94% - 6.34%
Risk-free rate	8.05% - 8.26%	7.75% - 7.92%	8.05% - 8.26%	7.75% - 7.92%

^ The expected volatility is determined by extracting historical volatilities from a trading and risk platform and performing a linear interpolation across strikes and maturities.

For the year to 31 March	Group		Company	
	2024	2023	2024	2023
Awards granted but not exercised by option vesting period	Number of options	Number of options	Number of options	Number of options
Year to 31 March 2025	1 092 231	1 092 231	1 079 912	1 079 912
Year to 31 March 2026	2 184 532	2 184 532	2 159 894	2 159 894
Outstanding at the end of the year	**3 276 763**	**3 276 763**	**3 239 806**	**3 239 806**

NOTES TO THE FINANCIAL STATEMENTS
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7. Share-based payments and long-term employee benefits (continued)

In March 2020, as part of the Investec Asset Management demerger, each participant of the Investec share option and long-term share incentive plans, received the right to one Ninety One share award for every two Investec share awards they had. The Ninety One share awards were granted on the same terms and vesting period as the Investec awards they related to.

Investec DLC has an obligation to deliver Ninety One shares to the holders of Investec share awards, accordingly this obligation was classified and measured as an other long-term liability in terms of IAS 19 Employee Benefits (IAS 19). The initial liability of R133.8 million in the Group and R130.9 million in the Company was calculated at the date of demerger for the portion of the awards already vested. The total value of the liability represented was accounted for in retained income. The liability was subsequently measured through profit or loss.

Management concluded that the share price used to calculate the liability as at the date of the demerger (13 March 2020) approximated the fair value of the share price to be used to calculate the liability as at 31 March 2020. Management performed procedures to support this assumption.

In the prior year, on 30 May 2022, the Group's 15% shareholding in Ninety One DLC was distributed to ordinary shareholders. Each participant of the Investec share option and long-term share incentive plans for employees, received the right to receive 0.13751 Ninety One shares for each Investec share option they had.

In addition, management approved the acceleration of certain remaining Ninety One awards. Participants had 90 days to exercise the acceleration. The acceleration excluded awards made to senior management.

The IAS 19 long-term employment benefit liability movement recognised in the income statement for the year ended 31 March 2024 was a loss of R2.3 million (2023: loss of R67.6 million) in the Group and R2.3 million loss (2023: loss of R66.8 million) in the Company.

	Group		Company	
	2024	2023	**2024**	2023
For the year to 31 March	**Number of shares**	Number of shares	**Number of shares**	Number of shares
Details of awards outstanding during the year				
Outstanding at the beginning of the year	837 548	4 511 099	823 221	4 411 515
Re-location of employees during the year	(946)	110 952	(946)	105 580
Granted during the year ^	14 873	—	14 873	—
Grant linked to Ninety One Distribution	—	3 915 572	—	3 847 713
Exercised during the year	(763 941)	(7 597 642)	(749 614)	(7 440 823)
Lapsed during the year	(8 547)	(102 433)	(8 547)	(100 764)
Outstanding at the end of the year	**78 987**	**837 548**	**78 987**	**823 221**
Exercisable at the end of the year	**29 545**	**724 766**	**29 545**	**710 439**

^ The Ninety One shares granted are due to the Group reaching predetermined performance conditions. These awards are aligned with the uptick in Investec shares in the ratio of one Ninety One share for every two Investec shares.

The weighted average exercise price of options outstanding at the end of the year was Rnil (2023: Rnil).

	Group		Company	
At 31 March	**2024**	2023	**2024**	2023
The exercise price range and weighted average remaining contractual life for options and shares outstanding were as follows:				
Long-term incentive options and long-term shares with no strike price				
Exercise price	Rnil	Rnil	Rnil	Rnil
Weighted average remaining contractual life	0.65 years	0.94 years	0.65 years	0.94 years
The fair value of the liability was calculated by using the Black-Scholes option pricing model.				
For the liability calculated the inputs into the model were as follows:				
Listed share price at 31 March	R40.34	R40.54	R40.34	R40.54
Exercise price	Rnil	Rnil	Rnil	Rnil
Expected volatility ^	31.17% - 31.26%	31.27%	31.17% - 31.26%	31.27%
Option life	0.16 - 2.08 years	0.15 - 3.08 years	0.16 - 2.08 years	0.15 - 3.08 years
Expected dividend yields	0% - 10.08%	0% - 8.49%	0% - 10.08%	0% - 8.49%
Risk-free rate	8.24% - 8.82%	7.63% - 8.02%	8.24% - 8.82%	7.63% - 8.02%

^ The expected volatility is determined by extracting historical volatilities from a trading and risk platform and performing a linear interpolation across strikes and maturities.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

8. Taxation

For the year to 31 March R'million	Group 2024	Group 2023^	Company 2024	Company 2023^
Income statement tax charge				
Taxation on income				
South Africa	1 423	1 667	1 382	1 641
– Current taxation	1 241	1 609	1 200	1 587
in respect of the current year	1 433	1 558	1 396	1 519
in respect of prior year adjustments	(192)	51	(196)	68
– Deferred taxation	182	58	182	54
Foreign taxation – Mauritius	215	128	—	—
Total taxation charge as per income statement	**1 638**	**1 795**	**1 382**	**1 641**
Total taxation charge for the year comprises:				
Taxation on operating profit before acquired intangibles	1 642	1 809	1 382	1 641
Taxation on acquired intangibles	(4)	(14)	—	—
	1 638	**1 795**	**1 382**	**1 641**
Tax rate reconciliation:				
Profit before taxation as per income statement	9 714	8 587	8 303	7 332
Total taxation charge as per income statement	1 638	1 795	1 382	1 641
Tax on profit before taxation at 27% (2023: 27%)	2 623	2 318	2 242	1 980
The standard rate of South African normal taxation has been affected by:				
Dividend income	(501)	(372)	(584)	(376)
Foreign earnings*	(202)	(165)	—	—
Prior year tax adjustments	(192)	51	(196)	68
Tax rate differential on profits of a capital nature	—	(25)	—	(25)
Other Additional Tier 1 securities interest	(97)	(69)	(97)	(69)
Other non-taxable/non-deductible differences	7	57	17	63
Total taxation charge as per income statement	**1 638**	**1 795**	**1 382**	**1 641**

^ Restated as per note 53.
* Includes the effect of cumulative tax losses and other permanent differences relating to foreign subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

8. Taxation (continued)

For the year to 31 March R'million	Group		Company	
	2024	2023^	**2024**	2023^
The deferred taxation movements in the income statement arise from:				
Deferred capital allowances	(2)	1	—	—
Income and expenditure accruals	123	(15)	120	(15)
Unrealised fair value adjustments on financial instruments	30	221	23	205
Deferred taxation on acquired intangibles	(3)	(14)	—	—
Expected credit losses	105	(18)	118	(21)
Finance lease accounting	(79)	(115)	(79)	(115)
	174	**60**	**182**	**54**
Other comprehensive income taxation effects				
Fair value movements on cash flow hedges taken directly to other comprehensive income	(89)	(87)	(18)	(98)
– Pre-taxation	(29)	(42)	59	(57)
– Deferred taxation effect	136	64	119	67
– Current taxation effect	(196)	(109)	(196)	(108)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	102	32	3	78
– Pre-taxation	120	74	19	120
– Income taxation effect	(18)	(42)	(16)	(42)
Gain on realisation of debt instruments at FVOCI recycled through the income statement	(90)	(59)	(85)	(59)
– Pre-taxation	(123)	(81)	(116)	(81)
– Deferred taxation effect	33	22	31	22
Net gain attributable to own credit risk	17	2	17	2
– Pre-taxation	23	3	23	3
– Income taxation effect	(6)	(1)	(6)	(1)
Movement in post-retirement benefits liabilities	(9)	—	—	—
– Pre-taxation	(15)	—	—	—
– Income taxation effect	6	—	—	—

^ Restated as per note 53.

Global Minimum Tax

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates in. The South African National Treasury issued draft Pillar Two legislation for public comment. This legislation will be effective for the Group's financial year beginning 1 April 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions (Mauritius and Guernsey) where the transitional safe harbour relief does not apply and the Pillar Two effective tax rate is below 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions.

We will continue to review the impact of the Pillar Two rules as further guidance is released by the Organisation for Economic Co-operation and Development's (OECD) and additional governments implement this tax regime.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

9. Headline earnings

For the year to 31 March R'million	Group 2024	 2023
Profit after taxation	8 076	6 792
Dividend paid to perpetual preference shareholders and Other Additional Tier 1 security holders	(358)	(256)
Earnings attributable to ordinary shareholders	**7 718**	**6 536**
Headline adjustments	—	1
Impairment of goodwill	—	1
Headline earnings attributable to ordinary shareholders	**7 718**	**6 537**

Headline earnings has been calculated and is disclosed in accordance with the JSE listing requirements, and in terms of circular 1/2023 issued by the South African Institute of Chartered Accountants.

10. Dividends

For the year to 31 March R'million	Group 2024	 2023	Company 2024	 2023
Ordinary dividend	**5 500**	**8 700**	**5 500**	**8 700**
Dividends attributable to Other Additional Tier 1 securities in issue				
The dividends paid on Other Additional Tier 1 floating rate notes pay dividends on a quarterly basis. Refer to note 43 for detail on rates.	358	256	358	256
Total dividends declared to other equity holders including Other Additional Tier 1 securities	**358**	**256**	**358**	**256**

NOTES TO THE FINANCIAL STATEMENTS
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11. Analysis of income and impairments by category of financial instrument

	At fair value through profit or loss		
	IFRS 9 mandatory		
For the year to 31 March **R'million**	Trading**	Non-trading**	Designated at inception
Group			
2024			
Interest income	564	2 292	598
Interest expense	(499)	(4)	(1 098)
Fee and commission income	6	20	—
Fee and commission expense	—	(2)	—
Investment income	(4)	431	131
Share of post-taxation profit/(loss) of associates	—	—	—
Trading (loss)/income arising from			
– customer flow^^	2 016	(20)	—
– balance sheet management and other trading activities	411	36	(166)
Operating income	**2 494**	**2 753**	**(535)**
Expected credit loss impairment release/(charges)	—	—	137
Operating income after expected credit loss impairment release/(charges)	**2 494**	**2 753**	**(398)**
2023^			
Interest income	471	1 044	2 089
Interest expense	(280)	(19)	(1 298)
Fee and commission income	—	—	—
Fee and commission expense	—	(8)	—
Investment income	6	(147)	242
Share of post-taxation profit/(loss) of associates	—	—	—
Trading (loss)/income arising from			
– customer flow^^	2 766	(20)	—
– balance sheet management and other trading activities	(363)	6	326
Other operating income/(loss)	—	—	—
Operating income	**2 600**	**856**	**1 359**
Expected credit loss impairment release/(charges)	—	—	(22)
Operating income after expected credit loss impairment release/(charges)	**2 600**	**856**	**1 337**

* Includes off-balance sheet items.
** Fair value through profit and loss income statement items have been split as trading and non-trading, as defined by regulatory rules for the trading book and banking book requirements, respectively. Trading consists of positions held for trading intent or hedge elements of the trading book.
^ Restated as per note 53.
^^ Included in trading income arising from customer flow, as required by IAS 1, is income of R2.0 billion (2023: R2.7 billion) and interest expense of R2.4 billion (2023: R1.6 billion)

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

At fair value through comprehensive income				
Debt instruments with a dual business model	Amortised cost	Non-financial instruments	Other fee income*	Total
3 791	46 300	1	—	53 546
—	(37 835)	(39)	—	(39 475)
—	3 312	14	1 241	4 593
(4)	(911)	(22)	(45)	(984)
120	4	18	—	700
—	—	3	—	3
—	(2 381)	—	—	(385)
—	65	3	—	349
3 907	**8 554**	**(22)**	**1 196**	**18 347**
110	(95)	—	11	163
4 017	**8 459**	**(22)**	**1 207**	**18 510**
2 991	32 133	10	—	38 738
—	(24 892)	(35)	—	(26 524)
—	3 070	123	913	4 106
(3)	(816)	—	(47)	(874)
96	(7)	37	47	274
—	—	(3)	—	(3)
—	(1 598)	—	—	1 148
—	73	—	—	42
—	—	1	—	1
3 084	**7 963**	**133**	**913**	**16 908**
(43)	(232)	—	8	(289)
3 041	**7 731**	**133**	**921**	**16 619**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

11. Analysis of income and impairments by category of financial instrument (continued)

	At fair value through profit or loss		
	IFRS 9 mandatory		
For the year to 31 March **R'million**	Trading**	Non-trading**	Designated at inception
Company			
2024			
Interest income	209	2 290	588
Interest expense	(325)	(4)	(1 098)
Fee and commission income	6	21	—
Fee and commission expense	—	(2)	—
Investment income	(5)	271	134
Trading (loss)/income arising from			
– customer flow^^	2 018	(20)	—
– balance sheet management and other trading activities	244	36	(166)
Other operating income/(loss)	—	—	—
Operating income	**2 147**	**2 592**	**(542)**
Expected credit loss impairment release/(charges)	—	—	138
Operating income after expected credit loss impairment release/(charges)	**2 147**	**2 592**	**(404)**
2023^			
Interest income	240	1 040	2 089
Interest expense	(174)	(1)	(1 298)
Fee and commission income	—	1	—
Fee and commission expense	—	(8)	—
Investment income	3	(217)	220
Trading (loss)/income arising from			
– customer flow^^	2 602	(20)	—
– balance sheet management and other trading activities	(353)	6	326
Other operating income/(loss)	—	—	—
Operating income	**2 318**	**801**	**1 337**
Expected credit loss impairment release/(charges)	—	—	(22)
Operating income after expected credit loss impairment release/(charges)	**2 318**	**801**	**1 315**

* Includes off-balance sheet items.

** Fair value through profit and loss income statement items have been split as trading and non-trading, as defined by regulatory rules for the trading book and banking book requirements, respectively. Trading consists of positions held for trading intent or hedge elements of the trading book.

^ Restated as per note 53.

^^ Included in trading income arising from customer flow, as required by IAS 1, is income of R2.0 billion (2023: R2.6 billion) and interest expense of R2.4 billion (2023: R1.6 billion).

NOTES TO THE FINANCIAL STATEMENTS
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At fair value through comprehensive income				
Debt instruments with a dual business model	Amortised cost	Non-financial instruments	Other fee income*	**Total**
3 266	43 581	1	—	49 935
—	(36 117)	(39)	—	(37 583)
—	3 109	(9)	1 241	4 368
(4)	(870)	(22)	(44)	(942)
116	1	491	—	1 008
—	(2 381)	—	—	(383)
—	57	3	—	174
—	—	—	(1)	(1)
3 378	**7 380**	**425**	**1 196**	**16 576**
107	(82)	—	14	177
3 485	**7 298**	**425**	**1 210**	**16 753**
2 846	30 435	10	—	36 660
—	(24 031)	(35)	—	(25 539)
—	2 854	103	913	3 871
(3)	(786)	—	(47)	(844)
96	(8)	52	47	193
—	(1 598)	—	—	984
—	63	—	—	42
—	—	2	—	2
2 939	**6 929**	**132**	**913**	**15 369**
(43)	(291)	—	3	(353)
2 896	**6 638**	**132**	**916**	**15 016**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

12. Analysis of financial assets and liabilities by category of financial instrument

At 31 March 2024 R'million	At fair value through profit and loss		
	IFRS 9 mandatory		
	Trading*	Non-trading*	Designated at initial recognition
Group			
Assets			
Cash and balances at central banks	—	—	—
Loans and advances to banks	—	—	—
Non-sovereign and non-bank cash placements	—	—	289
Reverse repurchase agreements and cash collateral on securities borrowed	8 002	25 359	—
Sovereign debt securities	—	212	—
Bank debt securities	—	—	—
Other debt securities	—	481	—
Derivative financial instruments	9 988	—	—
Securities arising from trading activities	7 848	132	—
Loans and advances to customers	—	1 137	14 629
Own originated loans and advances to customers securitised	—	—	—
Investment portfolio	—	3 085	—
Interests in associated undertakings	—	—	—
Deferred taxation assets	—	—	—
Other assets	561	2 297	—
Property and equipment	—	—	—
Goodwill	—	—	—
Software	—	—	
Loans to Group companies	—	—	—
	26 399	**32 703**	**14 918**
Liabilities			
Deposits by banks	—	—	—
Derivative financial instruments	14 172	—	—
Other trading liabilities	20 410	—	—
Repurchase agreements and cash collateral on securities lent	3 937	—	—
Customer accounts (deposits)	—	—	61 895
Debt securities in issue	—	—	—
Liabilities arising on securitisation of own originated loans and advances	—	—	—
Current taxation liabilities	—	—	—
Deferred taxation liabilities	—	—	—
Other liabilities	816	—	—
Loans from Group companies	108	—	—
	39 443	**—**	**61 895**
Subordinated liabilities	—	—	—
	39 443	**—**	**61 895**

* Fair value through profit and loss balance sheet positions have been split as trading and non-trading, as defined by regulatory rules for the trading book and banking book requirements, respectively. Trading consists of positions held for trading intent or hedge elements of the trading book.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

At fair value through other comprehensive income				
Debt instruments with a dual business model	**Total instruments at fair value**	**Amortised cost**	**Non-financial instruments or scoped out of IFRS 9**	**Total**
—	—	14 795	—	14 795
—	—	7 751	—	7 751
—	289	10 529	—	10 818
—	33 361	43 991	—	77 352
34 168	34 380	37 762	—	72 142
4 430	4 430	3 867	—	8 297
5 325	5 806	4 465	—	10 271
—	9 988	—	—	9 988
—	7 980	—	—	7 980
—	15 766	319 354	—	335 120
—	—	6 446	—	6 446
—	3 085	—	—	3 085
—	—	—	22	22
—	—	—	1 498	1 498
—	2 858	2 598	3 784	9 240
—	—	—	3 778	3 778
—	—	—	171	171
—	—	—	92	92
—	—	31 092	—	31 092
43 923	**117 943**	**482 650**	**9 345**	**609 938**
—	—	31 065	—	31 065
—	14 172	—	—	14 172
—	20 410	—	—	20 410
—	3 937	15 769	—	19 706
—	61 895	386 740	—	448 635
—	—	4 715	—	4 715
—	—	4 997	—	4 997
—	—	—	570	570
—	—	—	21	21
—	816	2 463	4 696	7 975
—	108	832	—	940
—	**101 338**	**446 581**	**5 287**	**553 206**
—	—	7 283	—	7 283
—	**101 338**	**453 864**	**5 287**	**560 489**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

12. Analysis of financial assets and liabilities by category of financial instrument (continued)

	At fair value through profit and loss		
	IFRS 9 mandatory		
At 31 March 2023^ **R'million**	Trading*	Non-trading*	Designated at initial recognition
Group			
Assets			
Cash and balances at central banks	—	—	—
Loans and advances to banks	—	—	—
Non-sovereign and non-bank cash placements	—	130	—
Reverse repurchase agreements and cash collateral on securities borrowed	3 937	17 499	—
Sovereign debt securities	—	624	—
Bank debt securities	—	1 652	—
Other debt securities	—	464	—
Derivative financial instruments	15 962	—	—
Securities arising from trading activities	6 618	117	—
Loans and advances to customers**	—	1 296	15 164
Own originated loans and advances to customers securitised	—	—	—
Other loans and advances	—	—	—
Investment portfolio	—	2 926	—
Interests in associated undertakings	—	—	—
Current taxation assets	—	—	—
Deferred taxation assets	—	—	—
Other assets	649	1 724	—
Property and equipment	—	—	—
Goodwill	—	—	—
Software	—	—	—
Other acquired intangible assets	—	—	—
Loans to Group companies	—	—	—
	27 166	**26 432**	**15 164**
Liabilities			
Deposits by banks	—	—	—
Derivative financial instruments	18 531	—	—
Other trading liabilities	15 379	—	—
Repurchase agreements and cash collateral on securities lent	3 710	—	—
Customer accounts (deposits)**	—	—	72 474
Debt securities in issue	—	—	—
Liabilities arising on securitisation of own originated loans and advances	—	—	—
Current taxation liabilities	—	—	—
Deferred taxation liabilities	—	—	—
Other liabilities	1 038	—	—
Loans from Group companies	47	—	—
	38 705	**—**	**72 474**
Subordinated liabilities	—	—	—
	38 705	**—**	**72 474**

* Fair value through profit and loss balance sheet positions have been split as trading and non-trading, as defined by regulatory rules for the trading book and banking book requirements, respectively. Trading consists of positions held for trading intent or hedge elements of the trading book.

** R1.1 billion loans and advances to customers and R2.5 billion customer accounts (deposits) have been restated from amortised cost to fair value through profit or loss, designated at initial recognition.

^ Restated as per note 53.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

At fair value through other comprehensive income				
Debt instruments with a dual business model	Total instruments at fair value	Amortised cost	Non-financial instruments or scoped out of IFRS 9	Total
—	—	22 761	—	22 761
—	—	10 502	—	10 502
—	130	9 575	—	9 705
—	21 436	36 480	—	57 916
43 569	44 193	25 640	—	69 833
7 415	9 067	6 429	—	15 496
6 462	6 926	4 750	—	11 676
—	15 962	—	—	15 962
—	6 735	—	—	6 735
—	16 460	300 132	—	316 592
—	—	5 988	—	5 988
—	—	1	—	1
—	2 926	—	—	2 926
—	—	—	33	33
—	—	—	1	1
—	—	—	1 548	1 548
—	2 373	1 558	2 244	6 175
—	—	—	3 306	3 306
—	—	—	171	171
—	—	—	127	127
—	—	—	13	13
—	—	37 075	—	37 075
57 446	**126 208**	**460 891**	**7 443**	**594 542**
—	—	26 420	—	26 420
—	18 531	—	—	18 531
—	15 379	—	—	15 379
—	3 710	14 223	—	17 933
—	72 474	375 697	—	448 171
—	—	2 585	—	2 585
—	—	3 594	—	3 594
—	—	—	554	554
—	—	—	19	19
—	1 038	1 773	4 117	6 928
—	47	665	—	712
—	**111 179**	**424 957**	**4 690**	**540 826**
—	—	7 748	—	7 748
—	**111 179**	**432 705**	**4 690**	**548 574**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

12. Analysis of financial assets and liabilities by category of financial instrument (continued)

	At fair value through profit and loss		
	IFRS 9 mandatory		
At 31 March 2024 **R'million**	Trading*	Non-trading*	Designated at initial recognition
Company			
Assets			
Cash and balances at central banks	—	—	—
Loans and advances to banks	—	—	—
Non-sovereign and non-bank cash placements	—	—	289
Reverse repurchase agreements and cash collateral on securities borrowed	8 002	25 359	—
Sovereign debt securities	—	212	—
Bank debt securities	—	—	—
Other debt securities	—	435	—
Derivative financial instruments	9 965	—	—
Securities arising from trading activities	7 848	3	—
Loans and advances to customers	—	1 136	14 509
Investment portfolio	—	2 515	—
Deferred taxation assets	—	—	—
Other assets	561	2 288	—
Property and equipment	—	—	—
Software	—	—	—
Loans to Group companies	—	—	—
Investment in subsidiaries	—	—	—
	26 376	**31 948**	**14 798**
Liabilities			
Deposits by banks	—	—	—
Derivative financial instruments	14 131	—	—
Other trading liabilities	20 365	—	—
Repurchase agreements and cash collateral on securities lent	3 937	—	—
Customer accounts (deposits)	—	—	61 895
Debt securities in issue	—	—	—
Current taxation liabilities	—	—	—
Other liabilities	816	—	—
Loans from Group companies and subsidiaries	108	—	—
	39 357	**—**	**61 895**
Subordinated liabilities	—	—	—
	39 357	**—**	**61 895**

* Fair value through profit and loss balance sheet positions have been split as trading and non-trading, as defined by regulatory rules for the trading book and banking book requirements, respectively. Trading consists of positions held for trading intent or hedge elements of the trading book.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

At fair value through other comprehensive income				
Debt instruments with a dual business model	**Total instruments at fair value**	**Amortised cost**	**Non-financial instruments or scoped out of IFRS 9**	**Total**
—	—	14 371	—	14 371
—	—	2 945	—	2 945
—	289	10 529	—	10 818
—	33 361	40 750	—	74 111
25 969	26 181	37 761	—	63 942
3 005	3 005	3 867	—	6 872
3 760	4 195	4 465	—	8 660
—	9 965	—	—	9 965
—	7 851	—	—	7 851
—	15 645	301 112	—	316 757
—	2 515	—	—	2 515
—	—	—	1 472	1 472
—	2 849	2 513	3 687	9 049
—	—	—	3 736	3 736
—	—	—	92	92
—	—	29 357	—	29 357
—	—	4 720	641	5 361
32 734	**105 856**	**452 390**	**9 628**	**567 874**
—	—	29 738	—	29 738
—	14 131	—	—	14 131
—	20 365	—	—	20 365
—	3 937	14 746	—	18 683
—	61 895	360 488	—	422 383
—	—	1 402	—	1 402
—	—	—	437	437
—	816	2 270	4 486	7 572
—	108	7 084	—	7 192
—	**101 252**	**415 728**	**4 923**	**521 903**
—	—	7 283	—	7 283
—	**101 252**	**423 011**	**4 923**	**529 186**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

12. Analysis of financial assets and liabilities by category of financial instrument (continued)

	At fair value through profit and loss		
	IFRS 9 mandatory		
At 31 March 2023^ R'million	Trading*	Non-trading*	Designated at initial recognition
Company			
Assets			
Cash and balances at central banks	—	—	—
Loans and advances to banks	—	—	—
Non-sovereign and non-bank cash placements	—	130	—
Reverse repurchase agreements and cash collateral on securities borrowed	3 937	17 499	—
Sovereign debt securities	—	624	—
Bank debt securities	—	1 652	—
Other debt securities	—	464	—
Derivative financial instruments	15 960	—	—
Securities arising from trading activities	6 618	—	—
Loans and advances to customers**	—	1 296	15 024
Other loans and advances	—	—	—
Investment portfolio	—	2 504	—
Deferred taxation assets	—	—	—
Other assets	649	1 719	—
Property and equipment	—	—	—
Software	—	—	—
Loans to Group companies	—	—	—
Investment in subsidiaries	—	—	—
	27 164	**25 888**	**15 024**
Liabilities			
Deposits by banks	—	—	—
Derivative financial instruments	18 515	—	—
Other trading liabilities	15 379	—	—
Repurchase agreements and cash collateral on securities lent	3 710	—	—
Customer accounts (deposits)**	—	—	72 474
Debt securities in issue	—	—	—
Current taxation liabilities	—	—	—
Other liabilities	1 038	—	—
Loans from Group companies and subsidiaries	47	—	—
	38 689	**—**	**72 474**
Subordinated liabilities	—	—	—
	38 689	**—**	**72 474**

* Fair value through profit and loss balance sheet positions have been split as trading and non-trading, as defined by regulatory rules for the trading book and banking book requirements, respectively. Trading consists of positions held for trading intent or hedge elements of the trading book.

** R1.1 billion loans and advances to customers and R2.5 billion customer accounts (deposits) have been restated from amortised cost to fair value through profit or loss, designated at initial recognition.

^ Restated as per note 53.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

At fair value through other comprehensive income				
Debt instruments with a dual business model	**Total instruments at fair value**	**Amortised cost**	**Non-financial instruments or scoped out of IFRS 9**	**Total**
—	—	22 159	—	22 159
—	—	4 020	—	4 020
—	130	9 575	—	9 705
—	21 436	30 262	—	51 698
36 173	36 797	25 640	—	62 437
6 497	8 149	6 428	—	14 577
5 471	5 935	4 392	—	10 327
—	15 960	—	—	15 960
—	6 618	—	—	6 618
—	16 320	285 886	—	302 206
—	—	1	—	1
—	2 504	—	—	2 504
—	—	—	1 527	1 527
—	2 368	1 666	2 155	6 189
—	—	—	3 302	3 302
—	—	—	127	127
—	—	35 336	—	35 336
—	—	4 720	644	5 364
48 141	**116 217**	**430 085**	**7 755**	**554 057**
—	—	22 052	—	22 052
—	18 515	—	—	18 515
—	15 379	—	—	15 379
—	3 710	13 281	—	16 991
—	72 474	350 652	—	423 126
—	—	1 245	—	1 245
—	—	—	449	449
—	1 038	1 769	4 020	6 827
—	47	4 672	—	4 719
—	**111 163**	**393 671**	**4 469**	**509 303**
—	—	7 748	—	7 748
—	**111 163**	**401 419**	**4 469**	**517 051**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

13. Financial instruments at fair value

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation technique used.

The different levels are identified as follows:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		Fair value category		
At 31 March 2024 **R'million**	**Total instruments at fair value**	Level 1	Level 2	Level 3
Group				
Assets				
Non-sovereign and non-bank cash placements	289	—	289	—
Reverse repurchase agreements and cash collateral on securities borrowed	33 361	—	33 361	—
Sovereign debt securities	34 380	34 380	—	—
Bank debt securities	4 430	3 978	452	—
Other debt securities	5 806	2 307	3 499	—
Derivative financial instruments	9 988	—	9 988	—
Securities arising from trading activities	7 980	5 725	2 255	—
Loans and advances to customers	15 766	—	14 867	899
Investment portfolio	3 085	37	14	3 034
Other assets	2 858	2 858	—	—
	117 943	**49 285**	**64 725**	**3 933**
Liabilities				
Derivative financial instruments	14 172	—	14 172	—
Other trading liabilities	20 410	734	19 676	—
Repurchase agreements and cash collateral on securities lent	3 937	—	3 937	—
Customer accounts (deposits)	61 895	—	61 895	—
Other liabilities	816	—	816	—
Loans from Group companies	108	—	108	—
	101 338	**734**	**100 604**	**—**
Net financial assets/(liabilities) at fair value	**16 605**	**48 551**	**(35 879)**	**3 933**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

13. Financial instruments at fair value (continued)

At 31 March 2023^ R'million	Total instruments at fair value	Fair value category Level 1	Level 2	Level 3
Group				
Assets				
Non-sovereign and non-bank cash placements	130	—	130	—
Reverse repurchase agreements and cash collateral on securities borrowed	21 436	—	21 436	—
Sovereign debt securities	44 193	44 193	—	—
Bank debt securities	9 067	4 528	4 539	—
Other debt securities	6 926	2 239	4 687	—
Derivative financial instruments	15 962	—	15 962	—
Securities arising from trading activities	6 735	6 360	375	—
Loans and advances to customers**	16 460	—	15 731	729
Investment portfolio	2 926	45	4	2 877
Other assets	2 373	2 373	—	—
	126 208	**59 738**	**62 864**	**3 606**
Liabilities				
Derivative financial instruments	18 531	—	18 531	—
Other trading liabilities	15 379	494	14 885	—
Repurchase agreements and cash collateral on securities lent	3 710	—	3 710	—
Customer accounts (deposits)**	72 474	—	72 474	—
Other liabilities	1 038	—	1 038	—
Loans from Group companies	47	—	47	—
	111 179	**494**	**110 685**	**—**
Net financial assets/(liabilities) at fair value	**15 029**	**59 244**	**(47 821)**	**3 606**

^ Restated as per note 53.
** R1.1 billion loans and advances to customers and R2.5 billion customer accounts (deposits) have been restated from amortised cost to fair value through profit or loss, designated at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

13. Financial instruments at fair value (continued)

At 31 March 2024 R'million	Total instruments at fair value	Fair value category Level 1	Level 2	Level 3
Company				
Assets				
Non-sovereign and non-bank cash placements	289	—	289	—
Reverse repurchase agreements and cash collateral on securities borrowed	33 361	—	33 361	—
Sovereign debt securities	26 181	26 181	—	—
Bank debt securities	3 005	2 553	452	—
Other debt securities	4 195	742	3 453	—
Derivative financial instruments	9 965	—	9 965	—
Securities arising from trading activities	7 851	5 669	2 182	—
Loans and advances to customers	15 645	—	14 746	899
Investment portfolio	2 515	37	14	2 464
Other assets	2 849	2 849	—	—
	105 856	**38 031**	**64 462**	**3 363**
Liabilities				
Derivative financial instruments	14 131	—	14 131	—
Other trading liabilities	20 365	734	19 631	—
Repurchase agreements and cash collateral on securities lent	3 937	—	3 937	—
Customer accounts (deposits)	61 895	—	61 895	—
Other liabilities	816	—	816	—
Loans from Group companies	108		108	
	101 252	**734**	**100 518**	**—**
Net financial assets/(liabilities) at fair value	**4 604**	**37 297**	**(36 056)**	**3 363**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

13. Financial instruments at fair value (continued)

At 31 March 2023^ R'million	Total instruments at fair value	Fair value category Level 1	Level 2	Level 3
Company				
Assets				
Non-sovereign and non-bank cash placements	130	—	130	—
Reverse repurchase agreements and cash collateral on securities borrowed	21 436	—	21 436	—
Sovereign debt securities	36 797	36 797	—	—
Bank debt securities	8 149	3 610	4 539	—
Other debt securities	5 935	1 248	4 687	—
Derivative financial instruments	15 960	—	15 960	—
Securities arising from trading activities	6 618	6 316	302	—
Loans and advances to customers**	16 320	—	15 591	729
Investment portfolio	2 504	46	4	2 454
Other assets	2 368	2 368	—	—
	116 217	**50 385**	**62 649**	**3 183**
Liabilities				
Derivative financial instruments	18 515	—	18 515	—
Other trading liabilities	15 379	494	14 885	—
Repurchase agreements and cash collateral on securities lent	3 710	—	3 710	—
Customer accounts (deposits)**	72 474	—	72 474	—
Other liabilities	1 038	—	1 038	—
Loans from Group companies	47	—	47	—
	111 163	**494**	**110 669**	**—**
Net financial assets/(liabilities) at fair value	**5 054**	**49 891**	**(48 020)**	**3 183**

^ Restated as per note 53.
** R1.1 billion loans and advances to customers and R2.5 billion customer accounts (deposits) have been restated from amortised cost to fair value through profit or loss, designated at initial recognition.

Transfers between level 1 and level 2

There were no significant transfers between level 1 and level 2 in the current and prior year for the Group and Company.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

13. Financial instruments at fair value (continued)

Measurement of financial assets and liabilities at level 2

The table below sets out information about the valuation techniques used at the end of the reporting period in measuring financial instruments categorised as level 2 in the fair value hierarchy:

	Valuation basis/techniques	Main inputs
Assets		
Non-sovereign and non-bank cash placements	Discounted cash flow model	Yield curve
Reverse repurchase agreements and cash collateral on securities borrowed	Discounted cash flow model	Yield curve
Bank debt securities	Discounted cash flow model	Yield curve
Other debt securities	Discounted cash flow model	Yield curve
Derivative financial instruments	Discounted cash flow model Black-Scholes	Yield curve Volatilities
Securities arising from trading activities	Adjusted quoted price Discounted cash flow model	Liquidity adjustment Yield curve
Loans and advances to customers	Discounted cash flow model	Yield curve
Investment portfolio	Adjusted quoted price	Liquidity adjustment
Liabilities		
Derivative financial instruments	Discounted cash flow model Black-Scholes	Yield curve Volatilities
Other trading liabilities	Discounted cash flow model	Yield curve
Repurchase agreements and cash collateral on securities lent	Discounted cash flow model	Yield curve
Customer accounts (deposits)	Discounted cash flow model	Yield curve
Other liabilities	Discounted cash flow model	Yield curve
Loans from Group companies	Discounted cash flow model	Yield curve

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

13. Financial instruments at fair value (continued)

Level 3 financial instruments

The following tables show a reconciliation of the opening balances to the closing balances for level 3 financial instruments. All instruments are at fair value through profit or loss.

R'million	Investment portfolio	Loans and advances to customers	Other level 3 assets	Total
Group				
Balance at 1 April 2022	2 769	777	498	4 044
Net (losses)/gains recognised in the income statement	55	(178)	—	(123)
Purchases	130	—	—	130
Sales	(46)	—	(498)	(544)
Issues	14	169	—	183
Settlements	(63)	(39)	—	(102)
Foreign exchange adjustments	18	—	—	18
Balance at 31 March 2023	**2 877**	**729**	**—**	**3 606**
Net gains recognised in the income statement	47	87	—	134
Purchases	366	—	—	366
Sales	(181)	—	—	(181)
Issues	—	156	—	156
Settlements	(86)	(73)	—	(159)
Foreign exchange adjustments	11	—	—	11
Balance at 31 March 2024	**3 034**	**899**	**—**	**3 933**

R'million	Investment portfolio	Loans and advances to customers	Other level 3 assets	Total
Company				
Balance at 1 April 2022	2 466	777	498	3 741
Net (losses)/gains recognised in the income statement	(15)	(178)	—	(193)
Purchases	107	—	—	107
Sales	(46)	—	(498)	(544)
Settlements	(63)	(39)	—	(102)
Issues	—	169	—	169
Foreign exchange adjustments	5	—	—	5
Balance at 31 March 2023	**2 454**	**729**	**—**	**3 183**
Net gains recognised in the income statement	20	87	—	107
Purchases	195	—	—	195
Sales	(189)	—	—	(189)
Issues	—	156	—	156
Settlements	(23)	(73)	—	(96)
Foreign exchange adjustments	7	—	—	7
Balance at 31 March 2024	**2 464**	**899**	**—**	**3 363**

For the years ended 31 March 2024 and 31 March 2023, there were no transfers into and out of level 3, in the Group and Company.

The Group transfers between levels within the fair value hierarchy when the significance of the unobservable inputs change or if the valuation methods change. Transfers are deemed to occur at the end of each semi-annual reporting period.

There were no transfers into and out of level 3 in the current year and prior year.

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13. Financial instruments at fair value (continued)

The following table quantifies the gains or (losses) included in the income statement recognised on level 3 financial instruments:

For the year to 31 March R'million	Total	Realised	Unrealised
Group			
2024			
Total losses included in the income statement for the year			
Investment income/(loss)	134	162	(28)
	134	**162**	**(28)**
2023			
Total losses included in the income statement for the year			
Investment (loss)/income	(123)	12	(135)
	(123)	**12**	**(135)**

For the year to 31 March R'million	Total	Realised	Unrealised
Company			
2024			
Total losses included in the income statement for the year			
Investment income/(loss)	107	162	(55)
	107	**162**	**(55)**
2023			
Total losses included in the income statement for the year			
Investment (loss)/income	(193)	12	(205)
	(193)	**12**	**(205)**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

13. Financial instruments at fair value (continued)

Sensitivity of fair values to reasonably possible alternative assumptions by level 3 instrument type

The fair value of financial instruments in level 3 are measured using valuation techniques that incorporate assumptions that are not evidenced by prices from observable market data. The following table shows the sensitivity of these fair values to reasonably possible alternative assumptions, determined at a transactional level:

At 31 March 2024	Level 3 balance sheet value R'million	Valuation method	Significant unobservable input changed	Range of unobservable input used	Potential impact on the income statement: Favourable changes R'million	Potential impact on the income statement: Unfavourable changes R'million
Group						
Assets						
Investment portfolio	3 034				**341**	**(437)**
		Price earnings	EBITDA	*	183	(208)
		Discounted cash flow	Cash flows	*	23	(23)
		Net asset value	Underlying asset value	^	29	(59)
		Discounted cash flow	Precious and industrial metal prices	(5%)-5%	22	(45)
		Other	Various	**	84	(102)
Loans and advances to customers	899				**243**	**(255)**
		Underlying asset value	Property values	*	241	(253)
		Net asset value	Underlying asset value	^	2	(2)
Total	**3 933**				**584**	**(692)**

At 31 March 2023	Level 3 balance sheet value R'million	Valuation method	Significant unobservable input changed	Range of unobservable input used	Potential impact on the income statement: Favourable changes R'million	Potential impact on the income statement: Unfavourable changes R'million
Group						
Assets						
Investment portfolio	2 877				**374**	**(371)**
		Price earnings	EBITDA	*	185	(161)
		Discounted cash flow	Cash flows	*	23	(23)
		Net asset value	Underlying asset value	^	32	(68)
		Discounted cash flow	Precious and industrial metal prices	(5%)-5%	27	(27)
		Other	Various	**	107	(92)
Loans and advances to customers	729				**330**	**(214)**
		Underlying asset value	Property values	*	328	(212)
		Net asset value	Underlying asset value	^	2	(2)
Total	**3 606**				**704**	**(585)**

* The EBITDA, cash flows and property values have been stressed on an investment-by-investment basis in order to obtain favourable and unfavourable valuations.
** The valuation sensitivity of certain equity investments have been assessed by adjusting various inputs such as expected cash flows, discount rates and earnings multiples rather than a single input. It is deemed appropriate to reflect the outcome on a portfolio basis for the purposes of this analysis as the sensitivity of the investments cannot be determined through the adjustment of a single input.
^ Underlying asset values are calculated by reference to the fair value of the assets and liabilities within the entity.

NOTES TO THE FINANCIAL STATEMENTS
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13. Financial instruments at fair value (continued)

At 31 March 2024	Level 3 balance sheet value R'million	Valuation method	Significant unobservable input changed	Range of unobservable input used	Potential impact on the income statement: Favourable changes R'million	Potential impact on the income statement: Unfavourable changes R'million
Company						
Assets						
Investment portfolio	2 464				**256**	**(330)**
		Price earnings	EBITDA	*	173	(198)
		Discounted cash flow	Cash flows	*	23	(23)
		Net asset value	Underlying asset value	^	29	(59)
		Discounted cash flow	Precious and industrial metal prices	(5%)- 5%	22	(45)
		Other	Various	**	9	(5)
					243	**(255)**
Loans and advances to customers	899	Underlying asset value	Property values	*	241	(253)
		Net asset value	Underlying asset value	^	2	(2)
Total	**3 363**				**499**	**(585)**

At 31 March 2023	Level 3 balance sheet value R'million	Valuation method	Significant unobservable input changed	Range of unobservable input used	Potential impact on the income statement: Favourable changes R'million	Potential impact on the income statement: Unfavourable changes R'million
Company						
Assets						
Investment portfolio	2 454				**257**	**(296)**
		Price earnings	EBITDA	*	166	(161)
		Discounted cash flow	Cash flows	*	23	(23)
		Net asset value	Underlying asset value	^	32	(68)
		Discounted cash flow	Precious and industrial metal prices	(5%)-5%	27	(27)
		Other	Various	**	9	(17)
Loans and advances to customers	729				**330**	**(214)**
		Underlying asset value	Property values	*	328	(212)
		Net asset value	Underlying asset value	^	2	(2)
Total	**3 183**				**587**	**(510)**

* The EBITDA, cash flows and property values have been stressed on an investment-by-investment basis in order to obtain favourable and unfavourable valuations.
** The valuation sensitivity of certain equity investments have been assessed by adjusting various inputs such as expected cash flows, discount rates and earnings multiples rather than a single input. It is deemed appropriate to reflect the outcome on a portfolio basis for the purposes of this analysis as the sensitivity of the investments cannot be determined through the adjustment of a single input.
^ Underlying asset values are calculated by reference to the fair value of the assets and liabilities within the entity.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

13. Financial instruments at fair value (continued)

In determining the value of level 3 financial instruments, the following are the principal inputs that can require judgement:

EBITDA
The investee's earnings before interest, taxes, depreciation and amortisation. This is the main input into a price earnings multiple valuation method.

Discount rates
Discount rates are used to adjust for the time value of money when using a discounted cash flow valuation method. Where relevant, the discount rate also accounts for illiquidity, market conditions and uncertainty of future cash flows.

Cash flows
Cash flows relate to the future cash flows which can be expected from the instrument and requires judgement.

Underlying asset value
In instances where cash flows have links to referenced assets, the underlying asset value is used to determine the fair value. The underlying asset valuation is derived using observable market prices sourced from broker quotes, specialist valuers or other reliable pricing sources.

Property values and precious and industrial metals
The price of property and precious and industrial metals is a key driver of future cash flows on these investments.

Price-earnings multiple
The price-earnings ratio is an equity valuation multiple. It is a key driver in the valuation of unlisted investments.

NOTES TO THE FINANCIAL STATEMENTS
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14. Fair value of financial instruments at amortised cost

For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months) it is assumed that the carrying amounts approximate their fair value. This includes demand deposits, savings accounts without a specific maturity which are included in customer accounts (deposits) and variable rate instruments.

Financial instruments for which fair value does not approximate carrying value

Differences in amortised cost and fair value occur in fixed-rate instruments. The fair value of fixed-rate financial assets and financial liabilities carried at amortised cost are estimated by comparing spreads earned on the transactions with spreads earned on similar new transactions entered into by the Group. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows, using prevailing money market interest rates for debt instruments with similar credit risk and maturity. For quoted sub-debt issued, the fair values are calculated based on quoted market prices. For those notes issued where quoted market prices are not available, a discounted cash flow model is used based on a current interest rate yield curve appropriate for the remaining term to maturity.

At 31 March 2024 **R'million**	**Carrying amount**	Fair value approximates carrying amount	Balances where fair values do not approximate carrying amounts	**Fair value of balances that do not approximate carrying amounts**	Level 1	Level 2	Level 3
Group							
Assets							
Cash and balances at central banks	14 795	14 795	—	—	—	—	—
Loans and advances to banks	7 751	3 070	4 681	4 685	—	4 685	—
Non-sovereign and non-bank cash placements	10 529	10 529	—	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	43 991	5 314	38 677	38 674	—	38 674	—
Sovereign debt securities	37 762	—	37 762	37 494	37 494	—	—
Bank debt securities	3 867	—	3 867	3 808	3 808	—	—
Other debt securities	4 465	1 839	2 626	2 669	2 669	—	—
Loans and advances to customers	319 354	295 092	24 262	24 267	—	—	24 267
Own originated loans and advances to customers securitised	6 446	6 446	—	—	—	—	—
Other assets	2 598	2 598	—	—	—	—	—
Loans to Group companies	31 092	31 092	—	—	—	—	—
	482 650	**370 775**	**111 875**	**111 597**	**43 971**	**43 359**	**24 267**
Liabilities							
Deposits by banks	31 065	1 713	29 352	30 022	—	30 022	—
Repurchase agreements and cash collateral on securities lent	15 769	8 790	6 979	7 016	—	7 016	—
Customer accounts (deposits)	386 740	227 791	158 949	159 534	—	159 534	—
Debt securities in issue	4 715	3 924	791	793	—	793	—
Liabilities arising on securitisation of own originated loans and advances	4 997	4 997	—	—	—	—	—
Other liabilities	2 463	2 463	—	—	—	—	—
Loans from Group companies and subsidiaries	832	832	—	—	—	—	—
Subordinated liabilities	7 283	7 283	—	—	—	—	—
	453 864	**257 793**	**196 071**	**197 365**	**—**	**197 365**	**—**

For the year ended 31 March 2024, gains of R75.4 million were made on the derecognition of debt securities held at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

14. Fair value of financial instruments at amortised cost (continued)

At 31 March 2023^ R'million	Carrying amount	Fair value approximates carrying amount	Balances where fair values do not approximate carrying amounts	Fair value of balances that do not approximate carrying amounts	Level 1	Level 2	Level 3
Group							
Assets							
Cash and balances at central banks	22 761	22 761	—	—	—	—	—
Loans and advances to banks	10 502	10 502	—	—	—	—	—
Non-sovereign and non-bank cash placements	9 575	9 575	—	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	36 480	9 770	26 710	26 713	—	26 713	—
Sovereign debt securities	25 640	—	25 640	26 093	26 093	—	—
Bank debt securities	6 429	—	6 429	7 000	7 000	—	—
Other debt securities	4 750	2 081	2 669	2 666	2 666	—	—
Loans and advances to customers*	300 132	280 253	19 879	19 866	—	—	19 866
Own originated loans and advances to customers securitised	5 988	5 988	—	—	—	—	—
Other loans and advances	1	1	—	—	—	—	—
Other assets	1 558	1 558	—	—	—	—	—
Loans to Group companies	37 075	37 075	—	—	—	—	—
	460 891	**379 564**	**81 327**	**82 338**	**35 759**	**26 713**	**19 866**
Liabilities							
Deposits by banks	26 420	5 657	20 763	21 098	—	21 098	—
Repurchase agreements and cash collateral on securities lent	14 223	2 151	12 072	12 694	—	12 694	—
Customer accounts (deposits)*	375 697	216 270	159 427	158 512	—	158 512	—
Debt securities in issue	2 585	1 341	1 244	1 245	—	1 245	—
Liabilities arising on securitisation of own originated loans and advances	3 594	3 594	—	—	—	—	—
Other liabilities	1 773	1 773	—	—	—	—	—
Loans from Group companies and subsidiaries	665	665	—	—	—	—	—
Subordinated liabilities**	7 748	7 748	—	—	—	—	—
	432 705	**239 199**	**193 506**	**193 549**	**—**	**193 549**	**—**

^ Restated as per note 53.
* R1.1 billion loans and advances to customers and R2.5 billion customer accounts (deposits) have been restated from amortised cost to fair value through profit or loss, designated at initial recognition.
** Following a review of the fair value of subordinated debt instruments in the current year, it was concluded that fair value approximates amortised cost. As a result, the 2023 figure has been amended with R7.7 billion accordingly.

For the year ended 31 March 2023, gains of R54.8 million were made on the derecognition of debt securities held at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

14. Fair value of financial instruments at amortised cost (continued)

At 31 March 2024 R'million	Carrying amount	Fair value approximates carrying amount	Balances where fair values do not approximate carrying amounts	Fair value of balances that do not approximate carrying amounts	Level 1	Level 2	Level 3
Company							
Assets							
Cash and balances at central banks	14 371	14 371	—	—	—	—	—
Loans and advances to banks	2 945	2 945	—	—	—	—	—
Non-sovereign and non-bank cash placements	10 529	10 529	—	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	40 750	2 074	38 676	38 674	—	38 674	—
Sovereign debt securities	37 761	—	37 761	37 494	37 494	—	—
Bank debt securities	3 867	—	3 867	3 808	3 808	—	—
Other debt securities	4 465	1 839	2 626	2 669	2 669	—	—
Loans and advances to customers	301 112	301 112	—	—	—	—	—
Other assets	2 513	2 513	—	—	—	—	—
Loans to Group companies	29 357	29 357	—	—	—	—	—
Investment in subsidiaries	4 720	4 720	—	—	—	—	—
	452 390	**369 460**	**82 930**	**82 645**	**43 971**	**38 674**	**—**
Liabilities							
Deposits by banks	29 738	386	29 352	30 022	—	30 022	—
Repurchase agreements and cash collateral on securities lent	14 746	7 767	6 979	7 016	—	7 016	—
Customer accounts (deposits)	360 488	215 968	144 520	145 108	—	145 108	—
Debt securities in issue	1 402	611	791	793	—	793	—
Other liabilities	2 270	2 156	114	—	—	—	—
Loans from Group companies and subsidiaries	7 084	7 084	—	—	—	—	—
Subordinated liabilities	7 283	7 283	—	—	—	—	—
	423 011	**241 255**	**181 756**	**182 939**	**—**	**182 939**	**—**

For the year ended 31 March 2024, gains of R75.4 million were made on the derecognition of debt securities held at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

14. Fair value of financial instruments at amortised cost (continued)

At 31 March 2023^ R'million	Carrying amount	Fair value approximates carrying amount	Balances where fair values do not approximate carrying amounts	Fair value of balances that do not approximate carrying amounts	Level 1	Level 2	Level 3
Company							
Assets							
Cash and balances at central banks	22 159	22 159	—	—	—	—	—
Loans and advances to banks	4 020	4 020	—	—	—	—	—
Non-sovereign and non-bank cash placements	9 575	9 575	—	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	30 262	3 552	26 710	26 713	—	26 713	—
Sovereign debt securities	25 640	—	25 640	26 093	26 093	—	—
Bank debt securities	6 428	—	6 428	7 000	7 000	—	—
Other debt securities	4 392	1 722	2 670	2 666	2 666	—	—
Loans and advances to customers*	285 886	285 886	—	—	—	—	—
Other loans and advances	1	1	—	—	—	—	—
Other assets	1 666	1 666	—	—	—	—	—
Loans to Group companies	35 336	35 336	—	—	—	—	—
Investment in subsidiaries	4 720	4 720	—	—	—	—	—
	430 085	**368 637**	**61 448**	**62 472**	**35 759**	**26 713**	**—**
Liabilities							
Deposits by banks	22 052	1 288	20 764	21 098	—	21 098	—
Repurchase agreements and cash collateral on securities lent	13 281	1 209	12 072	12 694	—	12 694	—
Customer accounts (deposits)*	350 652	201 459	149 193	148 374	—	148 374	—
Debt securities in issue	1 245	—	1 245	1 245	—	1 245	—
Other liabilities	1 769	1 769	—	—	—	—	—
Loans from Group companies and subsidiaries	4 672	4 672	—	—	—	—	—
Subordinated liabilities**	7 748	7 748	—	—	—	—	—
	401 419	**218 145**	**183 274**	**183 411**	**—**	**183 411**	**—**

^ Restated as per note 53.
* R1.1 billion loans and advances to customers and R2.5 billion customer accounts (deposits) have been restated from amortised cost to fair value through profit or loss, designated at initial recognition.
** Following a review of the fair value of subordinated debt instruments in the current year, it was concluded that fair value approximates amortised cost. As a result, the 2023 figure has been amended with R7.7 billion accordingly.

For the year ended 31 March 2023, gains of R54.8 million were made on the derecognition of debt securities held at amortised cost.

For both the current and prior year, loans and advances to customers where the fair value approximates carrying amount should be classified as level 3. Full details of the assumptions and associated risks can be obtained in note 56.

NOTES TO THE FINANCIAL STATEMENTS
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14. Fair value of financial instruments at amortised cost (continued)

The following table sets out the Group's principal valuation techniques used in determining the fair value of its financial assets and financial liabilities at level 2 and level 3:

	Valuation basis/techniques	Main inputs
Assets		
Reverse repurchase agreements and cash collateral on securities borrowed	Discounted cash flow model	Yield curve
Loans and advances to banks	Discounted cash flow model	Yield curve
Loans and advances to customers	Discounted cash flow model	Yield curve, credit spread
Liabilities		
Deposits by banks	Discounted cash flow model	Yield curve
Repurchase agreements and cash collateral on securities lent	Discounted cash flow model	Yield curve
Customer accounts (deposits)	Discounted cash flow model	Yield curve
Debt securities in issue	Discounted cash flow model	Yield curve

NOTES TO THE FINANCIAL STATEMENTS
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15. Financial instruments designated at fair value

		Fair value adjustment		Change in fair value attributable to credit risk*		
At 31 March R'million	**Carrying value**	**Current**	**Cumulative**	**Current**	**Cumulative**	**Maximum exposure to credit risk**
Group						
Assets						
2024						
Non-sovereign and non-bank cash placements	289	2	2	—	—	289
Loans and advances to customers	14 629	89	(346)	10	(277)	14 993
	14 918	**91**	**(344)**	**10**	**(277)**	**15 282**
2023						
Loans and advances to customers**	15 164	(582)	(464)	(294)	(369)	15 628
	15 164	**(582)**	**(464)**	**(294)**	**(369)**	**15 628**

		Fair value adjustment		Change in fair value attributable to credit risk*		
At 31 March R'million	**Carrying value**	**Current**	**Cumulative**	**Current**	**Cumulative**	**Maximum exposure to credit risk**
Company						
Assets						
2024						
Non-sovereign and non-bank cash placements	289	2	2	—	—	289
Loans and advances to customers	14 509	90	(345)	10	(277)	14 873
	14 798	**92**	**(343)**	**10**	**(277)**	**15 162**
2023						
Loans and advances to customers**	15 024	(583)	(465)	(284)	(369)	15 488
	15 024	**(583)**	**(465)**	**(284)**	**(369)**	**15 488**

			Fair value adjustment		Change in fair value attributable to credit risk*	
At 31 March R'million	**Carrying value**	**Remaining contractual amount to be repaid at maturity**	**Current**	**Cumulative**	**Current**	**Cumulative**
Group and Company						
Liabilities						
2024						
Customer accounts (deposits)	61 895	59 210	(114)	(576)	(24)	(44)
	61 895	**59 210**	**(114)**	**(576)**	**(24)**	**(44)**
2023						
Customer accounts (deposits)**	72 474	72 986	(299)	(492)	(3)	(20)
	72 474	**72 986**	**(299)**	**(492)**	**(3)**	**(20)**

* In order to isolate credit risk, changes in fair value due to credit risk are determined as the change in the fair value of the financial instrument that is not attributable to changes in other market inputs.

** R1.1 billion loans and advances to customers and R2.5 billion customer accounts (deposits) have been restated from amortised cost to fair value through profit or loss, designated at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS
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16. Cash and balances at central banks

At 31 March R'million	Group **2024**	 2023	Company **2024**	 2023
Gross cash and balances at central banks	14 795	22 761	14 371	22 159
Expected credit loss on amortised cost	—	—	—	—
Net cash and balances at central banks	**14 795**	**22 761**	**14 371**	**22 159**
The country risk of cash and balances at central banks lies in the following geographies:				
South Africa	14 371	22 160	14 371	22 159
Africa (excluding RSA)	424	601	—	—
	14 795	**22 761**	**14 371**	**22 159**

17. Loans and advances to banks

At 31 March R'million	Group **2024**	 2023	Company **2024**	 2023
Gross loans and advances to banks	7 762	10 506	2 945	4 021
Expected credit loss on amortised cost	(11)	(4)	—	(1)
Net loans and advances to banks	**7 751**	**10 502**	**2 945**	**4 020**
The country risk of loans and advances to banks lies in the following geographies:				
South Africa	519	873	279	819
United Kingdom	1 893	1 513	1 406	277
Europe (excluding UK)	1 676	3 650	480	1 883
North America	1 353	1 374	591	747
Africa (excluding RSA)	2 047	2 416	14	272
Asia	101	286	101	8
Australia	162	390	74	14
	7 751	**10 502**	**2 945**	**4 020**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

18. Reverse repurchase agreements and cash collateral on securities borrowed and repurchase agreements and cash collateral on securities lent

At 31 March R'million	Group		Company	
	2024	2023^	**2024**	2023^
Assets				
Gross reverse repurchase agreements and cash collateral on securities borrowed	77 354	57 917	74 113	51 699
Expected credit loss on amortised cost	(2)	(1)	(2)	(1)
Net reverse repurchase agreements and cash collateral on securities borrowed	**77 352**	**57 916**	**74 111**	**51 698**
Reverse repurchase agreements	72 908	53 026	69 667	46 808
Cash collateral on securities borrowed	4 444	4 890	4 444	4 890
	77 352	**57 916**	**74 111**	**51 698**
As part of the reverse repurchase and securities borrowing agreements the Group and Company has received securities that it is allowed to sell or re-pledge. R84.7 million (2023: R52.2 million) has been re-sold or re-pledged to third parties in connection with financing activities or to comply with commitments under short sale transactions.				
Liabilities				
Repurchase agreements	16 442	16 724	15 419	15 782
Cash collateral on securities lent	3 264	1 209	3 264	1 209
	19 706	**17 933**	**18 683**	**16 991**
The assets transferred and not derecognised in the above repurchase agreements are fair valued at R17.4 billion (2023: R18.6 billion) in the Group and Company. They are pledged as security for the term of the underlying repurchase agreement. Refer to note 46.				

^ Restated as per note 53.

19. Sovereign debt securities

At 31 March R'million	Group		Company	
	2024	2023^	**2024**	2023^
Gross sovereign debt securities	72 172	69 862	63 972	62 466
Expected credit loss on amortised cost	(30)	(29)	(30)	(29)
Net sovereign debt securities	**72 142**	**69 833**	**63 942**	**62 437**
The country risk of the sovereign debt securities lies in the following geographies:				
South Africa	61 221	59 950	61 221	59 950
United Kingdom	2 550	2 156	—	—
North America	8 073	7 453	2 423	2 213
Africa (excluding RSA)	298	274	298	274
	72 142	**69 833**	**63 942**	**62 437**

^ Restated as per note 53.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

20. Bank debt securities

At 31 March R'million	Group 2024	Group 2023^	Company 2024	Company 2023^
Gross bank debt securities	8 299	15 500	6 874	14 581
Expected credit loss on amortised cost	(2)	(4)	(2)	(4)
Net bank debt securities	**8 297**	**15 496**	**6 872**	**14 577**
Bonds	8 247	10 816	6 822	9 897
Floating rate notes	50	4 680	50	4 680
	8 297	**15 496**	**6 872**	**14 577**
The country risk of the bank debt securities lies in the following geographies:				
South Africa	2 699	6 438	2 699	6 437
United Kingdom	1 876	1 942	1 611	1 942
Europe (excluding UK)	1 566	2 683	1 125	2 138
North America	199	2 868	199	2 868
Africa (excluding RSA)	886	460	167	87
Australia	1 071	1 105	1 071	1 105
	8 297	**15 496**	**6 872**	**14 577**

^ Restated as per note 53.

21. Other debt securities

At 31 March R'million	Group 2024	Group 2023	Company 2024	Company 2023
Gross other debt securities	10 279	11 688	8 668	10 338
Expected credit loss on amortised cost	(8)	(12)	(8)	(11)
Net other debt securities	**10 271**	**11 676**	**8 660**	**10 327**
Bonds	6 249	6 463	4 684	5 114
Floating rate notes	2 415	3 316	2 369	3 316
Asset-based securities	1 226	1 551	1 226	1 551
Other	381	346	381	346
	10 271	**11 676**	**8 660**	**10 327**
The country risk of the other debt securities lies in the following geographies:				
South Africa	6 314	8 813	6 268	8 652
United Kingdom	1 454	1 018	1 096	846
Europe (excluding UK)	1 259	1 369	1 203	829
North America	972	346	—	—
Africa (excl RSA)	93	—	93	—
Asia	179	130	—	—
	10 271	**11 676**	**8 660**	**10 327**

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22. Derivative financial instruments

The Group enters into various contracts for derivatives both as principal for trading purposes and as customer for hedging foreign exchange, interest rate, equity and commodity exposures. These include financial futures, options, swaps and forward rate agreements. The risks associated with derivative instruments are monitored in the same manner as for the underlying instruments. Risks are also measured across the product range in order to take into account possible correlations.

In the tables that follow notional principal amounts indicate the volume of business outstanding at the balance sheet date and do not represent amounts at risk. The fair value of a derivative financial instrument represents the present value of positive or negative cash flows which would have occurred had the rights and obligations arising from that instrument been closed out by the Group in an orderly market transaction at balance sheet date.

	2024			2023^		
At 31 March R'million	**Notional principal amounts**	**Positive fair value**	**Negative fair value**	Notional principal amounts	Positive fair value	Negative fair value
Group						
Foreign exchange derivatives						
Forward foreign exchange contracts	1 113	40	124	326 515	4 836	4 262
Currency swaps	42 490	1 426	860	43 680	826	1 624
OTC options bought and sold	4 177	591	666	86 956	909	1 278
Other foreign exchange contracts	398	18	8	89	—	—
	48 178	**2 075**	**1 658**	**457 240**	**6 571**	**7 164**
Interest rate derivatives						
Caps and floors	56 221	33	118	34 249	58	149
Swaps	6 959 365	7 947	6 856	2 974 675	6 933	7 710
Forward rate agreements	717 057	103	110	1 170 454	500	441
OTC options bought and sold	5 488	20	8	4 280	22	12
Other interest rate contracts	55	15	5	7 714	364	71
OTC derivatives	**7 738 186**	**8 118**	**7 097**	**4 191 372**	**7 877**	**8 383**
Equity and stock index derivatives						
OTC options bought and sold*	10 143	4 534	6 326	61 602	3 292	5 233
Equity swaps and forwards	88 256	1 433	719	52 434	2 959	3 334
OTC derivatives	**98 399**	**5 967**	**7 045**	**114 036**	**6 251**	**8 567**
Exchange traded futures	8	—	—	86	—	—
Exchange traded options	—	260	—	—	205	—
	98 407	**6 227**	**7 045**	**114 122**	**6 456**	**8 567**
Commodity derivatives						
Commodity swaps and forwards	13 643	794	736	3 526	1 900	1 815
	13 643	**794**	**736**	**3 526**	**1 900**	**1 815**
Credit derivatives	**9 777**	**(1)**	**169**	**4 707**	**16**	**201**
Other derivatives		**—**	**—**		**—**	**1**
Cash collateral		**(6 497)**	**(1 805)**		**(3 528)**	**(4 270)**
Effect of on-balance sheet netting		**(728)**	**(728)**		**(3 330)**	**(3 330)**
Derivatives per balance sheet		**9 988**	**14 172**		**15 962**	**18 531**

^ Restated as per note 53.
* In the prior year, notional principal amounts have been restated, as a result of the derivative financial instrument restatement detailed in note 53.

NOTES TO THE FINANCIAL STATEMENTS
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22. Derivative financial instruments (continued)

At 31 March R'million	2024 Notional principal amounts	2024 Positive fair value	2024 Negative fair value	2023^ Notional principal amounts	2023^ Positive fair value	2023^ Negative fair value
Company						
Foreign exchange derivatives						
Forward foreign exchange contracts	1 113	40	124	326 515	4 836	4 262
Currency swaps	42 490	1 426	807	43 560	826	1 594
OTC options bought and sold	4 177	591	666	86 956	909	1 278
Other foreign exchange contracts	398	18	8	89	—	—
	48 178	**2 075**	**1 605**	**457 120**	**6 571**	**7 134**
Interest rate derivatives						
Caps and floors	56 221	33	118	34 249	58	149
Swaps	6 959 365	7 949	6 856	2 974 675	6 933	7 710
Forward rate agreements	717 057	103	110	1 170 454	500	441
OTC options bought and sold	5 488	20	8	4 280	22	12
Other interest rate contracts	55	15	5	7 714	364	71
OTC derivatives	**7 738 186**	**8 120**	**7 097**	**4 191 372**	**7 877**	**8 383**
Equity and stock index derivatives						
OTC options bought and sold*	10 143	4 494	6 338	61 602	3 292	5 233
Equity swaps and forwards	88 256	1 433	719	52 434	2 959	3 348
OTC derivatives	**98 399**	**5 927**	**7 057**	**114 036**	**6 251**	**8 581**
Exchange traded futures	8	—	—	86	—	—
Exchange traded options	—	260	—	—	205	—
	98 407	**6 187**	**7 057**	**114 122**	**6 456**	**8 581**
Commodity derivatives						
Commodity swaps and forwards	13 643	794	736	3 526	1 900	1 815
	13 643	**794**	**736**	**3 526**	**1 900**	**1 815**
Credit derivatives	**9 777**	**14**	**169**	**4 854**	**14**	**201**
Other derivatives		**—**	**—**		**—**	**1**
Cash collateral		**(6 497)**	**(1 805)**		**(3 528)**	**(4 270)**
Effect of balance sheet netting		**(728)**	**(728)**		**(3 330)**	**(3 330)**
Derivatives per balance sheet		**9 965**	**14 131**		**15 960**	**18 515**

^ Restated as per note 53.
* In the prior year, notional principal amounts have been restated, as a result of the derivative financial instrument restatement detailed in note 53.

NOTES TO THE FINANCIAL STATEMENTS
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23. Securities arising from trading activities

At 31 March R'million	Group 2024	Group 2023	Company 2024	Company 2023
Bonds	4 992	5 507	4 992	5 507
Floating rate notes	684	1 105	684	1 105
Collective investment schemes	1 971	—	1 971	—
Listed equities	59	51	3	6
Other*	274	72	201	—
	7 980	**6 735**	**7 851**	**6 618**

* In the prior year, these instruments were included in 'listed equities'.

24. Loans and advances to customers and other loans and advances

At 31 March R'million	Group 2024	Group 2023^	Company 2024	Company 2023^
Gross loans and advances to customers at amortised cost*	321 962	303 102	303 660	288 826
Gross loans and advances to customers designated at FVPL at inception^^*	14 779	15 450	14 660	15 309
Suspended interest**	613	556	604	524
Gross loans and advances to customers subject to ECL	**337 354**	**319 108**	**318 924**	**304 659**
Expected credit loss on amortised cost	(2 758)	(3 256)	(2 700)	(3 225)
Loans and advances to customers at fair value	1 137	1 296	1 137	1 296
Suspended interest**	(613)	(556)	(604)	(524)
Net loans and advances to customers	**335 120**	**316 592**	**316 757**	**302 206**
Gross other loans and advances	—	1	—	1
Expected credit loss on other loans and advances	—	—	—	—
Net other loans and advances	**—**	**1**	**—**	**1**

^ Restated as per note 53.
^^ These are fixed rate loans which have passed the solely payments of principal and interest test (SPPI) and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans and advances measured at amortised cost.
* R1.1 billion loans and advances to customers has been restated from amortised cost to fair value through profit or loss, designated at initial recognition.
** Suspended interest is now presented as part of expected credit losses on loans and advances. The prior year has been restated for this.

In accordance with IFRS 9, interest should only be recognised on the net position (i.e. gross loans and advances less ECL) on positions in default. Suspended interest relates to interest not recognised, relating to the ECL on the loans and advances in default.

For further analysis on loans and advances, refer to note 56.

At 31 March R'million	Group 2024	Group 2023^	Company 2024	Company 2023^
Expected credit losses on loans and advances to customers at amortised cost				
Balance at the beginning of the year	3 256	2 667	3 225	2 605
Expected credit loss impairment charges to the income statement	189	733	162	813
Utilised	(685)	(172)	(687)	(201)
Reclassification	—	21	—	21
Exchange adjustments	(2)	7	—	(13)
Balance at the end of the year	**2 758**	**3 256**	**2 700**	**3 225**

^ Restated as per note 53.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

25. Securitised assets and liabilities arising on securitisation

At 31 March R'million	Group	
	2024	2023^
Gross own originated loans and advances to customers securitised	6 460	6 008
Expected credit loss of own originated loans and advances to customers securitised	(14)	(20)
Net own originated loans and advances to customers securitised	**6 446**	**5 988**
The associated liabilities are recorded on-balance sheet in the following line items:		
Liabilities arising on securitisation of own originated loans and advances	**4 997**	**3 594**
Expected credit losses on own originated loans and advances to customers securitised at amortised cost		
Balance at the beginning of the year	20	27
Release to the income statement	(6)	(7)
Balance at the end of the year	**14**	**20**

^ Restated as per note 53.

26. Investment portfolio

At 31 March R'million	Group		Company	
	2024	2023	**2024**	2023
Listed equities	42	46	42	46
Unlisted equities*	2 540	2 373	1 970	1 951
Other fair value loan investments	503	507	503	507
	3 085	**2 926**	**2 515**	**2 504**

* Unlisted equities include loan instruments that are convertible into equity.

27. Interests in associated undertakings

At 31 March R'million	Group	
	2024	2023
Analysis of the movement in interests in associated undertakings:		
At the beginning of the year	33	31
Share of post-taxation profit/(loss) of associates	3	(3)
Capital reduction	(17)	—
Exchange adjustments	3	5
At the end of the year	**22**	**33**

NOTES TO THE FINANCIAL STATEMENTS
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28. Deferred taxation

At 31 March R'million	Group **2024**	 2023^	Company **2024**	 2023^
Deferred taxation assets	1 498	1 548	1 472	1 527
Deferred taxation liabilities	(21)	(19)	—	—
Net deferred taxation assets	**1 477**	**1 529**	**1 472**	**1 527**
The net deferred taxation assets arise from:				
Deferred capital allowances	3	1	—	—
Income and expenditure accruals	935	1 058	935	1 055
Unrealised fair value adjustments on financial instruments	(21)	(4)	—	(1)
Deferred taxation on acquired intangibles	—	(3)	—	—
Expected credit loss on loans and advances to customers	316	421	299	417
Finance lease accounting	243	164	243	164
Cash flow hedges	1	(108)	(5)	(108)
Net deferred taxation assets	**1 477**	**1 529**	**1 472**	**1 527**
Reconciliation of net deferred taxation assets:				
At the beginning of the year	1 529	1 554	1 527	1 543
Charge to income statement – current year taxation	(174)	(60)	(182)	(54)
Charge directly in other comprehensive income	122	35	127	38
At the end of the year	**1 477**	**1 529**	**1 472**	**1 527**

^ Restated as per note 53.

Deferred taxation assets are recognised to the extent it is likely that profits will be available in future periods. The assessment of the likelihood of future profits is based on past performance and current projections.

29. Other assets

At 31 March R'million	Group **2024**	 2023^	Company **2024**	 2023^
Gross other assets	9 240	6 175	9 049	6 189
Expected credit loss on amortised cost	—	—	—	—
Net other assets	**9 240**	**6 175**	**9 049**	**6 189**
Financial assets				
Settlement debtors	1 360	455	1 307	538
Prepayments and accrued income*	810	923	783	918
Trading initial margin	2 849	2 368	2 849	2 368
Fee debtors	—	45	—	45
Other financial assets	437	140	423	165
Non-financial assets				
Trading properties	65	71	51	53
Prepayments and accrued income	555	454	549	438
Commodities	2 937	1 457	2 937	1 457
Other	227	262	150	207
	9 240	**6 175**	**9 049**	**6 189**

^ Restated as per note 53.
* R799 million (2023: R783 million) in the Group and R780 million (2023: R768 million) in the Company, relates to a prepayment with Group companies.

In the current year, to enhance disclosure, ‘other assets’ were disaggregated into financial and non-financial categories. The prior year has been re-presented to align with current year disclosure.

NOTES TO THE FINANCIAL STATEMENTS
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30. Property and equipment

At 31 March R'million	Freehold properties	Right-of-use assets*	Leasehold improvements	Furniture and vehicles	Equipment	Total
Group						
2024						
Cost						
At the beginning of the year	3 050	722	61	194	593	4 620
Additions	18	493	167	34	111	823
Disposals and modifications	(9)	(125)	(2)	(40)	(33)	(209)
Reclassifications	—	—	—	—	8	8
Write-offs	—	—	—	(7)	(8)	(15)
At the end of the year	**3 059**	**1 090**	**226**	**181**	**671**	**5 227**
Accumulated depreciation						
At the beginning of the year	(379)	(335)	(55)	(131)	(414)	(1 314)
Disposals and modifications	—	64	2	34	31	131
Depreciation charge for year	(101)	(72)	(10)	(14)	(76)	(273)
Reclassifications	—	—	—	—	(8)	(8)
Write-offs	—	—	—	7	8	15
At the end of the year	**(480)**	**(343)**	**(63)**	**(104)**	**(459)**	**(1 449)**
Net carrying value	**2 579**	**747**	**163**	**77**	**212**	**3 778**
2023						
Cost						
At the beginning of the year	3 027	723	59	172	544	4 525
Additions	23	10	2	31	100	166
Disposals and modifications	—	(11)	—	(9)	(49)	(69)
Write-offs	—	—	—	—	(2)	(2)
At the end of the year	**3 050**	**722**	**61**	**194**	**593**	**4 620**
Accumulated depreciation						
At the beginning of the year	(280)	(269)	(51)	(124)	(374)	(1 098)
Disposals and modifications	—	15	—	7	45	67
Depreciation charge for year	(99)	(81)	(3)	(14)	(88)	(285)
Reclassifications	—	—	(1)	—	1	—
Write-offs	—	—	—	—	2	2
At the end of the year	**(379)**	**(335)**	**(55)**	**(131)**	**(414)**	**(1 314)**
Net carrying value	**2 671**	**387**	**6**	**63**	**179**	**3 306**

* Right-of-use assets primarily comprises property leases under IFRS 16.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

30. Property and equipment (continued)

At 31 March R'million	Freehold properties	Right-of-use assets*	Leasehold improvements	Furniture and vehicles	Equipment	Total
Company						
2024						
Cost						
At the beginning of the year	3 050	719	60	184	577	4 590
Additions	18	466	167	20	107	778
Disposals and modifications	(9)	(121)	(1)	(39)	(35)	(205)
Reclassifications	—	—	—	—	10	10
At the end of the year	**3 059**	**1 064**	**226**	**165**	**659**	**5 173**
Accumulated depreciation						
At the beginning of the year	(379)	(334)	(55)	(122)	(398)	(1 288)
Disposals and modifications	—	62	2	32	29	125
Depreciation charge for year	(101)	(66)	(10)	(13)	(74)	(264)
Reclassifications	—	—	—	—	(10)	(10)
At the end of the year	**(480)**	**(338)**	**(63)**	**(103)**	**(453)**	**(1 437)**
Net carrying value	**2 579**	**726**	**163**	**62**	**206**	**3 736**
2023						
Cost						
At the beginning of the year	3 027	709	58	162	525	4 481
Additions	23	10	2	31	100	166
Disposals and modifications	—	—	—	(9)	(48)	(57)
At the end of the year	**3 050**	**719**	**60**	**184**	**577**	**4 590**
Accumulated depreciation						
At the beginning of the year	(280)	(257)	(51)	(116)	(357)	(1 061)
Disposals and modifications	—	—	—	7	45	52
Depreciation charge for year	(99)	(77)	(3)	(13)	(87)	(279)
Reclassifications	—	—	(1)	—	1	—
At the end of the year	**(379)**	**(334)**	**(55)**	**(122)**	**(398)**	**(1 288)**
Net carrying value	**2 671**	**385**	**5**	**62**	**179**	**3 302**

* Right-of-use assets primarily comprises property leases under IFRS 16.

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31. Goodwill

At 31 March R'million	Group 2024	 2023	Company 2024	 2023
Cost				
At the beginning of the year	184	184	10	10
At the end of the year	**184**	**184**	**10**	**10**
Accumulated impairments				
At the beginning of the year	(13)	(12)	(10)	(9)
Impairments	—	(1)	—	(1)
At the end of the year	**(13)**	**(13)**	**(10)**	**(10)**
Net carrying value	**171**	**171**	**—**	**—**
Analysis of goodwill by line of business:				
Specialist Banking	171	171	—	—
	171	**171**	**—**	**—**

Goodwill is tested annually for impairment, or more frequently if evidence exists that goodwill might be impaired, by comparing the carrying value to its recoverable amount.

The recoverable amount of goodwill is determined based on expected cash flows within the cash-generating units of the Group to which the goodwill is allocated. Key assumptions within the calculation include discount rates, growth rates in revenue and related expenditure and loan impairment rates.

Discount rates are based on pre-tax rates that reflect current market conditions, adjusted for the specific risks associated with the cash-generating unit. Growth rates are based on industry growth forecasts. Cash flow forecasts are based on the most recent financial budgets for the next financial year and are extrapolated for a period of three to five years, adjusted for expected future events.

Goodwill relates particularly to the businesses in Investec for Business (IFB) which has been identified as a separate cash-generating unit. The goodwill relating to IFB has been tested for impairment, taking into account profitability, being the budgeted profits and the future profit growth for the next five years. The valuation is based on management's assessment of appropriate profit forecasts and discount rates to estimate the fair value. Discount rate applied of 6.25% (2023: 7.25%) is determined using the South African inter-bank lending rate, adjusted for business-specific risk.

The prior year impairment relates to the write off of goodwill of Travel by Investec.

The valuation of goodwill is a level 3 in the fair value hierarchy.

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32. Software and other acquired intangible assets

	Group					Company	
	Software		Other acquired intangible assets			Software	
At 31 March R'million	Acquired software	**Total software**	Client relationships	**Total other acquired intangible assets**	**Total**	Acquired software	**Total**
2024							
Cost							
At the beginning of the year	424	424	409	409	833	424	424
Additions	3	3	—	—	3	3	3
Write-offs	(112)	(112)	—	—	(112)	(112)	(112)
At the end of the year	**315**	**315**	**409**	**409**	**724**	**315**	**315**
Accumulated amortisation and impairments							
At the beginning of the year	(297)	(297)	(396)	(396)	(693)	(297)	(297)
Amortisation	(38)	(38)	(13)*	(13)	(51)	(38)	(38)
Write-offs	112	112	—	—	112	112	112
At the end of the year	**(223)**	**(223)**	**(409)**	**(409)**	**(632)**	**(223)**	**(223)**
Net carrying value	**92**	**92**	**—**	**—**	**92**	**92**	**92**
2023							
Cost							
At the beginning of the year	363	363	409	409	772	363	363
Additions	131	131	—	—	131	131	131
Disposals	(70)	(70)	—	—	(70)	(70)	(70)
At the end of the year	**424**	**424**	**409**	**409**	**833**	**424**	**424**
Accumulated amortisation and impairments							
At the beginning of the year	(317)	(317)	(345)	(345)	(662)	(317)	(317)
Amortisation	(50)	(50)	(51)*	(51)	(101)	(50)	(50)
Disposals	70	70	—	—	70	70	70
At the end of the year	**(297)**	**(297)**	**(396)**	**(396)**	**(693)**	**(297)**	**(297)**
Net carrying value	**127**	**127**	**13**	**13**	**140**	**127**	**127**

* Amortisation of acquired intangibles as disclosed in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
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33. Acquisitions and disposals

There were no significant acquisitions or disposals of subsidiaries during the current and prior year.

34. Loans to Group companies and loans from Group companies and subsidiaries

	Group		Company	
At 31 March R'million	**2024**	2023^	**2024**	2023^
Loans to Group companies				
Loans to holding company – Investec Limited	3 234	4 690	3 234	4 690
Loans to fellow subsidiaries	18 504	23 053	18 075	22 620
Redeemable preference share investment in Investec Limited	3 884	3 862	3 560	3 538
Preference share investment in fellow subsidiaries	5 470	5 470	4 488	4 488
	31 092	**37 075**	**29 357**	**35 336**
Loans from Group companies and subsidiaries				
Loans from subsidiaries	—	—	6 355	4 100
Other subsidiaries	—	—	6 355	4 100
Loans from fellow subsidiaries	832	665	729	572
Intergroup derivative financial instruments	108	47	108	47
	940	**712**	**7 192**	**4 719**

^ Restated as per note 53.

There were no subordinated loan amounts included in the loans to Group companies. Other than those loans noted above, loans from Group companies and subsidiaries are unsecured and interest-bearing, with no fixed terms of repayment.

35. Investment in subsidiaries

			Shares at book value R'million		Loan advances to subsidiaries		Total	
					R'million			
At 31 March	**Principal activity**	**Holding %**	**2024**	2023	**2024**	2023	**2024**	2023
Company								
Material direct subsidiaries of Investec Bank Limited								
Investec Bank (Mauritius) Limited^	Banking institution	100	534	534	4 399	4 009	4 933	4 543
Reichmans Holdings Proprietary Limited and Investec Import Solutions Proprietary Limited^^	Trade and asset financing and imports logistics	100	107	107	—	—	107	107
AEL Investment Holdings Proprietary Limited^^	Investment holding	100	*	*	—	—	*	*
Copperleaf Country Estate Proprietary Limited^^	Property developer	100	—	—	63	63	63	63
Other subsidiaries^^#		100	*	3	258	648	258	651
			641	**644**	**4 720**	**4 720**	**5 361**	**5 364**

Details of subsidiary and associated companies which are not material to the financial position of the Group are not reflected above. Loans to Group companies are unsecured interest-bearing, with no fixed terms of repayment. All loan advances to subsidiaries are Stage 1 exposures with no material ECL.

^ Mauritius.
^^ South Africa.
* Less than R1 million.
# In the current year, the investment in Matzopath Proprietary Limited was written off.

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35. Investment in subsidiaries (continued)

Consolidated structured entities

Investec Bank Limited has subordinated investment interest in the following structured entities which are consolidated. Typically, a structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. The judgements to assess whether the Group has control over these structures include assessing the purpose and design of the entity, considering whether the Group or another involved party with power over the relevant activities is acting as a principal in its own right or as an agent on behalf of others.

Name of principal structured entity	Type of structured entity
Fox Street 1 (RF) Limited	Securitised residential mortgages
Fox Street 2 (RF) Limited	Securitised residential mortgages
Fox Street 3 (RF) Limited	Securitised residential mortgages
Fox Street 4 (RF) Limited	Securitised residential mortgages
Fox Street 5 (RF) Limited	Securitised residential mortgages
Fox Street 6 (RF) Limited	Securitised residential mortgages
Fox Street 7 (RF) Limited	Securitised residential mortgages
Grayston Drive Autos (RF) Limited	Securitised vehicle instalment sale agreements
Richefond Circle (RF) Limited	Securitised commercial mortgages

For additional detail on the assets and liabilities arising on securitisation refer to note 25.

The key assumptions for the main types of structured entities which the Group consolidates are summarised below:

Securitised residential mortgages

The Group has securitised residential mortgages in order to provide investors with exposure to residential mortgage risk and to raise funding. These structured entities are consolidated due to the Group's exposure to residual economic risks and benefits. The Group is not required to fund any losses above those incurred on the investments made.

Securitised vehicle instalment sale agreements

The Group has securitised commercial mortgages in order to provide investors with exposure to commercial mortgage risk and to raise funding. The relevant structured entity is consolidated due to the Group's exposure to residual economic risks and benefits. The Group is not required to fund any losses above those incurred on the investments made.

Securitised commercial mortgages

The Group has securitised commercial mortgages in order to provide investors with exposure to commercial mortgage risk and to raise funding. The relevant structured entity is consolidated due to the Group's holding of subordinated notes and a subordinated loan. The Group is not required to fund any losses above those incurred on the notes and subordinated loan it has retained, such losses are reflected in any impairment of securitised commercial mortgages as those assets have not been derecognised.

NOTES TO THE FINANCIAL STATEMENTS
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36. Other trading liabilities

At 31 March R'million	Group		Company	
	2024	2023^	**2024**	2023^
Structured retail products	16 649	13 837	16 649	13 837
Deposits	3 027	1 048	3 027	1 048
Short positions				
– equities	280	245	235	245
– gilts	454	249	454	249
	20 410	**15 379**	**20 365**	**15 379**

^ Restated as per note 53.

37. Customer accounts (deposits)

At 31 March R'million	Group		Company	
	2024	2023^	**2024**	2023^
Transactional	20 378	20 712	20 378	20 712
Demand	199 383	188 573	187 559	173 762
Notice	45 140	39 523	45 140	39 523
Fixed term	183 734	199 363	169 305	189 129
	448 635	**448 171**	**422 382**	**423 126**

^ Restated as per note 53.

38. Debt securities in issue

At 31 March R'million	Group		Company	
	2024	2023	**2024**	2023
Repayable in:				
Less than three months	427	321	427	321
Three months to one year	1 152	1 022	941	923
One to five years	3 136	1 242	34	1
	4 715	**2 585**	**1 402**	**1 245**
Debt securities in issue shown above comprise:				
Redeemable preference shares	3 313	1 340	—	—
Other	1 402	1 245	1 402	1 245
	4 715	**2 585**	**1 402**	**1 245**

NOTES TO THE FINANCIAL STATEMENTS
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39. Other liabilities

At 31 March R'million	Group 2024	Group 2023^	Company 2024	Company 2023^
Financial liabilities				
Settlement liabilities	1 646	1 131	1 633	1 278
Other creditors and accruals	616	405	457	265
Other non-interest bearing liabilities	963	1 211	954	1 208
Expected credit loss on undrawn commitments and guarantees	54	64	42	56
Non-financial liabilities				
Other creditors and accruals	2 418	2 264	2 323	2 201
Other non-interest bearing liabilities	649	593	559	558
Rewards Programme liability	752	705	752	705
Lease liabilities	847	501	822	499
Long service employee benefits liability (refer to note 7)	3	34	3	35
Indirect taxation liabilities payable	27	20	27	22
	7 975	**6 928**	**7 572**	**6 827**

^ Restated as per note 53.

In the current year, to enhance disclosure, 'other liabilities' were disaggregated into financial and non-financial categories. The prior year has been re-presented to align with current year disclosure.

Reconciliation of lease liabilities

At 31 March R'million	Group 2024	Group 2023	Company 2024	Company 2023
Balance at the beginning of the year	501	567	499	565
Interest	40	35	39	35
Additional leases	493	10	466	10
Repayment of lease liabilities	(107)	(112)	(102)	(111)
Modifications	(80)	4	(80)	
Exchange adjustments	—	(3)	—	
Balance at the end of the year	**847**	**501**	**822**	**499**

Lease liabilities included in other liabilities are due in:

At 31 March R'million	2024 Undiscounted payments	2024 Present value	2023 Undiscounted payments	2023 Present value
Group				
Less than one year	103	100	98	97
One to two years	98	88	76	69
Two to three years	104	87	78	66
Three to four years	87	67	84	66
Four to five years	85	59	65	47
Greater than five years	1 111	445	262	156
	1 588	**847**	**663**	**501**
Company				
Less than one year	98	94	98	94
One to two years	93	83	76	68
Two to three years	99	82	78	68
Three to four years	81	61	84	66
Four to five years	83	57	65	47
Greater than five years	1 111	445	262	156
	1 565	**822**	**663**	**499**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

40. Subordinated liabilities

At 31 March R'million	Group 2024	Group 2023	Company 2024	Company 2023
Issued by Investec Bank Limited				
IV019 indexed rate subordinated unsecured callable bonds	—	145	—	145
IV019A indexed rate subordinated unsecured callable bonds	—	522	—	522
IV049 variable rate subordinated unsecured callable bonds	—	1 329	—	1 329
IV054U variable rate subordinated unsecured callable bonds	1 636	1 636	1 636	1 636
IV058U variable rate subordinated unsecured callable bonds	400	400	400	400
IV059U variable rate subordinated unsecured callable bonds	1 100	1 100	1 100	1 100
IV060U variable rate subordinated unsecured callable bonds	2 897	2 616	2 897	2 616
IV062U variable rate subordinated unsecured callable bonds	500	—	500	—
IV063U variable rate subordinated unsecured callable bonds	750	—	750	—
	7 283	**7 748**	**7 283**	**7 748**
Remaining maturity*:				
In one year or less, or on demand	—	1 996	—	1 996
In more than one year, but not more than two years	1 636	—	1 636	—
In more than two years, but not more than five years	5 647	5 752	5 647	5 752
In more than five years	—	—	—	—
	7 283	**7 748**	**7 283**	**7 748**
Reconciliation from opening balance to closing balance:				
Opening balance	7 748	9 133	7 748	9 133
Issue of subordinated liabilities	1 250	2 359	1 250	2 359
Interest accrued on subordinated liabilities	631	511	631	511
Net movements in capitalised interest	(231)	(217)	(231)	(217)
Repayment of interest	(379)	(323)	(379)	(323)
Transfer of interest accrued from other liabilities at the beginning of the year	13	42	13	42
Transfer of interest accrued to other liabilities at the end of the year	(34)	(13)	(34)	(13)
Redemption of subordinated liabilities	(1 970)	(4 576)	(1 970)	(4 576)
Consumer Price Index, effective interest rate adjustments and currency adjustments on foreign-denominated bonds adjustment	255	832	255	832
Closing balance	**7 283**	**7 748**	**7 283**	**7 748**

* Maturities have been determined using the date on which the Company is able to call the bonds.

The only event of default in relation to the subordinated debt is the non-payment of principal or interest. The only remedy available to the holders of the subordinated debt in the event of default is to petition for the winding up of the issuing entity. In a winding up no amount will be paid in respect of the subordinated debt until all other creditors have been paid in full.

IV019 indexed rate subordinated unsecured callable bonds

Rnil (2023: R145 million) Investec Bank Limited IV019 locally registered subordinated unsecured callable bonds are due in March 2028. Interest on these inflation-linked bonds is payable semi-annually on 31 March and 30 September at a rate of 2.60%. The IV019 is a replica of the R210 South African government bond. The maturity date is 31 March 2028, but the Company has the option to call the bonds upon regulatory capital disqualification or from 3 April 2023. These notes were repaid in the current year.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

40. Subordinated liabilities (continued)

IV019A indexed rate subordinated unsecured callable bonds

Rnil (2023: R522 million) Investec Bank Limited IV019A locally registered subordinated unsecured callable bonds are due in March 2028. Interest on these inflation-linked bonds is payable semi-annually on 31 March and 30 September at a rate of 2.60%. The IV019A is a replica of the R210 South African government bond. The maturity date is 31 March 2028, but the Company has the option to call the bonds upon regulatory capital disqualification or from 3 April 2023. These notes were repaid in the current year.

IV049 variable rate subordinated unsecured callable bonds

Rnil (2023: R1 329 million) Investec Bank Limited IV049 locally registered subordinated unsecured callable bonds are due in December 2028. Interest is payable quarterly in arrears on 4 March, 4 June and 4 September and 4 December at a rate equal to three-month JIBAR plus 3.413% up to and excluding 4 March 2028. The maturity date is 4 December 2028, but the Company has the option to call the bonds upon regulatory capital disqualification or from 4 March 2023. These notes were repaid in the current year.

IV054U variable rate subordinated unsecured callable bonds

R1 636 million Investec Bank Limited IV054U locally registered subordinated unsecured floating rate notes are due in March 2031. Interest is payable quarterly on 9 March, 9 June, 9 September and 9 December at a rate equal to the three-month JIBAR plus 2.60%. The maturity date is 9 March 2031 but the issuer has the option to redeem on 9 March 2026 and on each interest payment date thereafter.

IV058U variable rate subordinated unsecured callable bonds

R400 million Investec Bank Limited IV058U locally registered subordinated unsecured floating rate notes are due December 2031. Interest is payable quarterly on 22 March, 22 June, 22 September and 22 December at a rate equal to the three-month JIBAR plus 2.10%. The maturity date is 22 December 2031 but the issuer has the option to redeem on 22 March 2027 and on each interest payment date thereafter.

IV059U variable rate subordinated unsecured callable bonds

R1 100 million Investec Bank Limited IV059U locally registered subordinated unsecured floating rate notes are due March 2032. Interest is payable quarterly on 25 March, 25 June, 25 September and 25 December at a rate equal to the three-month JIBAR plus 2.20%. The maturity date is 25 March 2032 but the issuer has the option to redeem on 25 June 2027 and on each interest payment date thereafter.

IV060U variable rate subordinated unsecured callable bonds

$191 million Investec Bank Limited IV060U locally registered subordinated unsecured Tier II callable bonds are due in July 2032 and were issued at an issue price of $141 million. The notes will automatically convert from zero coupon notes to floating rate notes on the first optional redemption date, being 13 July 2027. The accrual zero coupon yield is 6.1799% up until 13 July 2027. If the issuer does not exercise the option to redeem the notes on 13 July 2027, then interest on the floating rate notes shall commence on 13 July 2027 and is payable annually on 13 July at a rate equal to the SOFR plus 3.16% up to and excluding 13 July 2032. The maturity date is 13 July 2032, but the Company has the option to call the bonds upon regulatory capital disqualification or from 13 July 2027.

IV062U variable rate subordinated unsecured callable bonds

R500 million Investec Bank Limited IV062U locally registered subordinated unsecured floating rate notes are due June 2032. Interest is payable quarterly on 30 March, 30 June, 30 September and 30 December at a rate equal to the three-month JIBAR plus 2.00%. The maturity date is 30 June 2033 but the issuer has the option to redeem on 30 September 2028 and on each interest payment date thereafter.

IV063U variable rate subordinated unsecured callable bonds

R750 million Investec Bank Limited IV063U locally registered subordinated unsecured floating rate notes are due November 2033. Interest is payable quarterly on 27 February, 27 May, 27 August and 27 November at a rate equal to the three-month JIBAR plus 1.95%. The maturity date is 27 November 2033 but the issuer has the option to redeem on 27 February 2029 and on each interest payment date thereafter.

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41. Ordinary share capital

At 31 March R'million	Group 2024	Group 2023	Company 2024	Company 2023
Authorised				
105 000 000 (2023: 105 000 000) ordinary shares of 50 cents each				
Issued				
64 793 190 (2023: 64 793 190) ordinary shares of 50 cents each, fully paid	32	32	32	32

42. Ordinary share premium

At 31 March R'million	Group 2024	Group 2023	Company 2024	Company 2023
Share premium on ordinary shares	14 250	14 250	14 250	14 250
	14 250	**14 250**	**14 250**	**14 250**

43. Other Additional Tier 1 securities in issue

At 31 March R'million	Group 2024	Group 2023	Company 2024	Company 2023
IV050 variable rate subordinated unsecured callable bonds	110	110	110	110
IV051U variable rate subordinated unsecured callable bonds	128	128	128	128
IV052U variable rate subordinated unsecured callable bonds	45	45	45	45
IV053U variable rate subordinated unsecured callable bonds	100	100	100	100
IV055U variable rate subordinated unsecured callable bonds	450	450	450	450
IV056U variable rate subordinated unsecured callable bonds	777	777	777	777
IV057U variable rate subordinated unsecured callable bonds	600	600	600	600
IV061U variable rate subordinated unsecured callable bonds	500	500	500	500
IV064U variable rate subordinated unsecured callable bonds	750	—	750	—
	3 460	**2 710**	**3 460**	**2 710**

IV050 variable rate subordinated unsecured callable bonds

Investec Bank Limited issued R93 million and R17 million Other Additional Tier 1 floating rate notes on 26 March 2019 and 29 March 2019. Interest is payable quarterly on 26 June, 26 September, 26 December and 26 March at a rate equal to the three-month JIBAR plus 4.55%. There is no maturity date but the issuer has the option to redeem on 26 June 2024 and on any interest payment date thereafter. The interest is payable at the option of the issuer.

IV051U variable rate subordinated unsecured callable bonds

Investec Bank Limited issued R128 million Other Additional Tier 1 floating rate notes on 22 October 2020. Interest is payable quarterly on 22 January, 22 April, 22 July and 22 October at a rate equal to the three-month JIBAR plus 4.85%. There is no maturity date but the issuer has the option to redeem on 22 January 2026 or any interest payment date thereafter. The interest is payable at the option of the issuer.

IV052U variable rate subordinated unsecured callable bonds

Investec Bank Limited issued R45 million Other Additional Tier 1 floating rate notes on 25 November 2020. Interest is payable quarterly on 22 January, 22 April, 22 July and 22 October at a rate equal to the three-month JIBAR plus 4.85%. There is no maturity date but the issuer has the option to redeem on 22 January 2026 or any interest payment date thereafter. The interest is payable at the option of the issuer.

NOTES TO THE FINANCIAL STATEMENTS
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43. Other Additional Tier 1 securities in issue (continued)

IV053U variable rate subordinated unsecured callable bonds

Investec Bank Limited issued R100 million Other Additional Tier 1 floating rate notes on 15 December 2020. Interest is payable quarterly on 22 January, 22 April, 22 July and 22 October at a rate equal to the three-month JIBAR plus 4.85%. There is no maturity date but the issuer has the option to redeem on 22 January 2026 or any interest payment date thereafter. The interest is payable at the option of the issuer.

IV055U variable rate subordinated unsecured callable bonds

Investec Bank Limited issued R450 million Other Additional Tier 1 floating rate notes on 12 March 2021. Interest is payable quarterly on 12 March, 12 June, 12 September and 12 December at a rate equal to the three-month JIBAR plus 4.80%. There is no maturity date but the issuer has the option to redeem on 12 June 2026 or any interest payment date thereafter. The interest is payable at the option of the issuer.

IV056U variable rate subordinated unsecured callable bonds

Investec Bank Limited issued R600 million and R177 million Other Additional Tier 1 floating rate notes on 24 May 2021 and 29 July 2021. Interest is payable quarterly on 24 May, 24 August, 24 November and 24 February at a rate equal to the three-month JIBAR plus 4.40%. There is no maturity date but the issuer has the option to redeem on 24 August 2026 or any interest payment date thereafter. The interest is payable at the option of the issuer.

IV057U variable rate subordinated unsecured callable bonds

Investec Bank Limited issued R500 million and R100 million Other Additional Tier 1 floating rate notes on 6 December 2021 and 8 February 2022. Interest is payable quarterly on 6 March, 6 June, 6 September and 6 December at a rate equal to the three-month JIBAR plus 4.05%. There is no maturity date but the issuer has the option to redeem on 6 March 2027 or any interest payment date thereafter. The interest is payable at the option of the issuer.

IV061U variable rate subordinated unsecured callable bonds

Investec Bank Limited issued R500 million Other Additional Tier 1 floating rate notes on the 28 March 2023. Interest is payable quarterly on the 28 March, 28 June, 28 September and 28 December at a rate equal to the three-month JIBAR plus 3.40%. There is no maturity date but the issuer has the option to redeem on 28 June 2028 or any interest payment date thereafter. The interest is payable at the option of the issuer.

IV064U variable rate subordinated unsecured callable bonds

Investec Bank Limited issued R750 million Other Additional Tier 1 floating rate notes on the 14 December 2023. Interest is payable quarterly on the 14 March, 14 June, 14 September and 14 December at a rate equal to the three-month JIBAR plus 3.01%. There is no maturity date but the issuer has the option to redeem on 14 March 2029 or any interest payment date thereafter. The interest is payable at the option of the issuer.

44. Finance lease disclosures

	Group and Company		Group and Company	
	2024		2023	
At 31 March **R'million**	**Total future minimum payments**	**Present value**	Total future minimum payments	Present value
Finance lease receivables included in loans and advances to customers				
Lease receivables due in:				
Less than one year	1 831	1 482	618	537
One to two years	1 087	896	765	665
Two to three years	634	552	967	841
Three to four years	273	249	849	739
Four to five years	54	52	413	359
Greater than five years	—	—	—	—
	3 879	**3 231**	**3 612**	**3 141**
Unearned finance income	(648)		(471)	
Net investment in lease	**3 231**		**3 141**	

Included in interest income on the income statement is R413.3 million (2023: R329.5 million) from finance lease receivables.

Finance leases mainly relate to leases on equipment and vehicles. There were no unguaranteed residual values.

NOTES TO THE FINANCIAL STATEMENTS
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45. Notes to the cash flow statement

At 31 March R'million	Group 2024	Group 2023^	Company 2024	Company 2023^
Profit before taxation adjusted for non-cash, non-operating items and other required adjustments is derived as follows:				
Profit before taxation	9 714	8 587	8 303	7 332
Adjustment for non-cash, non-operating items and other required adjustments included in net income before taxation:				
Amortisation of acquired intangibles	13	51	—	—
Depreciation, amortisation and impairment on property, equipment, software and intangibles	311	335	302	329
Expected credit loss impairment (release)/charges	(163)	289	(177)	353
Share of post-taxation profit of associates	(3)	3	—	—
Impairment of goodwill	—	1	—	1
Impairment of subsidiaries	—	—	3	—
Dividends received from subsidiaries	—	—	(476)	(53)
Profit before taxation adjusted for non-cash, non-operating items and other required adjustments	**9 872**	**9 266**	**7 955**	**7 962**
Increase in operating assets				
Non-sovereign and non-bank cash placements	(1 113)	(1 247)	(1 113)	(946)
Loans and advances to banks	19	1 130	290	294
Reverse repurchase agreements and cash collateral on securities borrowed	(19 049)	6 306	(22 413)	10 562
Sovereign debt securities	(1 797)	(19 200)	(1 602)	(12 070)
Bank debt securities	7 268	12 051	7 705	12 388
Other debt securities	1 755	4 793	1 922	5 081
Derivative financial instruments	5 945	1 509	6 054	(2 626)
Securities arising from trading activities	(1 245)	(4 459)	(1 233)	(4 656)
Investment portfolio	(153)	(49)	(11)	58
Loans and advances to customers	(16 926)	(21 256)	(14 361)	(19 203)
Own originated loans and advances to customers securitised	(458)	1 240	—	—
Other loans and advances	1	107	1	141
Other securitised assets	—	—	—	—
Other assets	(3 150)	885	(2 954)	780
Investment properties	—	1	—	1
Loans to Group companies	5 729	(16 957)	5 979	(16 695)
Non-current assets classified as held for sale	—	498	—	498
	(23 174)	**(34 648)**	**(21 736)**	**(26 393)**
Increase in operating liabilities				
Deposits by banks	4 408	7 518	7 709	3 333
Derivative financial instruments	(4 361)	2 258	(4 384)	6 673
Other trading liabilities	5 031	616	4 986	616
Repurchase agreements and cash collateral on securities lent	1 708	5 802	1 692	4 900
Customer accounts (deposits)	(1 250)	24 999	(743)	19 794
Debt securities in issue	2 114	(263)	157	(820)
Liabilities arising on securitisation of own originated loans and advances	1 403	(991)	—	—
Other liabilities	706	82	453	707
Loans from Group companies	228	(354)	2 473	(1 197)
	9 987	**39 667**	**12 343**	**34 006**

^ Restated as per note 53.

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46. Commitments

At 31 March R'million	Group		Company	
	2024	2023	**2024**	2023
Undrawn facilities	79 852	75 917	74 504	71 831
	79 852	**75 917**	**74 504**	**71 831**

The Group has entered into forward foreign exchange contracts and loan commitments in the normal course of its banking business for which the fair value is recorded on-balance sheet.

At 31 March R'million	Carrying amount of pledged assets		Related liability	
	2024	2023	**2024**	2023
Group and Company				
Pledged assets				
Loans and advances to banks	—	266	—	267
Sovereign debt securities	11 044	11 823	9 528	9 071
Bank debt securities	998	1 106	1 072	1 069
Other debt securities	987	1 760	883	1 665
Securities arising from trading activities	2 263	3 608	2 263	3 608
Reverse repurchase agreements and cash collateral on securities borrowed	2 098	69	2 098	69
	17 390	**18 632**	**15 844**	**15 749**

The assets pledged by the Group are strictly for the purpose of providing collateral for the counterparty. To the extent that the counterparty is permitted to sell and/or repledge the assets, they are classified on the balance sheet as reverse repurchase agreements and cash collateral on securities borrowed.

47. Contingent liabilities and legal matters

At 31 March R'million	Group		Company	
	2024	2023	**2024**	2023
Guarantees and assets pledged as collateral security:				
Guarantees and irrevocable letters of credit	27 315	28 254	30 434	27 793
	27 315	**28 254**	**30 434**	**27 793**

The amounts shown above are intended only to provide an indication of the volume of business outstanding at the balance sheet date.

Guarantees are issued by Investec Bank Limited on behalf of third parties and other Group companies. The guarantees are issued as part of the banking business.

Legal and regulatory matters

The Group operates in a legal and regulatory environment that exposes it to legal, regulatory and litigation risks. As a result, the Group is involved in disputes, legal proceedings and is subject to enquiries and examinations, requests for information, audits, investigations and other proceedings by regulators and competition authorities which arise in the ordinary course of business. The Group evaluates all facts, the probability of the outcome of the proceedings and advice from internal and external legal counsel when considering accounting and regulatory implications. At the present time the Group does not expect the ultimate resolution of any of these ongoing regulatory reviews and other matters to have a material adverse effect on its financial position.

NOTES TO THE FINANCIAL STATEMENTS
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48. Related party transactions and balances

At 31 March R'million	Group and Company 2024	 2023
Transactions, balances, arrangements and agreements involving directors (including key management personnel) and connected persons:		
Particulars of transactions, balances, arrangements and agreements entered into by the Group with directors (including key management personnel) and connected persons and companies controlled by them, were as follows:		
Directors (including key management personnel) and connected persons and companies controlled by them		
Loans		
At the beginning of the year	236	267
Increase in loans	70	45
Decrease in loans	(51)	(76)
At the end of the year	**254**	**236**
Guarantees		
At the beginning of the year	2	2
Additional guarantees granted	—	1
Decrease in guarantees	(2)	—
Exchange adjustments	—	(1)
At the end of the year	**—**	**2**
Deposits		
At the beginning of the year	(146)	(137)
Increase in deposits	(30)	(56)
Decrease in deposits	71	48
Exchange adjustments	—	(1)
At the end of the year	**(105)**	**(146)**

The above transactions were made in the ordinary course of business and on substantially the same terms, including interest rates and security, as for comparable transactions with persons of a similar standing or where applicable, with other employees. The transactions did not involve more than the normal risk of repayment. None of these loans have been impaired.

For information on overall compensation to directors (including key management personnel), refer to note 55.

NOTES TO THE FINANCIAL STATEMENTS
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48. Related party transactions and balances (continued)

At 31 March R'million	Group and Company Investec plc and its subsidiaries 2024	2023	Company Investec Bank (Mauritius) and its subsidiaries 2024	2023
Amount relating to fellow subsidiaries				
Assets				
Loans and advances to banks	576	74	6	—
Reverse repurchase agreements and cash collateral on securities borrowed	—	443	—	—
Bank debt securities*	1 234	732	—	—
Other debt securities	—	—	4 804	4 501
Derivative financial instruments	2	78	110	95
Loans and advances to customers	164	140	—	—
Other assets	12	7	—	—
Liabilities				
Deposits from banks	13	94	411	493
Customer accounts (deposits)	—	—	—	—
Derivative financial instruments	—	10	60	100
Debt securities in issue	—	—	—	—
Other liabilities	85	134	19	15
Income statement				
Interest income	9	12	295	168*
Interest expense	4	17	21	28*
Trading expense	—	—	195	187*
Fee and commission income	—	—	31	24

* Restated.

In the normal course of business, services are rendered between Investec plc Group and Investec Bank Limited (IBL) entities. For the year to 31 March 2024, this resulted in a net payment by Investec plc Group of R612.0 million (2023: R445.8 million).

At 31 March R'million	2024	2023
Amounts relating to associates of the Investec Group**		
Interest income from loans to associates	—	45

* Investec Bank Limited holds Other additional Tier 1 notes issued by Investec plc.

** Following the restructure of the IEP Group in the prior year, in which IEP ceased to be classified as an investment in an associate, the Group no longer has amounts due from associates.

Due to the nature of the Group's business, there could be transactions with entities where some of the Group's directors may be mutual directors. These transactions are in the ordinary course of business and are on an arm's length basis.

For the year ended 31 March 2024, IBL issued IV064U Other Additional Tier 1 bonds to Investec Limited. These bonds are in addition to IV051U, IV052U, IV053U, IV055U, IV056U, IV057U and IV061U issued as at 31 March 2023. The value of these bonds at 31 March 2024 are R3.4 billion (2023: R2.6 billion). Refer to note 43 for terms related to these bonds.

For the year ended 31 March 2024, IBL issued IV062U and IV063U subordinated liability bonds to Investec Limited. These bonds are in addition to IV054U, IV058U, IV059U and IV060U issued to Investec Limited as at 31 March 2023. The value of these bonds at 31 March 2023 are R7.3 billion (2023: R5.8 billion). Refer to note 40 for terms related to these bonds.

For the year ended 31 March 2024, Investec Life Limited held R101 million (2023: R101 million) of debt security notes issued by IBL.

The above outstanding balances arose in the ordinary course of business and are on the same terms, including interest rates and security, as for comparable transactions with third party counterparties.

Refer to note 34 for loans to Group companies and loans from Group companies and subsidiaries and note 35 for loan advances to subsidiaries.

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49. Hedges

Fair value hedge accounting of interest rate risk

The Group uses interest rate swaps for the management of non-trading interest rate risk in the banking book. Interest rate risk arises from various fixed rate assets and liabilities, such as sovereign, bank and other debt securities, accounted for at either amortised cost or fair value through OCI, and subordinated debt. Interest rate swaps are used to swap fixed interest rates on certain designated assets and liabilities to variable interest rates. A detailed description of the management of non-trading interest rate risk is provided in note 56.

Where all the relevant criteria are met, interest rate swaps are designated as hedging instruments and hedge accounting is applied to remove the accounting mismatch between the interest rate swaps (hedging instrument) and the designated debt instruments (hedged item). The hedging relationships are designated for fair value variability arising from changes in the benchmark rate component of the underlying interest rate risk. The benchmark rate component of the underlying interest rate risk is measured from the relevant currency's interest rate swap curve.

The Group applies a blended approach whereby hedged items with a fixed interest rate are hedged by either entering into interest rate swaps with substantially matching terms, or substantially matching interest rate risk sensitivities. The economic relationship between the hedged item and hedging instrument is evident from either the extent of the matching of the critical terms such as the currency, nominal, reference rate and maturity of the hedged item and the hedging instrument, or the matching of the interest rate risk sensitivities of the hedging instrument to the hedged item. For relationships with matching terms, the hedge ratio will generally be 1:1 due to the matching of the notional amounts of the hedging instrument and hedged item. For others, the hedge ratio would depend on the terms of the hedging instrument struck to match the interest rate sensitivity of the hedged item.

Ineffectiveness may arise from:

- differences in the terms of the hedged item and the hedging instrument, such as the reference interest rate, notional amounts, maturity dates, reset/coupon or settlement dates
- the unwinding of the time value of money element relating to the fair value of the hedging instrument on designation date
- the once-off effects of interest rates reforms, as the changes to the reference rates of the hedging instrument and the related hedged item, if applicable, could take effect at different times.

Group and Company

Hedging instruments

At 31 March R'million	Notional value of hedging instrument	Fair value of hedging instrument – Assets	Fair value of hedging instrument – Liabilities	Change in fair value used to measure ineffectiveness for the year*
2024				
Interest rate swaps^	**32 741**	**1 212**	**(39)**	**192**
2023				
Interest rate swaps^	**47 078**	**1 092**	**(160)**	**1 157**

^ This is the financial instrument designated as a hedging instrument which is included within derivative financial instruments on the balance sheet.

Maturity analysis of hedging instruments

At 31 March R'million	Up to one month	One month to three months	Three months to six months	Six months to one year	One to five years	Greater than five years	Total
2024							
Interest rate swaps - notionals	—	—	100	227	15 600	16 814	**32 741**
2023							
Interest rate swaps - notionals	—	—	9 810	3 592	18 125	15 551	**47 078**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

49. Hedges (continued)

Hedged items

At 31 March R'million	2024 Carrying value	2024 Cumulative fair value adjustments	2024 Change in fair value used to measure ineffectiveness for the year*	2023 Carrying value	2023 Cumulative fair value adjustments	2023 Change in fair value used to measure ineffectiveness for the year*
Assets						
Sovereign debt securities	31 110	(1 167)	(169)	46 014	(999)	(985)
Bank debt securities	401	(4)	18	1 935	(22)	(49)
Other debt securities	1 201	(72)	(7)	1 140	(65)	(101)

* The changes in the fair value on the hedged items are Included in interest income and the changes in the fair value of the hedging instruments are included in trading income arising from customer flow in the income statement, resulting in a net amount of ineffectiveness of R34 million (2023: R22 million).

There are no accumulated fair value hedge adjustments for hedged items that have ceased to be adjusted for hedging gains and losses.

Maturity analysis of hedged items

At 31 March R'million	Up to one month	One month to three months	Three months to six months	Six months to one year	One to five years	Greater than five years	Total
2024							
Assets – notionals							
Sovereign debt securities	—	—	—	—	12 615	19 952	**32 567**
Bank debt securities	—	—	200	199	—	—	**399**
Other debt securities	—	45	—	—	1 492	—	**1 537**
2023							
Assets – notionals							
Sovereign debt securities	2 057	3 975	5 709	2 682	15 247	17 542	47 212
Bank debt securities	475	512	—	500	399	—	1 886
Other debt securities	—	—	—	—	957	535	1 492

The following table discloses the average interest rate of the hedging instrument included in the fair value hedging relationships.

	2024 Average ZAR rate interest rate risk	2024 Average foreign currency rate interest rate risk	2023 Average ZAR rate interest rate risk	2023 Average foreign currency rate interest rate risk
Interest rate swaps	8%	2%	8%	2%

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

50. Liquidity analysis of financial liabilities based on undiscounted cash flows

The balances in the tables below will not agree directly to the balances in the balance sheet as the table incorporates all cash flow on an undiscounted basis relating to both principal and those associated with all future coupon payments (except for trading liabilities and trading derivatives). Furthermore, loan commitments are generally not recognised on the balance sheet. Trading liabilities and trading derivatives have been included in the 'Demand' time bucket and not by contractual maturity because trading liabilities are typically held for short periods of time.

For an unaudited analysis based on discounted cash flows refer to page 178.

At 31 March R'million	Demand	Up to one month	One month to three months	Three months to six months	Six months to one year	One year to five years	Greater than five years	Total
Group								
2024								
Liabilities								
Deposits by banks	206	301	366	—	1 803	32 892	—	35 568
Derivative financial instruments	14 095	—	—	—	39	35	(8)	14 161
– held for trading	14 095	—	—	—	—	—	—	14 095
– held for hedging risk	—	—	—	—	39	35	(8)	66
Other trading liabilities	20 410	—	—	—	—	—	—	20 410
Repurchase agreements and cash collateral on securities lent	7 200	4 511	1 077	45	2 642	4 957	—	20 432
Customer accounts (deposits)	223 792	40 840	57 124	33 764	40 170	66 409	3 993	466 092
Debt securities in issue	—	424	23	720	618	3 745	—	5 530
Liabilities arising on securitisation of own originated loans and advances	—	8	153	159	310	2 089	4 066	6 785
Other liabilities	1 825	123	502	130	163	522	138	3 403
Loans from Group companies	940	—	—	—	—	—	—	940
Subordinated liabilities	—	13	116	116	233	8 447	—	8 925
Total on-balance sheet liabilities	**268 468**	**46 220**	**59 361**	**34 934**	**45 978**	**119 096**	**8 189**	**582 246**
Contingent liabilities	4 641	457	704	1 732	7 602	17 651	352	33 139
Commitments	8 349	991	10 957	3 072	5 795	17 976	32 712	79 852
Total liabilities	**281 458**	**47 668**	**71 022**	**39 738**	**59 375**	**154 723**	**41 253**	**695 237**

At 31 March R'million	Demand	Up to one month	One month to three months	Three months to six months	Six months to one year	One year to five years	Greater than five years	Total
Group								
2023^								
Liabilities								
Deposits by banks	613	848	956	478	220	25 026	23	28 164
Derivative financial instruments	18 143	—	—	1	29	216	(24)	18 365
– held for trading	18 143	—	—	—	—	—	—	18 143
– held for hedging risk	—	—	—	1	29	216	(24)	222
Other trading liabilities	15 379	—	—	—	—	—	—	15 379
Repurchase agreements and cash collateral on securities lent	3 710	18	5 581	1 272	1 061	7 534	57	19 233
Customer accounts (deposits)	214 350	34 667	50 928	35 041	47 675	81 745	7 927	472 333
Debt securities in issue	—	200	131	242	913	1 500	—	2 986
Liabilities arising on securitisation of own originated loans and advances	—	46	112	113	221	1 574	2 556	4 622
Other liabilities	1 202	124	446	460	166	493	97	2 988
Loans from Group companies	712	—	—	—	—	—	—	712
Subordinated liabilities	—	667	74	74	1 477	6 534	—	8 826
Total on-balance sheet liabilities	**254 109**	**36 570**	**58 228**	**37 681**	**51 762**	**124 622**	**10 636**	**573 608**
Contingent liabilities	4 654	—	1 989	1 212	4 728	15 369	1 185	29 137
Commitments	6 662	890	10 612	2 167	4 150	21 179	30 257	75 917
Total liabilities	**265 425**	**37 460**	**70 829**	**41 060**	**60 640**	**161 170**	**42 078**	**678 662**

^ Restated as per note 53.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

50. Liquidity analysis of financial liabilities based on undiscounted cash flows (continued)

At 31 March R'million	Demand	Up to one month	One month to three months	Three months to six months	Six months to one year	One year to five years	Greater than five years	Total
Company								
2024								
Liabilities								
Deposits by banks	206	301	—	—	1 803	31 765	—	34 075
Derivative financial instruments	14 107	—	—	—	1	26	(8)	14 126
– held for trading	14 107	—	—	—	—	—	—	14 107
– held for hedging risk	—	—	—	—	1	26	(8)	19
Other trading liabilities	20 365	—	—	—	—	—	—	20 365
Repurchase agreements and cash collateral on securities lent	7 200	4 511	39	45	2 642	4 957	—	19 394
Customer accounts (deposits)	211 969	35 591	52 937	30 595	38 257	66 302	3 993	439 644
Debt securities in issue	—	410	20	529	453	47	—	1 459
Other liabilities	1 731	54	437	128	156	481	99	3 086
Loans from Group companies	7 192	—	—	—	—	—	—	7 192
Subordinated liabilities	—	13	116	116	233	8 447	—	8 925
Total on-balance sheet liabilities	**262 770**	**40 880**	**53 549**	**31 413**	**43 545**	**112 025**	**4 084**	**548 266**
Contingent liabilities	4 641	457	693	1 616	7 585	17 633	352	32 977
Commitments	8 349	598	10 094	2 092	4 853	15 963	32 555	74 504
Total liabilities	**275 760**	**41 935**	**64 336**	**35 121**	**55 983**	**145 621**	**36 991**	**655 747**

At 31 March R'million	Demand	Up to one month	One month to three months	Three months to six months	Six months to one year	One year to five years	Greater than five years	Total
Company								
2023^								
Liabilities								
Deposits by banks	613	488	56	21	220	22 187	23	23 608
Derivative financial instruments	18 156	—	—	1	29	187	(24)	18 349
– held for trading	18 156	—	—	—	—	—	—	18 156
– held for hedging risk	—	—	—	1	29	187	(24)	193
Other trading liabilities	15 379	—	—	—	—	—	—	15 379
Repurchase agreements and cash collateral on securities lent	3 710	18	4 630	1 272	1 061	7 534	57	18 282
Customer accounts (deposits)	199 539	31 595	46 198	33 943	46 235	81 742	7 927	447 179
Debt securities in issue	—	196	128	108	873	1	—	1 306
Other liabilities	1 268	87	386	451	166	451	97	2 906
Loans from Group companies	4 719	—	—	—	—	—	—	4 719
Subordinated liabilities	—	667	74	74	1 477	6 534	—	8 826
Total on-balance sheet liabilities	**243 384**	**33 051**	**51 472**	**35 870**	**50 061**	**118 636**	**8 080**	**540 554**
Contingent liabilities	4 654	—	1 982	1 184	4 423	15 266	1 167	28 676
Commitments	6 662	29	10 366	1 680	3 857	19 188	30 049	71 831
Total liabilities	**254 700**	**33 080**	**63 820**	**38 734**	**58 341**	**153 090**	**39 296**	**641 061**

^ Restated as per note 53.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

51. Offsetting

	Amounts subject to enforceable netting arrangements				
	Effects of offsetting on-balance sheet			Related amounts not offset#	
At 31 March R'million	Gross amounts	Amounts offset	**Net amounts reported on the balance sheet**	Financial instruments (including non-cash collateral)	**Net amount**
Group					
2024					
Assets					
Cash and balances at central banks	14 795	—	14 795	—	14 795
Loans and advances to banks	9 556	(1 805)	7 751	—	7 751
Non-sovereign and non-bank cash placements	10 818	—	10 818	—	10 818
Reverse repurchase agreements and cash collateral on securities borrowed	78 347	(995)	77 352	(2 098)	75 254
Sovereign debt securities	72 142	—	72 142	(11 044)	61 098
Bank debt securities	8 297	—	8 297	(998)	7 299
Other debt securities	10 271	—	10 271	(987)	9 284
Derivative financial instruments	17 213	(7 225)	9 988	—	9 988
Securities arising from trading activities	7 980	—	7 980	(2 263)	5 717
Loans and advances to customers	335 120	—	335 120	—	335 120
Own originated loans and advances to customers securitised	6 446	—	6 446	—	6 446
Investment portfolio	3 085	—	3 085	—	3 085
Other assets	9 240	—	9 240	—	9 240
	583 310	**(10 025)**	**573 285**	**(17 390)**	**555 895**
Liabilities					
Deposits by banks	37 562	(6 497)	31 065	—	31 065
Derivative financial instruments	16 705	(2 533)	14 172	—	14 172
Other trading liabilities	20 410	—	20 410	—	20 410
Repurchase agreements and cash collateral on securities lent	20 701	(995)	19 706	(15 844)	3 862
Customer accounts (deposits)	448 635	—	448 635	—	448 635
Debt securities in issue	4 715	—	4 715	—	4 715
Liabilities arising on securitisation of own originated loans and advances	4 997	—	4 997	—	4 997
Other liabilities	7 975	—	7 975	—	7 975
Subordinated liabilities	7 283	—	7 283	—	7 283
	568 983	**(10 025)**	**558 958**	**(15 844)**	**543 114**

The Group enters into derivatives and repurchase and reverse repurchase agreements with various counterparties which are governed by industry standard master netting agreements. The Group holds and provides cash and securities collateral in respect of derivatives transactions covered by these agreements. The right to set off balances under these master netting agreements or to set off cash and securities collateral only arises in the event of non-payment or default and, as a result, these arrangements do not qualify for offsetting under IAS 32.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

51. Offsetting (continued)

At 31 March R'million	Amounts subject to enforceable netting arrangements: Effects of offsetting on-balance sheet – Gross amounts	Amounts offset	Net amounts reported on the balance sheet	Related amounts not offset[#] – Financial instruments (including non-cash collateral)	Net amount
Group					
2023^					
Assets					
Cash and balances at central banks	22 761	—	22 761	—	22 761
Loans and advances to banks	14 772	(4 270)	10 502	(266)	10 236
Non-sovereign and non-bank cash placements	9 705	—	9 705	—	9 705
Reverse repurchase agreements and cash collateral on securities borrowed	58 908	(992)	57 916	(69)	57 847
Sovereign debt securities	69 833	—	69 833	(11 823)	58 010
Bank debt securities	15 496	—	15 496	(1 106)	14 390
Other debt securities	11 676	—	11 676	(1 760)	9 916
Derivative financial instruments	22 820	(6 858)	15 962	(3 301)	12 661
Securities arising from trading activities	6 735	—	6 735	(3 608)	3 127
Loans and advances to customers	316 592	—	316 592	—	316 592
Own originated loans and advances to customers securitised	5 988	—	5 988	—	5 988
Other loans and advances	1	—	1	—	1
Investment portfolio	2 926	—	2 926	—	2 926
Other assets	6 175	—	6 175	—	6 175
	564 388	**(12 120)**	**552 268**	**(21 933)**	**530 335**
Liabilities					
Deposits by banks	29 948	(3 528)	26 420	—	26 420
Derivative financial instruments	26 131	(7 600)	18 531	(3 301)	15 230
Other trading liabilities	15 379	—	15 379	—	15 379
Repurchase agreements and cash collateral on securities lent	18 925	(992)	17 933	(15 749)	2 184
Customer accounts (deposits)	448 171	—	448 171	—	448 171
Debt securities in issue	2 585	—	2 585	—	2 585
Liabilities arising on securitisation of own originated loans and advances	3 594	—	3 594	—	3 594
Other liabilities	6 928	—	6 928	—	6 928
Subordinated liabilities	7 748	—	7 748	—	7 748
	559 409	**(12 120)**	**547 289**	**(19 050)**	**528 239**

^ Restated as per note 53.

[#] The Group enters into derivatives and repurchase and reverse repurchase agreements with various counterparties which are governed by industry standard master netting agreements. The Group holds and provides cash and securities collateral in respect of derivatives transactions covered by these agreements. The right to set off balances under these master netting agreements or to set off cash and securities collateral only arises in the event of non-payment or default and, as a result, these arrangements do not qualify for offsetting under IAS 32.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

51. Offsetting (continued)

	Amounts subject to enforceable netting arrangements				
	Effects of offsetting on-balance sheet			Related amounts not offset#	
At 31 March R'million	Gross amounts	Amounts offset	Net amounts reported on the balance sheet	Financial instruments (including non-cash collateral)	Net amount
Company					
2024					
Assets					
Cash and balances at central banks	14 371	—	14 371	—	14 371
Loans and advances to banks	4 750	(1 805)	2 945	—	2 945
Non-sovereign and non-bank cash placements	10 818	—	10 818	—	10 818
Reverse repurchase agreements and cash collateral on securities borrowed	75 106	(995)	74 111	(2 098)	72 013
Sovereign debt securities	63 942	—	63 942	(11 044)	52 898
Bank debt securities	6 872	—	6 872	(998)	5 874
Other debt securities	8 660	—	8 660	(987)	7 673
Derivative financial instruments	17 190	(7 225)	9 965	—	9 965
Securities arising from trading activities	7 851	—	7 851	(2 263)	5 588
Loans and advances to customers	316 757	—	316 757	—	316 757
Investment portfolio	2 515	—	2 515	—	2 515
Other assets	9 049	—	9 049	—	9 049
	537 881	**(10 025)**	**527 856**	**(17 390)**	**510 466**
Liabilities					
Deposits by banks	36 235	(6 497)	29 738	—	29 738
Derivative financial instruments	16 664	(2 533)	14 131	—	14 131
Other trading liabilities	20 365	—	20 365	—	20 365
Repurchase agreements and cash collateral on securities lent	19 678	(995)	18 683	(15 844)	2 839
Customer accounts (deposits)	422 383	—	422 383	—	422 383
Debt securities in issue	1 402	—	1 402	—	1 402
Other liabilities	7 572	—	7 572	—	7 572
Subordinated liabilities	7 283	—	7 283	—	7 283
	531 582	**(10 025)**	**521 557**	**(15 844)**	**505 713**

The Group enters into derivatives and repurchase and reverse repurchase agreements with various counterparties which are governed by industry standard master netting agreements. The Group holds and provides cash and securities collateral in respect of derivatives transactions covered by these agreements. The right to set off balances under these master netting agreements or to set off cash and securities collateral only arises in the event of non-payment or default and, as a result, these arrangements do not qualify for offsetting under IAS 32.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

51. Offsetting (continued)

	Amounts subject to enforceable netting arrangements				
	Effects of offsetting on-balance sheet			Related amounts not offset#	
At 31 March **R'million**	Gross amounts	Amounts offset	**Net amounts reported on the balance sheet**	Financial instruments (including non-cash collateral)	**Net amount**
Company					
2023^					
Assets					
Cash and balances at central banks	22 159	—	22 159	—	22 159
Loans and advances to banks	8 290	(4 270)	4 020	(266)	3 754
Non-sovereign and non-bank cash placements	9 705	—	9 705	—	9 705
Reverse repurchase agreements and cash collateral on securities borrowed	52 690	(992)	51 698	(69)	51 629
Sovereign debt securities	62 437	—	62 437	(11 823)	50 614
Bank debt securities	14 577	—	14 577	(1 106)	13 471
Other debt securities	10 327	—	10 327	(1 760)	8 567
Derivative financial instruments	22 818	(6 858)	15 960	(3 301)	12 659
Securities arising from trading activities	6 618	—	6 618	(3 608)	3 010
Loans and advances to customers	302 206	—	302 206	—	302 206
Other loans and advances	1	—	1	—	1
Investment portfolio	2 504	—	2 504	—	2 504
Other assets	6 189	—	6 189	—	6 189
	520 521	**(12 120)**	**508 401**	**(21 933)**	**486 468**
Liabilities					
Deposits by banks	25 580	(3 528)	22 052	—	22 052
Derivative financial instruments	26 115	(7 600)	18 515	(3 301)	15 214
Other trading liabilities	15 379	—	15 379	—	15 379
Repurchase agreements and cash collateral on securities lent	17 983	(992)	16 991	(15 749)	1 242
Customer accounts (deposits)	423 126	—	423 126	—	423 126
Debt securities in issue	1 245	—	1 245	—	1 245
Other liabilities	6 827	—	6 827	—	6 827
Subordinated liabilities	7 748	—	7 748	—	7 748
	524 003	**(12 120)**	**511 883**	**(19 050)**	**492 833**

^ Restated as per note 53.
# The Group enters into derivatives and repurchase and reverse repurchase agreements with various counterparties which are governed by industry standard master netting agreements. The Group holds and provides cash and securities collateral in respect of derivatives transactions covered by these agreements. The right to set off balances under these master netting agreements or to set off cash and securities collateral only arises in the event of non-payment or default and, as a result, these arrangements do not qualify for offsetting under IAS 32.

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CONTINUED

52. Derecognition

Transfer of financial assets that do not result in derecognition

Investec Bank Limited has been party to securitisation transactions whereby assets continue to be recognised on-balance sheet (either fully or partially) although they have been subject to legal transfer to another entity. Securitisations may, depending on the individual arrangement, result in continued recognition of the securitised assets and the recognition of the debt securities issued in the transaction.

	2024		2023	
At 31 March R'million	**Carrying amount of assets that are continued to be recognised**	**Carrying amount of associated liabilities**	Carrying amount of assets that are continued to be recognised	Carrying amount of associated liabilities
Company				
No derecognition achieved				
Loans and advances to customers	6 446	6 446	5 988	5 988
	6 446	**6 446**	**5 988**	**5 988**

All the above derecognised assets in the Company relate to Fox Street 1 (RF) Limited, Fox Street 2 (RF) Limited, Fox Street 3 (RF) Limited, Fox Street 4 (RF) Limited, Fox Street 5 (RF) Limited, Fox Street 6 (RF) Limited, Fox Street 7 (RF) Limited, Grayston Drive Autos (RF) Limited and Richefond Circle (RF) Limited.

For transfer of assets in relation to repurchase agreements see note 18 and note 46.

53. Restatements

Balance sheet, cash flow statement and statement of total comprehensive income restatements

Non-sovereign and non-bank cash placements and loans and advances to customers

Change in classification from non-sovereign and non-bank cash placements to loans and advances to customers

Following a revision of management's internal policies defining the instruments to be included as non-sovereign and non-bank cash placements and loans and advances, management concluded that R4 428 million (March 2022: R4 718 million) previously classified in 'non-sovereign and non-bank cash placements' should be disclosed within 'loans and advances to customers' (based on the revised policies). The change in classification is considered more relevant on the basis that certain short term facilities to small and medium enterprises are better reflected as loans and advances to customers as it forms part of the funding strategy of these clients. The comparative balance sheets have been restated for the reclassification. This change has no impact on the income statements or statements of changes in equity.

Restatement of non-sovereign and non-bank cash placements in the cash flow statement

'Non-sovereign and non-bank cash placements' amounting to R14 133 million net of ECL of R50 million (March 2022: R13 176 net of ECL R33 million) were previously classified as cash and cash equivalents for the purposes of the cash flow statement. Management concluded that whilst these balances are available on demand, the nature of these products and the underlying credit risk more closely aligns with operating cash flow rather than cash and cash equivalents. The comparative cash flow statement has been restated to more appropriately reflect the nature of these balances. This change has no impact on the income statements, balance sheets or statements of changes in equity.

Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments

It was identified that the application of hedge accounting (cash flow and fair value hedging) applied in prior years, for certain portfolios within Investec Bank Limited, did not meet the requirements to apply hedge accounting under IAS 39 Financial Instruments: Recognition and Measurement. It was further identified that certain financial instruments were incorrectly fair valued.

Accordingly, the related 'cash flow hedge reserve' and 'fair value reserve' totalling R1.4 billion (March 2022: R1.9 billion) have been restated retrospectively to 'retained income'. In addition, certain fair value hedge adjustments made in the balance sheet to hedged items (R523 million (March 2022: R89 million)) have been reversed to 'retained income' and the valuation of a specific portfolio of fair value instruments was corrected to 'retained income'. These adjustments resulted in a reduction of taxable income for certain prior periods to which these matters relate to and resulted in a reduction in 'current taxation liabilities' of R294 million (March 2022: R284 million) recognised against 'retained income' for the recovery of those income taxes. The associated deferred taxation of R529 million (March 2022: R684 million) previously raised on the cash flow hedge reserve was also derecognised. All changes were retrospectively restated. These changes have no impact on the cash flow statement.

This restatement was previously presented in the 30 September 2023 interim results and has subsequently been revised for purposes of 31 March 2024 reporting to accurately reflect the impact of this matter. As a result, the comparative interim period in the 30 September 2024 interim financial statements will be restated when they are published.

The income statements impacts are disclosed in the income statement restatement section.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

53. Restatements (continued)

Gross-down of balance sheet lines

Capital guarantee products

Investec Bank Limited traded a capital guarantee product with clients with Investec Markets Limited. The traded positions were incorrectly duplicated and booked on a gross basis to 'loans to Group companies' and 'derivative financial instruments'. The capital guarantee represents a single derivative contract that should be accounted for on a net basis in 'derivative financial instruments' liabilities. An amount of R844 million (March 2022: R661 million) in the Group and R685 million (March 2022: R661 million) in the Company, was accordingly adjusted downwards in 'loans to Group companies' and 'derivative financial instruments' to reflect a net derivative position. The comparative balance sheets have been restated. This change has no impact on the income statement, cash flow statement (other than the consequential impact on operating assets and operating liabilities, due to the changes in the balance sheet line items) or statement of changes in equity.

Gross down of other securitised assets and customer accounts (deposits)

Investec Bank Limited consolidates securitisation vehicles. The cash held by the vehicles was considered by management to be restricted cash and was separately accounted for in the Group as 'customer accounts (deposits)' with the corresponding entry in 'other securitised assets'. Following a re-assessment of the current treatment, it was concluded that the accounting treatment should be revised. Accordingly, an amount of R547 million (March 2022: R592 million) was adjusted downwards on each line. This change has no impact on the income statements, cash flow statements (other than the consequential impact on operating assets and operating liabilities, due to the changes in the balance sheet line items) or statements of changes in equity.

Reclassifications

Reclassification of a reverse repurchase agreement

Investec Bank Limited purchased listed bond positions and entered into a future sale agreement to sell the positions back to the same counterparty at a fixed price. The bond and the forward purchase were incorrectly accounted for in 'sovereign debt securities' and 'derivative financial instruments' asset respectively. The two separate positions of R7.9 billion (March 2022: R7.3 billion) were reclassified to 'reverse repurchase agreements and cash collateral on securities borrowed' to reflect a collateralised lending transaction. The comparative balance sheets have been restated. This change has no impact on the income statement, cash flow statement (other than the consequential impact on operating assets and operating liabilities, due to the changes in the balance sheet line items) or statement of changes in equity.

Reclassification of fully funded trading positions

Investec Limited enters into fully funded credit and equity linked trading positions with clients. The positions were incorrectly accounted for as a derivative as a fully funded position does not meet the definition of a derivative as per IFRS 9 Financial Instruments. R13.9 billion (March 2022: R11.5 billion) was reclassified from 'derivative financial instruments' liabilities to 'other trading liabilities'. The comparative balance sheets have been restated. This change has no impact on the income statement, cash flow statement (other than the consequential impact on operating assets and operating liabilities, due to the changes in the balance sheet line items) or statement of changes in equity.

Group

The impact of these changes on the 31 March 2023 and 31 March 2022 Group balance sheets are:

R'million	At 31 March 2023 as previously reported	Change in classification from non-sovereign and non-bank cash placements to loans and advances to customers	Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments	Gross-down of balance sheet lines	Reclassifications	At 31 March 2023 restated
Assets						
Non-sovereign and non-bank cash placements	14 133	(4 428)	—	—	—	9 705
Reverse repurchase agreements and cash collateral on securities borrowed	49 995	—	—	—	7 921	57 916
Sovereign debt securities	77 456	—	—	—	(7 623)	69 833
Bank debt securities	16 019	—	(523)	—	—	15 496
Derivative financial instruments	16 449	—	—	—	(487)	15 962
Loans and advances to customers	312 164	4 428	—	—	—	316 592
Other securitised assets	547	—	—	(547)	—	—
Deferred taxation assets	2 077	—	(529)	—	—	1 548
Other assets	6 334	—	—	(159)	—	6 175
Loans to Group companies	37 760	—	—	(685)	—	37 075
Total assets	597 174	—	(1 052)	(1 391)	(189)	594 542
Liabilities						
Derivative financial instruments	33 242	—	—	(685)	(14 026)	18 531
Other trading liabilities	1 542	—	—	—	13 837	15 379
Customer accounts (deposits)	448 718	—	—	(547)	—	448 171
Current taxation liabilities	848	—	(294)	—	—	554
Other liabilities	7 087	—	—	(159)	—	6 928
Total liabilities	550 448	—	(294)	(1 391)	(189)	548 574
Equity						
Other reserves	2 910	—	1 429	—	—	4 339
Retained income	26 824	—	(2 187)	—	—	24 637
Total equity	46 726	—	(758)	—	—	45 968

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

53. Restatements (continued)

R'million	At 31 March 2022 as previously reported	Change in classification from non-sovereign and non-bank cash placements to loans and advances to customers	Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments	Gross-down of balance sheet lines	Reclassifications	At 31 March 2022 restated
Assets						
Non-sovereign and non-bank cash placements	13 176	(4 718)	—	—	—	8 458
Reverse repurchase agreements and cash collateral on securities borrowed	56 437	—	—	—	7 284	63 721
Sovereign debt securities	57 380	—	—	—	(7 161)	50 219
Bank debt securities	27 955	—	89	—	—	28 044
Derivative financial instruments	17 144	—	—	—	(134)	17 010
Loans and advances to customers	287 529	4 718	—	—	—	292 247
Other securitised assets	592	—	—	(592)	—	—
Deferred taxation assets	2 255	—	(684)	—	—	1 571
Loans to Group companies	21 489	—	—	(661)	—	20 828
Total assets	554 723	—	(595)	(1 253)	(11)	552 864
Liabilities						
Derivative financial instruments	28 398	—	—	(661)	(11 465)	16 272
Other trading liabilities	3 309	—	—	—	11 454	14 763
Customer accounts (deposits)	420 072	—	—	(592)	—	419 480
Current taxation liabilities	557	—	(284)	—	—	273
Total liabilities	507 883	—	(284)	(1 253)	(11)	506 335
Equity						
Other reserves	1 017	—	1 850	—	—	2 867
Retained income	28 981	—	(2 161)	—	—	26 820
Total equity	46 840	—	(311)	—	—	46 529

The impact of the above changes on the 31 March 2023 Group cash flow statements is:

R'million	At 31 March 2023 as previously reported	Change in classification from non-sovereign and non-bank cash placements to loans and advances to customers	At 31 March 2023 restated
Net cash inflow/(outflow) from operating activities	13 700	(974)	12 726
Cash and cash equivalents at the beginning of the year	42 027	(13 209)	28 818
Cash and cash equivalents at the end of the year	45 480	(14 183)	31 297

The impact of the above changes on the 31 March 2023 Group statement of total comprehensive income is:

R'million	At 31 March 2023 as previously reported	Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments	At 31 March 2023 restated
Fair value movements on cash flow hedges taken directly to other comprehensive income	271	(358)	(87)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	121	(89)	32
Total comprehensive income	8 552	(447)	8 105

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

53. Restatements (continued)

Company

The impact of these changes on the 31 March 2023 and 31 March 2022 Company balance sheet is:

R'million	At 31 March 2023 as previously reported	Change in classification from non-sovereign and non-bank cash placements to loans and advances to customers	Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments	Gross-down of balance sheet lines	Reclassifications	**At 31 March 2023 restated**
Assets						
Non-sovereign and non-bank cash placements	14 133	(4 428)	—	—	—	9 705
Reverse repurchase agreements and cash collateral on securities borrowed	43 777	—	—	—	7 921	51 698
Sovereign debt securities	70 060	—	—	—	(7 623)	62 437
Bank debt securities	15 100	—	(523)	—	—	14 577
Derivative financial instruments	16 447	—	—	—	(487)	15 960
Loans and advances to customers	297 778	4 428	—	—	—	302 206
Deferred taxation assets	2 056	—	(529)	—	—	1 527
Loans to Group companies	36 021	—	—	(685)	—	35 336
Total assets	555 983	—	(1 052)	(685)	(189)	554 057
Liabilities						
Derivative financial instruments	33 226	—	—	(685)	(14 026)	18 515
Other trading liabilities	1 542	—	—	—	13 837	15 379
Current taxation liabilities	743	—	(294)	—	—	449
Total liabilities	518 219	—	(294)	(685)	(189)	517 051
Equity						
Other reserves	(1 329)	—	1 429	—	—	100
Retained income	22 101	—	(2 187)	—	—	19 914
Total equity	37 764	—	(758)	—	—	37 006

R'million	At 31 March 2022 as previously reported	Change in classification from non-sovereign and non-bank cash placements to loans and advances to customers	Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments	Gross-down of balance sheet lines	Reclassifications	**At 31 March 2022 restated**
Assets						
Non-sovereign and non-bank cash placements	13 477	(4 718)	—	—	—	8 759
Reverse repurchase agreements and cash collateral on securities borrowed	54 976	—	—	—	7 284	62 260
Sovereign debt securities	57 380	—	—	—	(7 161)	50 219
Bank debt securities	27 488	—	89	—	—	27 577
Derivative financial instruments	17 139	—	—	—	(134)	17 005
Loans and advances to customers	278 637	4 718	—	—	—	283 355
Deferred taxation assets	2 227	—	(684)	—	—	1 543
Loans to Group companies	19 538	—	—	(661)	—	18 877
Total assets	529 934	—	(595)	(661)	(11)	528 667
Liabilities						
Derivative financial instruments	28 085	—	—	(661)	(11 465)	15 959
Other trading liabilities	3 309	—	—	—	11 454	14 763
Current taxation liabilities	525	—	(284)	—	—	241
Total liabilities	489 563	—	(284)	(661)	(11)	488 607
Equity						
Other reserves	(1 699)	—	1 850	—	—	151
Retained income	25 228	—	(2 161)	—	—	23 067
Total equity	40 371	—	(311)	—	—	40 060

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

53. Restatements (continued)

The impact of the above changes on the 31 March 2023 Company cash flow statements is:

R'million	At 31 March 2023 as previously reported	Change in classification from non-sovereign and non-bank cash placements to loans and advances to customers	**At 31 March 2023 restated**
Net cash inflow/(outflow) from operating activities	14 822	(673)	14 149
Cash and cash equivalents at the beginning of the year	36 637	(13 510)	23 127
Cash and cash equivalents at the end of the year	40 078	(14 183)	25 895

The impact of the above changes on the 31 March 2023 and 31 March 2022 Company statement of total comprehensive income is:

R'million	At 31 March 2023 as previously reported	Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments	**At 31 March 2023 restated**
Fair value movements on cash flow hedges taken directly to other comprehensive income	260	(358)	(98)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	167	(89)	78
Total comprehensive income	6 061	(447)	5 614

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

53. Restatements (continued)

Income statement restatements

Fee and commission expense and operating costs

Management identified that R146 million of costs relating to fee and commission income previously reported in operating costs, would be more appropriately disclosed within fee and commission expense, due to the nature of these costs. As a result, fee and commission expense and operating costs for the prior periods have been voluntarily restated, in the Group and Company. The restatement has no impact on operating profit in the income statement, headline earnings, the cash flow statement and balance sheet.

Reclassifications between interest income, interest expense and trading income/(loss)

The interest consequences of certain financial instrument liabilities were incorrectly accounted for in the interest income line rather than the interest expense line. This resulted in a reclassification of 'interest income' of R752 million to 'interest expense', in the Group and Company.

Fair value adjustments on certain derivative instruments, not formally designated in a hedge relationship, were accounted for in either 'interest income' or 'interest expense'. The fair value adjustments of R36 million were reclassified to 'trading income arising from customer flow' in the Group.

In addition, realised cash flows on interest rate swaps (formally designated in a hedge relationship) were incorrectly grossed up and separately recognised as 'interest income' and 'interest expense'. The two lines were appropriately reduced for the gross cash flows, and the net movement of R128 million was accounted for in either 'interest income' or 'interest expense' (depending if it was an asset or liability being hedged) in the Group.

Interest expense between related parties was incorrectly netted in the 'interest income' and 'interest expense' line items. The respective lines were increased by R333 million in the Group. 'Interest income' and 'interest expense' was incorrectly grossed up for certain related parties single facilities and has therefore been decreased by R625 million in the Company to reflect the correct position.

Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments

As described above in terms of the balance sheet restatements, it was identified that the application of hedge accounting (cash flow and fair value hedging) applied in prior years, for certain portfolios within Investec Bank Limited, did not meet the requirements to apply hedge accounting under IAS 39 Financial Instruments: Recognition and Measurement.

As a result of not qualifying to apply hedge accounting, adjustments previously made to 'interest income' of R587 million have been reclassified to 'trading income/(loss) arising from customer flow', in the Group and Company.

Group

The impact of the above changes on the 31 March 2023 Group income statements is:

R'million	At 31 March 2023 as previously reported	Fee and commission expense and operating costs reclassification	Reclassifications between interest income, interest expense and trading income/ (loss)	Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments	**At 31 March 2023 restated**
Interest income	38 112	—	1 213	(587)	38 738
Interest expense	(25 347)	—	(1 177)	—	(26 524)
Fee and commission expense	(728)	(146)	—	—	(874)
Trading income/(loss) arising from customer flow	597	—	(36)	587	1 148
Operating costs	(8 126)	146	—	—	(7 980)

Company

The impact of the above changes on the 31 March 2023 Company income statements is:

R'million	At 31 March 2023 as previously reported	Fee and commission expense and operating costs reclassification	Reclassifications between interest income, interest expense and trading income/ (loss)	Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments	**At 31 March 2023 restated**
Interest income	37 120	—	127	(587)	36 660
Interest expense	(25 412)	—	(127)	—	(25 539)
Fee and commission expense	(698)	(146)	—	—	(844)
Trading income/(loss) arising from customer flow	397	—	—	587	984
Operating costs	(7 829)	146	—	—	(7 683)

54. Events after the reporting period

In the ordinary course of business, events may occur that influence the credit quality of loans and advances. At the date of this report, we have concluded that no changes are required to our ECL provisions or there is insufficient new information available since 31 March 2024 of any conditions which existed at the balance sheet date to reliably estimate any adjustments to these ECL provisions.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

55. Directors' remuneration

The following disclosures are those required by the Companies Act in respect of remuneration of directors and prescribed officers.

Directors' annual remuneration

R'000	Salaries, directors' fees and other remuneration 2024	Annual bonus 2024	Long-term incentive 2024	Total remuneration expense 2024	Salaries, directors' fees and other remuneration 2023	Annual bonus 2023	Long-term incentive 2023	Total remuneration expense 2023
Executive Directors and Prescribed officers								
Richard Wainwright (Chief Executive)[1,2,3]	21 073	21 658	33 150	75 881	15 249	20 104	37 197	72 550
Fani Titi[1]	13 970	16 958	31 341	62 269	12 450	16 038	49 125	77 613
Rupesh Govan[4]	3 735	6 000	4 207	13 942	2 400	3 180	—	5 580
Total	**38 778**	**44 616**	**68 698**	**152 092**	**30 099**	**39 322**	**86 322**	**155 743**
Non-Executive Directors								
Philip Hourquebie(New Chair)[5]	6 548	—	—	6 548	4 792	—	—	4 792
Khumo Shuenyane (Ex-Chair)[6,7]	1 799	—	—	1 799	5 155	—	—	5 155
Zarina Bassa[8]	4 804	—	—	4 804	3 749	—	—	3 749
Morris Mthombeni	1 023	—	—	1 023	942	—	—	942
Vanessa Olver	2 551	—	—	2 551	1 910	—	—	1 910
Mvuleni G Qhena	1 178	—	—	1 178	1 126	—	—	1 126
Diane Radley[9]	146	—	—	146	—	—	—	—
Total	**18 049**	**—**	**—**	**18 049**	**17 674**	**—**	**—**	**17 674**
Total	**56 827**	**44 616**	**68 698**	**170 141**	**47 773**	**39 322**	**86 322**	**173 417**

The above disclosure includes all remuneration for the Executive and Non-Executive Directors for work performed in Investec Bank Limited. This includes remuneration earned for services provided to Investec Limited and its subsidiaries including Investec Bank Limited. This disclosure is in accordance with the South African Companies Act, Section 30. The remuneration disclosed reflects the portion of the Executive Directors' remuneration based on the service contract split between Investec plc and Investec Limited, the details of which have been disclosed below. The Investec Group remuneration report includes the full remuneration disclosures for the Executive Directors and Non-Executive Directors.

Executive Directors service contract split

Executive Director	% Investec DLC	% Investec plc	% Investec Limited	% Investec Bank Limited
Richard Wainwright[2] – 1 Apr 23 – 3 Aug 2023	100	20	80	—
Fani Titi	100	50	50	—
Rupesh Govan	—	—	—	100
Richard Wainwright[3] – 4 Aug 23 – 31 Mar 24 (IBL Chief Executive)	—	—	—	100

1. Remuneration figures for the above table were converted to Rand using the average exchange rate of R23.53 for 2024 and R20.45 for 2023.
2. Richard Wainwright stepped down as Executive Director of DLC on 3 August 2024, however he continued as Chief Executive of IBL until 31 March 2024. Cumesh Moodliar was appointed Chief Executive of IBL on 1 April 2024.
3. 100% of Richard Wainwright's remuneration is paid by IBL from 4 August 2024.
4. This is the first year that an LTI is vesting to Rupesh Govan.
5. Philip Hourquebie was appointed chair of IBL on 3 August 2023.
6. Khumo Shuenyane's remuneration includes fees for Non-Executive directorship in Investec Property Fund and Investec Life.
7. Khumo Shuenyane stepped down from the board on 3 August 2023.
8. Zarina Bassa's 2024 remuneration includes fees for Non-Executive directorships in Investec Bank Mauritius, Investec Life and IW&I SA. A portion of IW&I SA fees relate to services rendered in 2023.
9. Diane Radley was appointed Non-Executive Director on 6 March 2024.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

55. Directors' remuneration (continued)

Directors' shareholdings in Investec plc and Investec Limited shares at 31 March 2024

	Beneficial and non-beneficial interest		% of shares in issue	Beneficial and non-beneficial interest		% of shares in issue
	Investec plc		Investec plc	Investec Limited[3]		Investec Limited
	31 March 2024	31 March 2023	**31 March 2024**	**31 March 2024**	31 March 2023	**31 March 2024**
Executive Directors and Prescribed officers						
Richard Wainwright (Chief Executive)	113 012	191 891	0.02%	1 298 968	1 160 129	0.44%
Rupesh Govan	—	—	0.00%	—	—	0.00%
Fani Titi	295 428	171 399	0.04%	—	—	0.00%
Total	**408 440**	**363 290**	**0.06%**	**1 298 968**	**1 160 129**	**0.44%**
Non-executive directors						
Philip Hourquebie	—	—	—	—	—	—
Khumo Shuenyane[1]	19 900	19 900	0.00%	—	—	—
Zarina Bassa	—	—	—	—	—	—
Morris Mthombeni	—	—	—	—	—	—
Vanessa Olver	—	—	—	—	—	—
Mvuleni G Qhena	—	—	—	—	—	—
Diane Radley	—	—	—	—	—	—
Total	**19 900**	**19 900**	**—**	**—**	**—**	**—**

Number of shares reflected on this table are vested shares and not subject to performance condition.

1. Khumo Shuenyane stepped down from the board on 3 August 2023, the shareholding number is reflected as at date of termination.

Changes between the end of the financial year and the date of the approval of the annual financial statements

Fani Titi's Investec Plc shareholding changed from 295 428 to 255 351.

Richard Wainwright's Investec Plc shareholding changed from 113 012 to 260 616.

Richard Wainwright's Investec Ltd shareholding changed from 1 298 968 to 1 325 256.

Rupesh Govan's Investec Ltd shareholding changed from 0 to 9 629.

Cumesh Moodliar was appointed as the Investec Bank Limited Chief Executive on 1 April 2024, his Investec Ltd shareholding changed from 382 874 to 503 903.

Directors' interest in preference shares at 31 March 2024

The directors' do not have any interest in preference shares.

Directors' interest in options at 31 March 2024

Investec plc shares

The directors do not have any interest in options over Investec plc shares.

Investec Limited shares

The directors do not have any interest in options over Investec Limited shares.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

55. Directors' remuneration (continued)

Directors' interest in long-term incentive plans at 31 March 2024

Investec Limited shares

Name	Date of grant	Award price	Number of Investec Limited shares at 31 March 2023	Exercised during the year	Options/ Conditional granted during the year	Balance at 31 Mar 2024	Market price at date of exercise	Gross gains made on date of exercise	Date of exercise
Richard Wainwright	31 May 2018	Nil	41 668	(41 668)	—	**0**	R107.11	R 4 463 230 19 June 2023	
	29 May 2019	Nil	82 576	(41 288)	—	**41 288**	R109.11	R4 504 934 29 September 2023	One third was exercisable on 25 July 2023 and the final third on 26 February 2024
	05 June 2020[1]	Nil	309 024	(103 008)	—	**206 016**	R107.11	R 11 033 609 19 June 2023	One third was exercisable on 18 June 2023, 18 June 2024 and the final third on 03 February 2025
	05 June 2020[1]	Nil	—	(36 052)	108 158	**72 106**	R107.11	R3 861 678 19 June 2023	One third was exercisable on 18 June 2023, 18 June 2024 and the final third on 03 February 2025
Rupesh Govan	01 December 2022	Nil	117 716	(39 238)		**78 478**	R107.22	R4 207 185 17 August 2023	One third was exercisable on 01 June 2023, 01 June 2024 and final third on 01 June 2025
	25 May 2023	Nil	0		18 945	**18 945**	—	—	One third is exercisable on 15 June 2026, 15 June 2027 and final third on 03 March 2028
	25 May 2023	R105.57[2]	0		45 567	**45 567**	—	—	One third is exercisable on 15 June 2026, 15 June 2027 and final third 03 March 2028

1. The award is subject to performance conditions.
2. This award is a share appreciation right.

Directors' interest in conditional short-term incentive plans at 31 March 2024

Investec Limited shares

Name	Date of grant	Award price	Number of Investec Limited shares at 31 March 2023	Exercised during the year	Options/ Conditional granted during the year	Balance at 31 Mar 2024	Market price at date of exercise	Gross gains made on date of exercise	Period exercisable
Richard Wainwright	05 June 2020[1]	Nil	97 653	(97 653)	–	**0**	107.11	R10 460 013 19 June 2023	

1. Conditional award in relation to 2020 bonus, not subject to performance conditions.

Outstanding unvested deferred share awards not subject to performance conditions granted in respect of service as an Executive Director

Investec plc shares

Name	**Award type**	**Performance conditions**	**Eligible for dividends**	**Vesting period**	**Total number outstanding at 31 March 2024**
Fani Titi	INVP Conditional shares	None	No	from 1 to 7 years	475 335
Richard Wainwright	INVP Conditional shares	None	No	from 1 to 7 years	370 640

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

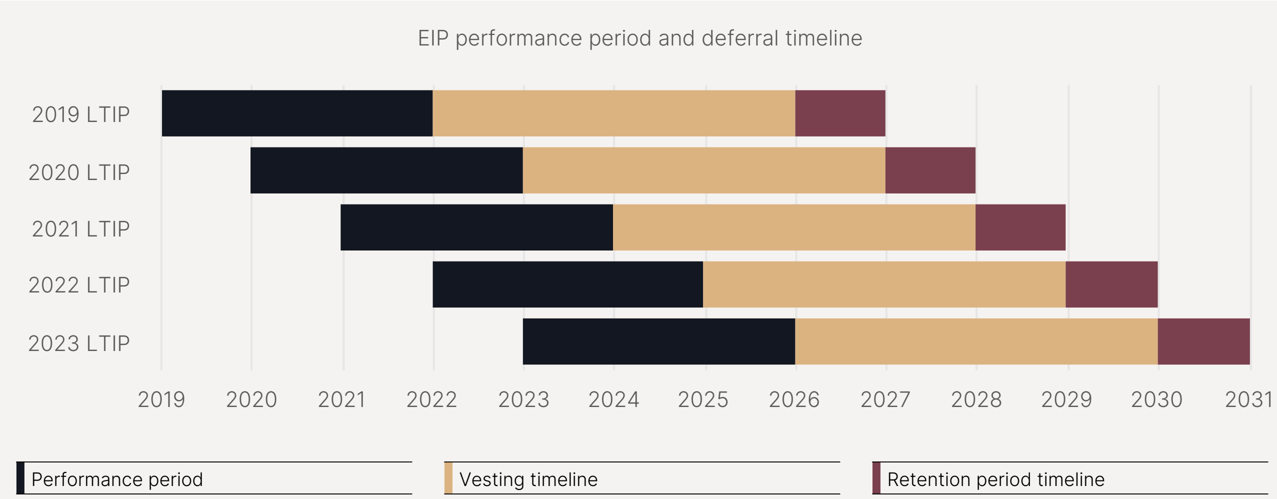
55. Directors' remuneration (continued)

Directors' interests in the Investec plc Executive Incentive Plan 2013 and The Investec plc Share Incentive Plan 2021 at 31 March 2024 (audited)

Investec plc shares

Name	Date of award	Exercise price	Number of Investec plc shares at 31 March 2023	Conditional awards exercised during the year	Conditional awards made during the year	Balance at 31 March 2024
Fani Titi[1]	29 May 2019	4.13	222 464	(55 616)		166 848
	29 May 2019	4.06	1 792	(448)		1 344
	5 Jun 2020	4.40	769 231	(153 846)		615 385
	5 Jun 2020	4.40		(53 846)	269 231	215 385
	27 May 2021	Nil	349 651			349 651
	1 Jun 2022	Nil	167 715			167 715
	25 May 2023	Nil			188 236	188 236
Richard Wainwright	27 May 2021	Nil	279 721			279 721
	1 Jun 2022	Nil	134 172			134 172
	25 May 2023	Nil			150 589	150 589

1. The awards made to Fani Titi in May 2024, have been fully disclosed in the Investec Group remuneration report.



Notes:
First vesting aligns with the end of the performance period.

The number of shares in issue and share prices for Investec plc and Investec Limited are provided below:

	31 March 2024	31 March 2023	High over the year	Low over the year
Investec plc share price	£5.32	£4.50	£5.45	£4.01
Investec Limited share price	R124.93	R98.12	R128.00	R96.47
Number of Investec plc shares in issue (million)	696.1	696.1		
Number of Investec Limited shares in issue (million)	295.1	299.0		

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55. Directors' remuneration (continued)

Non-Executive Directors

The fee structure for Non-Executive directors for the period ending 31 August 2024 and as proposed for 2025 are shown in the table below. The Non-Executive director fees have been adjusted in line with the South African market after a benchmark exercise.

Non-Executive directors' remuneration	As proposed by the board for the period from 1 September 2024 to 31 August 2025	Period ending 31 August 2024	% Change
Chair's total fee[1]	R2 625 000 per year	R2 500 000 per year	5.0%
Basic Non-Executive Director fee	R570 000 per year	R543 000 per year	5.0%
Member of the IBL board (also member of the DLC board)	R285 000 per year	R272 000 per year	4.8%
Chair of the IBL Audit Committee (also Chair of the DLC Audit Committee)	R350 000 per year	R272 000 per year	28.7%
Member of the IBL Audit Committee	R310 000 per year	R299 000 per year	3.7%
Member of the IBL Audit Committee (also member of the DLC Audit Committee)	R264 000 per year	R261 000 per year	1.1%
Chair of the IBL BRCC (also Chair of DLC BRCC)	R260 000 per year	R196 000 per year	32.7%
Member of the IBL BRCC	R217 000 per year	R190 000 per year	14.2%
Member of the IBL BRCC (also member of the DLC BRCC)	R184 500 per year	R163 000 per year	13.2%
Chair of the IBL Remuneration Committee	R272 000 per year	R272 000 per year	—%
Member of the IBL Remuneration Committee	R171 150 per year	R163 000 per year	5.0%
DLC representative on the IBL Remuneration Committee	R160 000 per year	R147 000 per year	8.8%

1. The Chair's total fee for the period ending 31 August 2024 was revised from R2 989 000 to R2 500 000 following the stepping down of Khumo Shuenyane and appointment of Philip Hourquebie as the IBL Chair.

Pillar 3 remuneration disclosures

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

The Pillar 3 remuneration disclosures will be set out in the Investec Bank Ltd Pillar 3 risk management report to be published on the Investec website.

Key management personnel

Details of Directors' remuneration and interest in shares are disclosed on pages 155 to 158.

IAS 24 'Related party disclosures' requires the following additional information for key management compensation.

Compensation of key management personnel	2024 R'000[1]	2023 R'000[1]
Short-term employee benefits	454 688	380 285
Other long-term employee benefits	105 091	62 902
Share-based payment	92 435	66 074
Total	**652 213**	**509 261**

Shareholdings, options and other securities of key management personnel

'000	2024	2023
Number of options held over Investec plc or Investec Limited ordinary shares under employee share schemes	9 584	7 475

'000	2024	2023
Number of Investec plc or Investec Limited ordinary shares held beneficially and non-beneficially	3 523	3 897

We have defined key management personnel as the Executive Directors of Investec Bank Ltd plus those classified as persons discharging managerial responsibility. In addition to the directors listed in the report, these are Mark Currie (Group Chief Risk Officer), Lesley-Anne Gatter (Group Head of People & Organisation), Marc Kahn (Group Chief Strategy Officer), Abey Mokgwatsane (Group Chief Marketing Officer), Cumesh Moodliar (Head of Private Clients), Ruth Leas[3] (Chief Executive Investec Bank Plc), Nishlan Samujh (Group Finance Director), Lyndon Subroyen (Group Head of Digital & Technology), Stuart Spencer (Group Chief Operations Officer) and Ciaran Whelan[2] (Executive).

1. Remuneration figures for the above table were converted to Rand using the average exchange rate of R23.54 for 2024 and R20.45 for 2023.
2. Ciaran Whelan stepped down as DLC Executive Director on 3 August 2023, he is now classified as a person discharging managerial responsibility.
3. Ruth Leas was appointed a Prescribed Officer of Investec DLC on 21 August 2023.

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56. Risk management

Principal and Emerging Risks

Principal and emerging risks that may impact the Bank are outlined in Investec Group's 2024 risk and governance report pages 8 to 26.

Credit and counterparty risk management

Credit and counterparty risk description

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.

Credit and counterparty risk governance structure

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
- Annual review of risk appetite frameworks and limits.

Management and measurement of credit and counterparty risk

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
- 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 Bank'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 Large Exposure Committee and IBL 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.

NOTES TO THE FINANCIAL STATEMENTS
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56. Risk management (continued)

Credit risk mitigation

Credit risk mitigation techniques can be defined as all methods by which the Bank seeks to decrease the credit risk associated with an exposure. The Bank 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 Bank 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 Bank 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.

Set-off is applied between assets, subject to credit risk and related liabilities in the annual financial statements, where:

- A legally enforceable right to set-off exists

There is the intention to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously.

In addition to the above accounting set-off criteria, banking regulators impose the following additional criteria:

- Debit and credit balances relate to the same obligor/counterparty
- Debit and credit balances are denominated in the same currency and have identical maturities
- Exposures subject to set-off are risk-managed on a net basis
- Market practice considerations.

For this reason, there will be instances where credit and counterparty exposures are displayed on a net basis in these annual financial statements but reported on a gross basis to regulators.

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.

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56. Risk management (continued)

All risk tables that follow are at an Investec Bank Limited Group level.

An analysis of gross core loans, asset quality and ECL

The table below summarises the asset quality of our gross core loans.

The overall loan portfolio continues to perform well with strong asset quality, reflecting our disciplined approach and secured nature of lending. Gross core loans grew by 5.7% mainly due to increased activity in the HNW and other private client lending portfolios as well as strong growth in the Corporate portfolio in the first half of the year.

The Bank reported a credit loss ratio of -0.04% at 31 March 2024 (31 March 2023: 0.09%) driven by recoveries, reversals of ECL on previously impaired loans, model driven releases on Stage 1 and 2 ECLs as a result of updated macro-economic scenarios and model recalibration which were partially offset by Stage 3 ECL charges. Excluding the post write-off recoveries and release in management ECL overlay, the reported credit loss ratio would be 0.09% (31 March 2023: 0.26%).

Stage 3 exposures increased to 3.6% of gross core loans subject to ECL at 31 March 2024 (31 March 2023: 2.7%) mainly due to a few single name exposures migrating from Stage 2. There has been a decrease in Stage 2 to 2.4% of gross core loans subject to ECL at 31 March 2024 (31 March 2023: 5.0%), mainly due to a number of deals normalising and migrating back to Stage 1, a few large exposures migrating to Stage 3 and a reduction arising from the residential mortgage model recalibration.

Overall coverage for Stage 2 is 3.0% at 31 March 2024 (31 March 2023: 3.8%) while Stage 3 coverage is 15.4% (31 March 2023: 22.0%).

R'million	31 March 2024	31 March 2023**
Loans and advances to customers per the balance sheet	335 120	316 592
Add: Own originated loans and advances to customers per the balance sheet	6 446	5 988
Net core loans	**341 566**	**322 580**
*of which subject to ECL**	340 429	321 284
Net core loans at amortised cost	325 801	307 249
Net fixed rate loans designated at FVPL (on which ECL is calculated for management purposes)*	14 628	14 035
of which FVPL (excluding fixed rate loans above)	1 137	1 296
Add: ECL	2 773	3 276
Gross core loans	**344 339**	**325 856**
*of which subject to ECL**	343 202	324 560
of which FVPL (excluding fixed rate loans above)	1 137	1 296

R'million	31 March 2024	31 March 2023**
Gross core loans subject to ECL	**343 202**	**324 560**
Stage 1	322 779	299 615
Stage 2	8 220	16 328
of which past due greater than 30 days	671	747
Stage 3^	12 203	8 617
ECL	**(2 773)**	**(3 276)**
Stage 1	(644)	(760)
Stage 2	(250)	(623)
Stage 3	(1 879)	(1 893)
Coverage ratio		
Stage 1	0.20%	0.25%
Stage 2	3.0%	3.8%
Stage 3	15.4%	22.0%
Credit loss ratio	**(0.04%)**	**0.09%**
ECL impairment charges on core loans	123	(271)
Average gross core loans subject to ECL	333 881	310 327
An analysis of Stage 3 gross core loans subject to ECL		
Stage 3 net of ECL	10 324	6 724
Aggregate collateral and other credit enhancements on Stage 3	12 873	8 340
Stage 3 as a % of gross core loans subject to ECL	3.6%	2.7%
Stage 3 net of ECL as a % of net core loans subject to ECL	3.0%	2.1%

* Includes portfolios for which ECL is not required for IFRS purposes, but which management evaluates on this basis. These are fixed rate loans which have passed the solely payments of principal and interest (SPPI) test and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans measured at amortised cost. R14.0 billion of the drawn exposure falls into Stage 1 (31 March 2023: R13.3 billion), R16.4 million falls in Stage 2 (31 March 2023: R27.5 million) and the remaining R1.0 billion falls into Stage 3 (31 March 2023: R956.0 million). The ECL on the Stage 1 portfolio is R30.9 million (31 March 2023: R37.4 million), ECL on Stage 2 is R0.4 million (31 March 2023: R0.1 million) and the ECL on Stage 3 portfolio is R119.3 million (31 March 2023: R248.6 million).

^ Stage 3 exposures disclosed above and in the tables that follow are net of suspended interest and predominantly relates to the Lending and collateralised by property portfolio (31 March 2024: R415 million; 31 March 2023: R289 million). The increase arose from the recognition of an additional ECL for a few counterparties which resulted in an increased coverage ratio. Refer to note 24 for additional information.

** Restated as a result of a change in classification between non-bank cash placements and loans and advances to customers as detailed on page 148.

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56. Risk management (continued)

An analysis of staging of gross exposure and ECL movements for core loans subject to ECL

The table below indicates underlying movements in gross core loans subject to ECL from 31 March 2023 to 31 March 2024. The transfers between stages of gross core loans indicate the impact of stage transfers upon the gross exposure and associated opening ECL. The decrease in transfers into Stage 2 was mainly due to a number of deals normalising and migrating back to Stage 1, a few large exposures migrating to Stage 3 and a reduction arising from the residential mortgage model recalibration. There was an increase in transfers into Stage 3 over the period, driven mainly by a few single name exposures migrating from Stage 2.

The net remeasurement of ECL arising from stage transfers represents the (increase)/decrease in ECL due to these transfers. New lending net of repayments comprises new originations, further drawdowns, repayments and sell-downs as well as, with respect to ECLs, Stage 3 ECLs that have been written off, typically when an asset has been sold.

The ECL impact of changes to risk parameters and models during the year largely relates to the changes in the macro-economic scenarios as well as the release of management ECL overlay. The foreign exchange and other category comprises of foreign exchange movement in the period under review on all of our non-ZAR related loans.

	Stage 1		Stage 2		Stage 3		Total	
R'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**
At 31 March 2023 ^	**299 615**	**(760)**	**16 328**	**(623)**	**8 617**	**(1 893)**	**324 560**	**(3 276)**
Lending collateralised by property at 31 March 2023	**48 763**	**(157)**	**6 530**	**(140)**	**3 357**	**(529)**	**58 650**	**(826)**
Transfer from Stage 1	(795)	2	141	(1)	654	(1)	—	—
Transfer from Stage 2	677	(2)	(3 919)	46	3 242	(44)	—	—
Transfer from Stage 3	2	—	—	—	(2)	—	—	—
ECL remeasurement arising from transfer of stage	—	—	—	(1)	—	(248)	—	(249)
New lending net of repayments (includes assets written off)	2 060	4	(1 531)	92	(465)	41	64	137
Changes to risk parameters and models	—	33	—	(5)	—	(20)	—	8
Foreign exchange and other	189	—	—	—	104	—	293	—
Lending collateralised by property at 31 March 2024	**50 896**	**(121)**	**1 221**	**(8)**	**6 890**	**(801)**	**59 007**	**(930)**
HNW and other private client lending at 31 March 2023	**155 659**	**(296)**	**5 333**	**(288)**	**2 688**	**(531)**	**163 680**	**(1 115)**
Transfer from Stage 1	(2 654)	12	2 285	(9)	369	(3)	—	—
Transfer from Stage 2	2 876	(138)	(3 414)	180	537	(43)	—	—
Transfer from Stage 3	171	(35)	104	(23)	(275)	58	—	—
ECL remeasurement arising from transfer of stage	—	152	—	(82)	—	(89)	—	(19)
New lending net of repayments (includes assets written off)	10 449	32	(93)	1	(522)	197	9 833	230
Changes to risk parameters and models	—	25	—	11	—	(16)	—	21
Foreign exchange and other	190	—	—	—	—	—	190	—
HNW and other private client lending at 31 March 2024	**166 690**	**(247)**	**4 215**	**(209)**	**2 798**	**(427)**	**173 703**	**(883)**
Corporate and other lending at 31 March 2023	**95 193**	**(307)**	**4 465**	**(195)**	**2 572**	**(833)**	**102 230**	**(1 335)**
Transfer from Stage 1	(1 568)	5	1 509	(5)	59	—	—	—
Transfer from Stage 2	1 957	(48)	(2 236)	50	279	(2)	—	—
Transfer from Stage 3	1	—	—	—	(1)	—	—	—
ECL remeasurement arising from transfer of stage	—	31	—	(5)	—	(18)	—	8
New lending net of repayments (includes assets written off)	8 739	(30)	(954)	122	(492)	328	7 293	420
Changes to risk parameters and models	—	76	—	1	—	(123)	—	(46)
Foreign exchange and other	872	(3)	—	—	97	(4)	969	(7)
Corporate and other lending at 31 March 2024	**105 193**	**(276)**	**2 784**	**(33)**	**2 515**	**(651)**	**110 492**	**(960)**
At 31 March 2024	**322 779**	**(644)**	**8 220**	**(250)**	**12 203**	**(1 879)**	**343 202**	**(2 773)**

^ Restated as a result of a change in classification between non-bank cash placements and loans and advances to customers as detailed on page 148.

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56. Risk management (continued)

An analysis of credit quality by internal rating grade

The Bank uses a 25-grade internal rating scale which measures the risk of default to an exposure without taking into account any credit mitigation, such as collateral. This internal rating scale allows the Group to measure credit risk consistently across portfolios. The internal rating scale is derived from a mapping to probability of default (PDs) and can also be mapped to external rating agency scales.

PD range	Investec internal rating scale	Indicative external rating scale
less than 0.538%	IB01 – IB12	AAA to BBB-
0.538% – 6.089%	IB13 – IB19	BB+ to B-
greater than 6.089%	IB20 – IB25	B- and below
	Stage 3	D

Investec applies credit ratings in-line with its credit policies to all relevant financial instruments including other financial assets (which include exposures to highly rated international banks and corporate bonds.) Assessment and suitability of the rating is vetted by the applicable credit authority and monitored as part of the overall credit management process. Where new information that may affect the risk profile becomes available, this is considered and ratings may be adjusted accordingly.

The internal credit rating distribution below is based on the 12-month PD at 31 March 2024 for gross core loans subject to ECL by stage. The staging classifications are not only driven by the absolute PD, but also on factors that determine a significant increase in credit risk, including relative movement in PD since origination. There is therefore no direct correlation between the credit quality of an exposure and its stage classification as shown in the table below:

At 31 March 2024 **R'million**	IB01 – IB12	IB13 – IB19	IB20 – IB25	Stage 3	**Total**
Gross core loans subject to ECL	**144 291**	**177 117**	**9 591**	**12 203**	**343 202**
Stage 1	143 640	172 464	6 675	—	322 779
Stage 2	651	4 653	2 916	—	8 220
Stage 3	—	—	—	12 203	12 203
ECL	**(69)**	**(513)**	**(312)**	**(1 879)**	**(2 773)**
Stage 1	(55)	(469)	(120)	—	(644)
Stage 2	(14)	(44)	(192)	—	(250)
Stage 3	—	—	—	(1 879)	(1 879)
Coverage ratio	**—%**	**0.3%**	**3.3%**	**15.4%**	**0.8%**

At 31 March 2023** **R'million**	IB01 – IB12	IB13 – IB19	IB20 – IB25	Stage 3	**Total**
Gross core loans subject to ECL	**149 392**	**154 310**	**12 241**	**8 617**	**324 560**
Stage 1	147 911	146 456	5 248	—	299 615
Stage 2	1 481	7 854	6 993	—	16 328
Stage 3	—	—	—	8 617	8 617
ECL	**(132)**	**(839)**	**(412)**	**(1 893)**	**(3 276)**
Stage 1	(130)	(531)	(99)	—	(760)
Stage 2	(2)	(308)	(313)	—	(623)
Stage 3	—	—	—	(1 893)	(1 893)
Coverage ratio	**0.1%**	**0.5%**	**3.4%**	**22.0%**	**1.0%**

** Restated as a result of a change in classification between non-sovereign and non-bank cash placements and loans and advances to customers as detailed on page 148.

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56. Risk management (continued)

An analysis of core loans by risk category – Lending collateralised by property

Client quality and expertise are at the core of our credit philosophy. We provide senior debt and other funding for property transactions, with a preference for income-producing assets, supported by an experienced sponsor providing a material level of cash equity investment into the asset and limited direct exposure to sectors more vulnerable to cyclicality. Our exposure to the property market is well diversified with strong bias towards prime locations for residential exposure and focus on property fundamentals, tenant quality and income diversity for commercial assets. Debt service cover ratios are a key consideration in the lending process supported by reasonable loan-to-security value ratios.

	Gross core loans at amortised cost and FVPL (subject to ECL)								Gross core loans at FVPL (not subject to ECL)	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
R'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**		
At 31 March 2024										
Commercial real estate	**44 601**	**(112)**	**1 073**	**(8)**	**6 578**	**(750)**	**52 252**	**(870)**	**—**	**52 252**
Commercial real estate – investment	42 046	(98)	1 072	(8)	6 539	(744)	49 657	(850)	—	49 657
Commercial real estate – development	2 044	(11)	—	—	4	—	2 048	(11)	—	2 048
Commercial vacant land and planning	511	(3)	1	—	35	(6)	547	(9)	—	547
Residential real estate	**6 295**	**(9)**	**148**	**—**	**312**	**(51)**	**6 755**	**(60)**	**—**	**6 755**
Residential real estate – investment	2 247	(2)	144	—	—	—	2 391	(2)	—	2 391
Residential real estate – development	3 220	(5)	—	—	133	(34)	3 353	(39)	—	3 353
Residential vacant land and planning	828	(2)	4	—	179	(17)	1 011	(19)	—	1 011
Total lending collateralised by property*	**50 896**	**(121)**	**1 221**	**(8)**	**6 890**	**(801)**	**59 007**	**(930)**	—	**59 007**
Coverage ratio		**0.24%**		**0.7%**		**11.6%**		**1.6%**		
At 31 March 2023										
Commercial real estate	**44 020**	**(140)**	**6 265**	**(136)**	**3 142**	**(524)**	**53 427**	**(800)**	**—**	**53 427**
Commercial real estate – investment	41 890	(134)	5 661	(135)	3 111	(521)	50 662	(790)	—	50 662
Commercial real estate – development	1 534	(4)	598	(1)	—	—	2 132	(5)	—	2 132
Commercial vacant land and planning	596	(2)	6	—	31	(3)	633	(5)	—	633
Residential real estate	**4 743**	**(17)**	**265**	**(4)**	**215**	**(5)**	**5 223**	**(26)**	**—**	**5 223**
Residential real estate – investment	2 098	(5)	140	(3)	36	—	2 274	(8)	—	2 274
Residential real estate – development	1 869	(8)	110	(1)	—	—	1 979	(9)	—	1 979
Residential vacant land and planning	776	(4)	15	—	179	(5)	970	(9)	—	970
Total lending collateralised by property*	**48 763**	**(157)**	**6 530**	**(140)**	**3 357**	**(529)**	**58 650**	**(826)**	—	**58 650**
Coverage ratio		**0.32%**		**2.1%**		**15.8%**		**1.4%**		

* In addition, 58% of other high net worth lending (31 March 2023: 58%) shown on the next page relates to lending collateralised by property which is supported by high net worth clients.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

56. Risk management (continued)

An analysis of core loans by risk category – High net worth and other private client lending

Our Private Banking activities target high net worth individuals, active wealth creators, high-income professionals, self-employed entrepreneurs, owner managers in small to mid-cap corporates and sophisticated investors. The Private Bank also targets newly qualified professionals with high-income earning potential.

Lending products are tailored to meet the requirements of our clients and deliver solutions to enable target clients to create and manage their wealth. Central to our credit philosophy is ensuring the sustainability of cash flow and income throughout the cycle. As such, the client base has been defined to include high net worth clients (who, through diversification of income streams, should reduce income volatility) and individuals in defined professions which have historically supported a sustainable income base, irrespective of the stage in the economic cycle.

Credit risk arises from the following activities:

- Mortgages: provides residential mortgage loan facilities to target market clients
- Other high net worth lending: provides credit facilities to high net worth individuals and their controlled entities as well as portfolio loans to high net worth clients against their investment portfolios typically managed by IW&II.

	Gross core loans at amortised cost and FVPL (subject to ECL)								Gross core loans at FVPL (not subject to ECL)	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
R'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**		
At 31 March 2024										
Mortgages	91 292	(82)	3 603	(181)	1 717	(210)	96 612	(473)	—	96 612
Other high net worth lending*	75 398	(165)	612	(28)	1 081	(217)	77 091	(410)	—	77 091
Total high net worth and other private client lending	**166 690**	**(247)**	**4 215**	**(209)**	**2 798**	**(427)**	**173 703**	**(883)**	**—**	**173 703**
Coverage ratio		**0.15%**		**5.0%**		**15.3%**		**0.5%**		
At 31 March 2023										
Mortgages	84 511	(99)	4 744	(256)	1 469	(244)	90 724	(599)	—	90 724
Other high net worth lending*	71 148	(197)	589	(32)	1 219	(287)	72 956	(516)	—	72 956
Total high net worth and other private client lending	**155 659**	**(296)**	**5 333**	**(288)**	**2 688**	**(531)**	**163 680**	**(1 115)**	**—**	**163 680**
Coverage ratio		**0.19%**		**5.4%**		**19.8%**		**0.7%**		

* 58% of other high net worth lending (31 March 2023: 58%) relates to lending collateralised by property which is supported by high net worth clients.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

56. Risk management (continued)

An analysis of core loans by risk category – Corporate and other lending

We focus on traditional client-driven corporate lending activities. The credit risk management functions approve specific credit and counterparty limits that govern the maximum credit exposure to each individual counterparty. In addition, further risk management limits exist through industry and country limits to manage concentration risk. The credit appetite for each counterparty is based on the financial strength of the principal borrower, its business model and market positioning, the underlying cash flow to the transaction, the substance and track record of management, and the security package. Political risk insurance, and other insurance is taken where deemed appropriate.

The Bank has limited appetite for unsecured credit risk and facilities are typically secured by the assets of the underlying borrower as well as shares in the borrower.

A summary of the nature of the lending and/or credit risk assumed within some of the key areas in our corporate lending business is provided below:

- **Corporate and acquisition finance:** provides senior secured loans to proven management teams and sponsors running mid-cap, as well as some large-cap companies. Credit risk is assessed against debt serviceability based upon robust cash generation of the business demonstrated by both historical and forecast information. Corporates should demonstrate relevance in their market, an experienced management team, able Board members, and strong earnings and cash flow. We typically act as a transaction lead arranger or on a club or bi-lateral basis, and have a close relationship with management and sponsors
- **Fund finance:** provides debt facilities to asset managers and fund vehicles, principally in private equity. The geographical focus is mainly UK, USA, Europe and Africa where the Group can support experienced asset managers and their funds which show strong, long-term value creation and good custodianship of investors' money. Debt facilities are typically to a fund entity and secured against undrawn limited partner commitments and/or the underlying assets
- **Financial institutions and governments:** provides senior secured loans to financial institutions or government-backed entities where credit risk is assessed against debt serviceability or mitigated by government guarantees
- **Small ticket asset finance:** provides funding to small- and medium-sized corporates to support asset purchases and other business requirements. The portfolio is highly diversified by industry and number of clients and is secured against the asset being financed
- **Aviation finance:** structures, arranges and provides financing for airlines, leasing companies, operators and corporates secured by aircraft at conservative LTVs. Counterparties include flag and commercial airline carriers, leading aircraft lessors and corporates/operators with strong contracted cash flows
- **Energy and infrastructure finance:** arranges and provides typically long-term financing for energy and infrastructure assets, in particular renewable and traditional energy projects as well as transportation assets, typically against contracted future cash flows of the project(s) from well-established and financially sound off-take counterparties. There is a requirement for a strong upfront equity contribution from an experienced sponsor.

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CONTINUED

56. Risk management (continued)

	Gross core loans at amortised cost and FVPL (subject to ECL)								Gross core loans at FVPL (not subject to ECL)	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
R'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**		
At 31 March 2024										
Corporate and acquisition finance	72 175	(195)	2 536	(30)	1 856	(511)	76 567	(736)	1 117	77 684
Fund finance	13 208	(16)	—	—	—	—	13 208	(16)	—	13 208
Financial institutions and governments	3 388	(9)	—	—	109	—	3 497	(9)	—	3 497
Small ticket asset finance	4 933	(13)	181	(2)	245	(89)	5 359	(104)	—	5 359
Aviation finance*	5 595	(14)	—	—	—	—	5 595	(14)	20	5 615
Power and infrastructure finance	5 894	(29)	67	(1)	305	(51)	6 266	(81)	—	6 266
Total corporate and other lending	**105 193**	**(276)**	**2 784**	**(33)**	**2 515**	**(651)**	**110 492**	**(960)**	**1 137**	**111 629**
Coverage ratio		**0.26%**		**1.2%**		**25.9%**		**0.9%**		
At 31 March 2023**										
Corporate and acquisition finance	68 722	(230)	3 154	(189)	2 108	(720)	73 984	(1 139)	1 296	75 280
Fund finance	13 097	(24)	—	—	—	—	13 097	(24)	—	13 097
Financial institutions and governments	2 892	(6)	755	(4)	—	—	3 647	(10)	—	3 647
Small ticket asset finance	2 670	(5)	87	—	109	(58)	2 866	(63)	—	2 866
Aviation finance*	2 544	(16)	154	—	—	—	2 698	(16)	—	2 698
Power and infrastructure finance	5 268	(26)	315	(2)	355	(55)	5 938	(83)	—	5 938
Total corporate and other lending	**95 193**	**(307)**	**4 465**	**(195)**	**2 572**	**(833)**	**102 230**	**(1 335)**	**1 296**	**103 526**
Coverage ratio		**0.32%**		**4.4%**		**32.4%**		**1.3%**		

* There are additional aviation exposures of R1.8 billion (31 March 2023: R1.4 billion) in Corporate and acquisition finance.
** Restated as a result of a change in classification between non-sovereign and non-bank cash placements and loans and advances to customers as detailed on page 148.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

56. Risk management (continued)

A further analysis of our gross credit and counterparty exposures

The table below indicates in which class of asset (on the face of the consolidated balance sheet) credit and counterparty exposures are reflected. Not all assets included in the balance sheet bear credit and counterparty risk.

At 31 March 2024 R'million	Total gross credit and counterparty exposure	of which FVPL	of which amortised cost and FVOCI	ECL^	Assets that we deem to have no legal credit exposure	Total assets
Cash and balances at central banks	14 057	—	14 057	—	738	14 795
Loans and advances to banks	7 762	—	7 762	(11)	—	7 751
Non-sovereign and non-bank cash placement	10 835	289	10 546	(17)	—	10 818
Reverse repurchase agreements and cash collateral on securities borrowed	77 354	33 360	43 994	(2)	—	77 352
Sovereign debt securities	72 172	212	71 960	(55)	—	72 117
Bank debt securities	8 300	—	8 300	(5)	—	8 295
Other debt securities	10 282	480	9 802	(26)	—	10 256
Derivative financial instruments	7 897	7 897	—	—	2 091	9 988
Securities arising from trading activities	5 998	5 998	—	—	1 982	7 980
Loans and advances to customers	337 878	15 916	321 962	(2 758)	—	335 120
Own originated loans and advances to customers securitised	6 461	—	6 461	(15)	—	6 446
Other loans and advances	—	—	—	—	—	—
Investment portfolio	—	—	—	—	3 085*	3 085
Interest in associated undertakings	—	—	—	—	22	22
Current taxation assets	—	—	—	—	—	—
Deferred taxation assets	—	—	—	—	1 498	1 498
Other assets	2 840	2 832	8	—	6 400**	9 240
Property and equipment	—	—	—	—	3 778	3 778
Goodwill	—	—	—	—	171	171
Other acquired intangible assets	—	—	—	—	—	—
Software	—	—	—	—	92	92
Loans to Group companies	31 092	—	31 092	—	—	31 092
Total on-balance sheet exposures	**592 928**	**66 984**	**525 944**	**(2 889)**	**19 857**	**609 896**
Guarantees ^^	23 080	—	23 080	(4)	3 282	26 358
Committed facilities related to loans and advances to customers	79 852	2	79 850	(50)	1	79 803
Contingent liabilities, letters of credit and other ^^	10 683	5 848	4 835	—	22 845	33 528
Total off-balance sheet exposures ^^^	**113 615**	**5 850**	**107 765**	**(54)**	**26 128**	**139 689**
Total exposures	**706 543**	**72 834**	**633 709**	**(2 943)**	**45 985**	**749 585**

^ Includes R42 million ECL held against financial assets held at FVOCI.
* Largely relates to exposures that are classified as investment risk in the banking book.
** The majority of the other assets balance relates to settlement debtors which we deem to be exposed to settlement risk. Settlement risk can arise due to undertaking transactions in either an agency capacity (on behalf of clients) or as principal. The risk is not considered to be material as most transactions are undertaken on recognised exchanges and with large institutional clients, monitored daily, with short term settlement periods (usually settled within two to three days).
^^ Included in Contingent liabilities, letters of credit and other is R3.9 billion of cash backed guarantees and letters of credit of R322 million.
^^^ Includes uncommitted undrawn facilities and credit derivative instruments that are not included in note 47.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

56. Risk management (continued)

A further analysis of our gross credit and counterparty exposures (continued)

At 31 March 2023 **R'million**	Total gross credit and counterparty exposure	of which FVPL	of which amortised cost and FVOCI	ECL#	Assets that we deem to have no legal credit exposure	**Total assets ^**
Cash and balances at central banks	22 061	—	22 061	—	700	22 761
Loans and advances to banks	10 506	—	10 506	(4)	—	10 502
Non-sovereign and non-bank cash placement	9 721	131	9 590	(16)	—	9 705
Reverse repurchase agreements and cash collateral on securities borrowed	57 917	13 515	44 402	(1)	—	57 916
Sovereign debt securities	69 862	8 247	61 615	(65)	—	69 797
Bank debt securities	15 500	1 652	13 848	(13)	—	15 487
Other debt securities	11 689	464	11 225	(28)	—	11 661
Derivative financial instruments	12 280	12 280	—	—	3 682	15 962
Securities arising from trading activities	6 719	6 719	—	—	16	6 735
Loans and advances to customers	319 848	15 618	304 230	(3 256)	—	316 592
Own originated loans and advances to customers securitised	6 008	—	6 008	(20)	—	5 988
Other loans and advances	1	—	1	—	—	1
Investment portfolio	—	—	—	—	2 926*	2 926
Interest in associated undertakings	—	—	—	—	33	33
Current taxation assets	—	—	—	—	1	1
Deferred taxation assets	—	—	—	—	1 548	1 548
Other assets	2 395	2 325	70	—	3 780**	6 175
Property and equipment	—	—	—	—	3 306	3 306
Goodwill	—	—	—	—	171	171
Other acquired intangible assets	—	—	—	—	13	13
Software	—	—	—	—	127	127
Loans to Group companies ^^^	37 075	—	37 075	—	—	37 075
Total on-balance sheet exposures	**581 582**	**60 951**	**520 631**	**(3 403)**	**16 303**	**594 482**
Guarantees ^^	22 300	—	22 300	(7)	2 056	24 349
Committed facilities related to loans and advances to customers	75 917	—	75 917	(57)	—	75 860
Contingent liabilities, letters of credit and other ^^	11 500	6 261	5 239	—	24 230	35 730
Total off-balance sheet exposures ^^^^	**109 717**	**6 261**	**103 456**	**(64)**	**26 286**	**135 939**
Total exposures	**691 299**	**67 212**	**624 087**	**(3 467)**	**42 589**	**730 421**

Includes R60 million ECL held against financial assets held at FVOCI.
* Largely relates to exposures that are classified as investment risk in the banking book.
** The majority of the other assets balance relates to settlement debtors which we deem to be exposed to settlement risk. Settlement risk can arise due to undertaking transactions in either an agency capacity (on behalf of clients) or as principal. The risk is not considered to be material as most transactions are undertaken on recognised exchanges and with large institutional clients, monitored daily, with short term settlement periods (usually settled within two to three days). R2.3 billion was reclassified from Assets that we deem to have no credit risk into Total gross credit and counterparty exposure of which FVPL.
^^ Included in Contingent liabilities, letters of credit and other is R4.6 billion of cash backed guarantees and letters of credit of R64 million.
^^^ Loans to Group companies was reclassified from Assets that we deem to have no credit risk into Total gross credit and counterparty exposure of which amortised cost and FVOCI.
^^^^ Includes uncommitted undrawn facilities and credit derivative instruments that are not included in note 47.
^ Restated as detailed on pages 148 to 152.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

56. Risk management (continued)

Key judgements

After careful review of portfolio performance, the post-model management overlay of R113 million as at 31 March 2023, held for anticipated migration risk in Private Bank has now been fully released. An improvement in the underlying performance of previously held Stage 2 exposures, as well as the reduced risk in the ECLs of select counterparties, have resulted in the release of the management ECL overlay. Stage 3 ECLs continue to be assessed using a combination of scenario analysis, expert judgement, and modelled ECL. Management will continue to review the need and basis of calculation for the overlay given the evolving risks and significant uncertainty faced with regard to the economic outlook.

Macro-economic sensitivities

IFRS 9 may result in an increase in the volatility of provisions going forward, particularly for Stage 1 and Stage 2 assets as a result of macro-economic scenario changes. Sensitivities to macro-economic scenarios and factors form part of our overall risk monitoring, in particular the Group's potential ECLs if each scenario was given a 100% weighting. In these instances all non-modelled ECLs, including credit assessed ECLs and other management judgements remain unchanged.

The tables below summarise the variance from reported ECL should the base case and two downside cases be weighted by 100%.

At 31 March 2024 R'million	Change in reported ECL
Base case (100%)	231
Lite down case (100%)	(175)
Severe down case (100%)	(509)

Forward-looking macro-economic scenarios

The measurement of ECL also requires the use of multiple economic scenarios to calculate a probability weighted forward-looking estimate. These scenarios are updated at least twice a year, or more frequently if there is a macro-economic shock or significant shift in expectations. The weighting of these scenarios for IFRS 9 as well as the scenarios themselves are discussed and presented at the relevant BRCCs as well as the relevant capital committees for approval, which form part of the principal governance framework for macro-economic scenarios. They are also approved by the relevant Audit Committees.

A number of forecast economic scenarios are considered for capital planning, stress testing (including Investec-specific stress scenarios) and IFRS 9 ECL measurement.

For the Bank, five macro-economic scenarios were used in the measurement of ECL. These scenarios incorporate a base case, two upside cases and two downside cases. The aim of this economic scenario generation process was to provide a view of the current and projected state of the South African economy and the different economic scenarios that could occur in various stressed or improved environments over the next five years for a number of identified variables/risk drivers.

As of 31 March 2024, all five scenarios were updated to incorporate the latest available data. The base case is characterised by the view that economic growth lifts above 2% by the end of the five-year period on sufficient domestic policy support measures, while global financial market risk sentiment is neutral to positive. South Africa remains in the BB credit rating category bracket as fiscal consolidation (debt to GDP stabilisation) eventually occurs. The Rand stabilises, then strengthens somewhat on the advent of the US interest rate cutting cycle. The impact of loadshedding at an average of less than Stage 4 is included in the base case for 2024, and lessening in subsequent years as more generating capacity comes on line. A transition to renewable energy and slow move away from fossil fuel usage occurs and measures to alleviate the impact of climate change on the economy are modestly implemented. Inflation moderates on base effects and lower global inflation.

The Russian invasion of Ukraine eases. There is little to no expropriation without compensation. The greylisting is temporary. As of 31 March 2023, the weighting of the base case was 48% while as of 31 March 2024 it had dropped to 45%. The probability has fallen as government's financial health has deteriorated versus a year ago, with borrowing projections notably higher. Economic growth projections remain weak, unable at expected growth rates to naturally reduce unemployment, while the population continues to grow, and income per capita has fallen.

The lite down case has the same expected international environment (including global financial market risk sentiment) as the base case, but the domestic environment differs. Under this scenario South Africa's GDP growth is weak. Business confidence is depressed, with higher levels of loadshedding, weak investment growth, very weak rail and port capacity, civil and political unrest, and a recession. Substantial Rand weakness drives higher inflation, along with unfavourable weather conditions. Little transition to renewable energy is apparent, while there is increased pressure on government finances from disaster relief due to unfavourable weather conditions driven by climate change. Expropriation of private sector property is very limited and has a modestly negative impact on the economy.

The greylisting is lengthy. Government debt and debt projections fail to stabilise, and South Africa drops into the single B credit ratings from all three of the key credit rating agencies for local and foreign currency sovereign debt but avoids C grades on eventual fiscal consolidation. As of 31 March 2023, the weighting of the lite down case was 40% and has increased to 43% as of 31 March 2024. The probability has increased as government's financial health has deteriorated versus a year ago, with borrowing projections notably higher.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

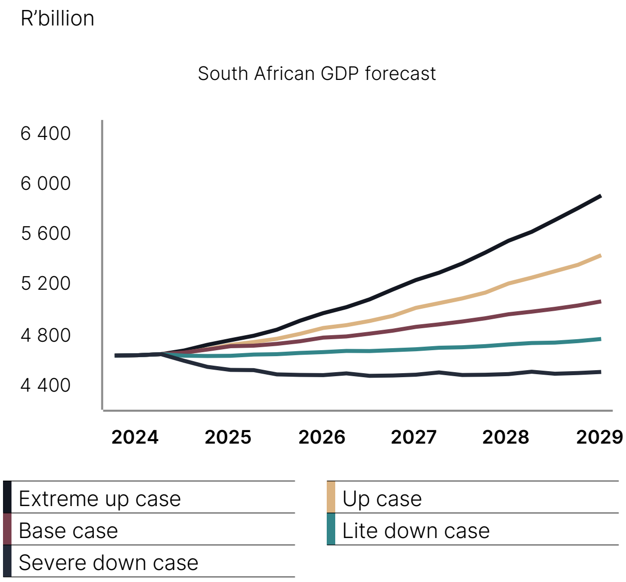
56. Risk management (continued)

Under the low probability severe down case a lengthy recession occurs in South Africa. Deteriorating government finances see the state borrowing from increasingly wider sources as it sinks deeper into a debt trap. South Africa's credit ratings fall into the C grades, with an increased risk of default. The severe down case can also include a lengthy global recession and/or global financial crisis, with insufficient monetary and other policy support measures. Severe Rand weakness is a feature as well as very high domestic inflation, which is also affected by severely unfavourable weather conditions. There is a failure to transition to renewable energy and to implement sufficient measures to alleviate the impact of climate change on the economy. Implementation of expropriation without compensation occurs (for land held for speculative purposes), with a significant negative impact on the economy, along with very high levels of loadshedding of both electricity and water services, high incidences of strike action and civil unrest. South Africa is blacklisted. As of 31 March 2023, the scenario weighting of the severe down case was 10% but has dropped to 9% in March 2024 due to the improvements by the government business collaboration on addressing the country's electricity, freight, corruption and crime crises. Additionally, the risk of a US recession has been substantially reduced.

The up case is characterised by a very low probability and is a scenario which is depicted by rising business confidence and investment levels. Structural constraints to sustained, robust economic growth are removed in an environment of strong global and domestic growth, and the global financial market environment is one of risk taking. Low domestic inflation occurs on Rand strength, along with favourable weather conditions for moderate to low food price inflation. A substantial transition to renewable energy, and a move away from fossil fuel usage occurs, along with comprehensive measures to alleviate the impact of climate change on the economy. There is no nationalisation or expropriation without compensation. No further credit rating downgrades occur and instead the rating outlooks turn positive on strong fiscal consolidation. The greylisting is removed rapidly. As of 31 March 2023, the scenario weighting was 1% and rose to 2% as at 31 March 2024 . The business- government collaboration has gained traction and this positive development marginally raises the up case probability.

The extreme up case is also characterised by a very low probability and is an acceleration of the up case. Good governance and growth-creating reforms which overcome structural constraints rapidly occur. Business confidence is high, property rights are strong, fixed investment growth rates are very strong, while substantial foreign direct investment (FDI) inflows occur, along with strong fiscal consolidation (and government debt falls back to the low ratios of the early 2000s). Domestic economic growth of 3-5%, then 5-7%, is achieved under this scenario and credit rating upgrades occur. Very subdued domestic inflation on extreme Rand strength is a feature, along with a strong transition away from fossil fuel usage, a quick transition to renewable energy and very favourable weather conditions. There is strong global growth and a commodity boom in this scenario too. The greylisting is very short term in nature. This scenario retains a weighting of 1%.

The graph below depicts the forecast South African GDP growth under the macro-economic scenarios applied at 31 March 2024.



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CONTINUED

56. Risk management (continued)

The table below shows the key factors that form part of the macro-economic scenarios and the relative applied weightings of these scenarios.

	At 31 March 2024 average 2024 – 2029					At 31 March 2023 average 2023 – 2028				
Macro-economic scenarios	Extreme up case %	Up case %	Base case %	Lite down case %	Severe down case %	Extreme up case %	Up case %	Base case %	Lite down case %	Severe down case %
South Africa										
GDP growth	4.8	3.1	1.7	0.5	(0.6)	4.2	2.8	1.5	0.4	(0.5)
Repo rate	5.3	5.8	7.0	9.1	10.3	5.0	5.7	6.8	8.2	10.3
Bond yield	9.1	9.8	10.6	11.7	12.6	9.2	9.7	10.3	11.4	12.5
CPI inflation	3.1	3.8	4.5	5.5	6.5	3.2	4.0	4.6	5.6	6.4
Residential property price growth	6.6	5.5	4.1	2.7	1.6	5.8	4.8	3.7	2.6	1.5
Commercial property price growth	4.4	2.7	1.4	(0.6)	(2.5)	3.5	2.0	0.9	(0.8)	(2.6)
Exchange rate (South African Rand:US Dollar)	14.5	16.0	18.1	19.7	21.9	14.6	15.7	17.0	18.6	20.6
Scenario weightings	**1**	**2**	**45**	**43**	**9**	**1**	**1**	**48**	**40**	**10**

The following table shows annual averages of economic factors for the base case over a five-year period based on the economic forecasts in place as at 31 March 2024.

	Financial years				
Base case %	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
South Africa					
GDP growth	1.1	1.5	1.8	2.0	2.1
Repo rate	7.8	6.8	6.8	6.8	6.8
Bond yield	11.1	10.8	10.6	10.4	10.3
CPI inflation	4.2	4.2	4.7	4.6	4.7
Residential property price growth	2.3	3.2	4.5	5.1	5.6
Commercial property price growth	(0.5)	1.2	1.5	2.2	2.5
Exchange rate (South African Rand:US Dollar)	17.8	17.8	18.1	18.3	18.8

The following table outlines the extreme point forecast for each economic factor across the scenarios as at 31 March 2024. Baseline represents the five-year base case average. Upside scenario values represent the best outcomes, namely the highest quarterly level of GDP, residential and commercial property price growth (year-on-year), lowest level of CPI inflation (year-on-year), bond yield, exchange rate and repo rate. Downside scenario values represent the worst outcomes being lowest quarterly level of GDP, residential and commercial property price growth (year-on-year), highest level of CPI inflation (year-on-year), bond yield, exchange rate and repo rate.

Five-year extreme points At 31 March 2024	Extreme up case %	Up case %	Baseline: Base case five-year average %	Lite down case %	Severe down case %
South Africa					
GDP growth	6.9	4.6	1.7	(0.1)	(2.7)
Repo rate	4.8	5.3	7.0	9.5	11.5
Bond yield	8.8	9.5	10.6	12.3	13.0
CPI inflation	2.7	3.4	4.5	5.9	7.0
Residential property price growth	8.7	7.4	4.1	0.9	(0.6)
Commercial property price growth	6.8	4.5	1.4	(2.5)	(4.7)
Exchange rate (South African Rand:US Dollar)	14.0	15.2	18.1	20.1	22.3

NOTES TO THE FINANCIAL STATEMENTS
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56. Risk management (continued)

Market risk in the trading book

Traded market risk description

Traded market risk is the risk of potential value changes in 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.

Traded market risk profile

The focus of our trading activities is primarily to support 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.

Traded market risk governance structure

Traded market risk is governed by policies that cover the management, identification, measurement and monitoring of market risk. We have an independent market risk team to identify, measure, monitor and manage market risk. This team reports into risk management where limits are approved, managed and monitored.

The market risk team has reporting lines that are separate from the trading function, thereby ensuring independent oversight. The Market Risk Forum, mandated by IBL ERC, manages market risk in accordance with approved principles, policies and risk appetite. Trading desk risk limits are reviewed by the Market Risk Forum and approved by IBL ERC in accordance with the risk appetite defined by the IBL Board. Any significant changes in risk limits would then be taken to IBL ERC, IBL and DLC BRCCs as well as IBL and DLC boards for review and approval. The appropriateness of limits is continually re-assessed, with limits reviewed at least annually, or in the event of a significant market event or at the discretion of senior management.

Measurement of traded market risk

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 analyses 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 the ever-changing market environment. Stress scenarios are run daily with analysis presented to IBL Executive Risk Review Forum (IBL ERRF) weekly as well as IBL BRCC when the committees meet or more often should market conditions require this.

Value at Risk

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 a historic 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 VaR model is based on a 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 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. The resultant one-day VaR is scaled up using the square root of time for regulatory capital requirements
- 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, being the average of the losses in the tail of the VaR distribution.

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CONTINUED

56. Risk management (continued)

The table below contains the 95% one-day VaR figures for the trading businesses.

95% one-day VaR R'million	31 March 2024 Year end	31 March 2024 Average	31 March 2024 High	31 March 2024 Low	31 March 2023 Year end	31 March 2023 Average	31 March 2023 High	31 March 2023 Low
Commodities	0.5	0.5	0.8	0.3	0.4	0.3	1.9	0.1
Equities	2.5	3.1	5.9	1.4	3.2	2.9	5.5	1.3
Foreign exchange	0.5	0.7	4.3	0.2	0.4	0.7	3.1	0.1
Interest rates	4.0	5.4	41.0	2.0	8.9	7.5	14.4	3.4
Consolidated*	**6.8**	**9.1**	**45.1**	**4.0**	**10.7**	**8.0**	**15.3**	**3.8**

* The consolidated VaR for each desk is lower than the sum of the individual VaRs. This arises from the correlation offset between various asset classes.

Expected shortfall

The ES measure overcomes some of VaR's shortcomings. ES seeks to quantify losses encountered in the tail beyond the VaR level. The 95% one-day ES is the average loss given that the 95% one-day VaR level has been exceeded. The table below contains the 95% one-day ES figures.

95% one-day ES R'million	31 March 2024 Year end	31 March 2023 Year end
Commodities	1.1	0.5
Equities	4.1	4.5
Foreign exchange	0.8	0.5
Interest rates	8.5	12.9
Consolidated*	**9.3**	**15.4**

* The consolidated ES for each desk is lower than the sum of the individual ESs. This arises from the correlation offset between various asset classes.

Stressed VaR

Stressed VaR (sVaR) is calculated using the VaR model but is based on a one-year period through which the relevant market factors experienced stress. The information in the table below contains the 99% one-day sVaR.

R'million	31 March 2024 Year end	31 March 2023 Year end
99% one-day sVaR	**43.9**	**23.2**

Interest rate risk – JIBAR reform

In 2020, the SARB announced that Johannesburg Interbank Average Rate (JIBAR) would be phased out over time, as it does not comply with the 'Principles for Financial Benchmarks' set out by the International Organisation of Securities Commissions (IOSCO).

The SARB established a Market Practitioners Group (MPG) drawn from a diverse set of market practitioners. The MPG concluded its work on identifying a potential successor rate for JIBAR and has identified the South African Rand Overnight Index Average Rate (ZARONIA) as the most appropriate near risk-free rate that should replace JIBAR. ZARONIA forms part of a suite of interest rate benchmarks that will be administered by the SARB.

As it is critical that domestic financial markets are systematically transitioned to the successor rate, the MPG is considering various aspects of the transition and to implement a programme of action that minimises any disruption to market functioning and addresses any hurdles that may ensue. The MPG will focus on specific transition issues related to the adoption of the new reference rate with workstreams around derivatives, legal and accounting and tax.

The SARB has commenced publishing ZARONIA daily to allow market participants to observe the rate and implement measures to promote its adoption. The observation period ended 3 November 2023. Investec submits daily transaction data to the SARB for the calculation and publication of ZARONIA

It is estimated that the JIBAR cessation date will be announced in 2024, with adoption of ZARONIA commencing through 2024 and 2025.

NOTES TO THE FINANCIAL STATEMENTS
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56. Risk management (continued)

Investment risk

Investment risk in the banking book comprised 0.5% of total assets at 31 March 2024. We have refocused our principal investment activities on clients where we have and can build a broader relationship through other areas of activity in the Bank.

We partner with management and other co-investors by bringing capital raising expertise, working capital management, merger and acquisition and investment experience into client-driven private equity transactions as well as leveraging third party capital into the Group's funds that are relevant to the Group's client base. Investments are selected based on:

- The track record and credibility of management
- Attractiveness of the industry and the positioning therein
- Valuation/pricing fundamentals
- Sustainability analyses
- Exit possibilities and timing thereof
- The ability to build value by implementing an agreed strategy.

Investments in listed shares may arise on an IPO or sale of an investment to a listed company. There is limited appetite for listed investments.

Additionally, from time to time, the manner in which certain lending transactions are structured results in equity, warrants or profit shares being held, predominantly in unlisted companies.

Management of investment risk

As investment risk arises from a variety of activities conducted by the Bank, the monitoring and measurement thereof varies across transactions and/or type of activity.

In order to manage, measure and monitor investment risk, investment committees are in place to provide oversight of the regions where investment risk is assumed across the Bank.

Risk appetite targets and limits are set to manage our exposure to equity and investment risk. An assessment of exposures against limits and targets are reported to IBL BRCC. As a matter of course, concentration risk is avoided and investments are spread across geographies and industries.

Valuation and sensitivity assumptions and accounting methodologies

For a description of our valuation principles and methodologies refer to pages 100 to 109 for factors and sensitivities taken into consideration in determining fair value.

Summary of investments held

The balance sheet value of investments is indicated in the table below.

R'million	On-balance sheet value of investments 31 March 2024	On-balance sheet value of investments 31 March 2023
Unlisted investments*	3 043	2 880
Listed equities	42	46
Total investment portfolio	**3 085**	**2 926**
Investment and trading properties	65	71
Total	**3 150**	**2 997**

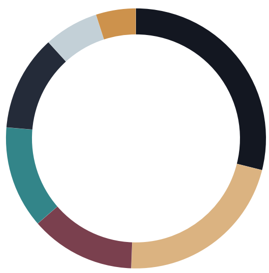
* Includes the fair value loans investments of R503 million (31 March 2023: R507 million).

Capital requirements

Refer to the unaudited Pillar III annual disclosure report on our website.

An analysis of the investment portfolio by industry (excluding investment and trading properties)

31 March 2024
R3 085 million



Finance and Insurance	28.8%
Electricity, gas and water (utility services)	21.7%
Mining and resources	13.1%
Communication	12.7%
Manufacturing and Commerce	11.9%
Business Services	6.8%
Other	5.0%

NOTES TO THE FINANCIAL STATEMENTS
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56. Risk management (continued)

Balance sheet risk management

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

Balance sheet risk governance structure and risk mitigation

The Group has Board-approved balance sheet risk policies. Risk appetite limits are set at the relevant Board level and reviewed at least on an annual basis. The size, materiality, complexity, maturity and depth of the market as well as access to stable funds are all inputs considered when establishing the risk appetite for the Group.

The Bank has established ALCOs within each banking entity, using regional expertise and local market access as appropriate. The ALCOs are mandated to ensure independent oversight of liquidity risk and IRRBB.

ALCOs review the exposures within the balance sheet together with market conditions, and decide on strategies to mitigate any undesirable risk. The Treasury function is mandated to holistically manage the risk on a day-to-day basis.

The Treasury function is required to exercise tight control of all balance sheet risks (liquidity, funding, concentration, encumbrance and IRRBB) within the Board-approved risk appetite limits. IRRBB and asset funding requirements are transferred from the originating business to the Treasury function.

The Treasury function directs pricing for all deposit products, establishes and maintains access to stable funds with the appropriate tenor and pricing characteristics, and manages liquid securities and collateral.

Balance sheet risk management teams are based within Group risk management. These teams are responsible for identifying, quantifying, monitoring and communicating risks while providing independent oversight of the treasury activities and guaranteeing the adherence to the Bank's policies.

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

Daily, weekly and monthly reports are independently produced highlighting the Bank's 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.

Liquidity risk

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. A number of internal and regulatory metrics are used on a current and forward-looking basis to manage liquidity risk and funding risk. Future cash flows are monitored on a contractual, business-as-usual and stressed basis. Stress testing is based on a range of historical and hypothetical scenarios.

We further carry out reverse stress tests to identify business model vulnerabilities which tests 'tail risks' that can be missed in normal stress tests.

Additionally the Bank maintains contingency funding plans which detail the course of 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 have been tested within our core jurisdictions via externally facilitated liquidity crisis simulation exercises which assess the Group's sustainability and the ability to adequately contain a liquidity stress.

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.

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 Bank 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 Bank'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.The Bank 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.

NOTES TO THE FINANCIAL STATEMENTS
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56. Risk management (continued)

Liquidity mismatch

The tables that follow show the liquidity mismatch across our business.

The table will not agree directly to the balances disclosed in the balance sheet due to the inclusion of loans from Group companies in the other asset line that is current.

With respect to the contractual liquidity table below, record all assets and liabilities with the underlying contractual maturity.

With respect to the behavioural liquidity tables, we adjust the contractual profile of certain assets and liabilities:

- **Liquidity buffer:** the actual contractual profile of the assets in the liquidity buffer is of little consequence, as practically the Bank would meet any unexpected net cash outflows by repo'ing or selling these highly liquid securities. Consequently, for the liquidity buffer:
  – The time horizon to monetise our regulatory liquid assets which are guaranteed by the central bank has been adjusted to 'on demand'
  – The time horizon for the cash and near cash portfolio of discretionary treasury assets has been set to one month where there are deep secondary markets for this elective asset class.
- **Customer deposits:** historical observations were used to model the behavioural maturity profile, and this analysis has identified significant additional sources of structural liquidity in the form of core deposits that exhibit stable behaviour.

Contractual liquidity at 31 March 2024

R'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> Five years	Total
Cash and short-term funds – banks	52 409	22 729	3 479	—	—	—	—	78 617
Cash and short-term funds – non-banks	8 264	158	128	—	—	—	—	8 550
Investment/trading assets and statutory liquids	58 047	21 302	7 928	6 121	3 416	12 971	21 341	131 126
Securitised assets	—	95	196	288	495	3 071	2 301	6 446
Advances	8 377	7 535	11 711	16 151	23 212	129 641	142 701	339 328
Other assets	20 911	4 097	—	4 782	3 259	—	11 882	44 931
Assets	**148 008**	**55 916**	**23 442**	**27 342**	**30 382**	**145 683**	**178 225**	**608 998**
Deposits – banks	(197)	(417)	(364)	—	(1 643)	(28 444)	—	(31 065)
Deposits – non-banks	(226 871)	(28 225)	(62 886)	(32 513)	(38 197)	(56 651)	(3 292)	(448 635)
Negotiable paper	—	(412)	(2 543)	(270)	(647)	(843)	—	(4 715)
Securitised liabilities	—	—	—	—	—	—	(4 997)	(4 997)
Investment/trading liabilities	(6 491)	(4 363)	(2 968)	(1 357)	(7 156)	(27 793)	(4 160)	(54 288)
Subordinated liabilities	—	—	—	—	—	(7 283)	—	(7 283)
Other liabilities	(1 110)	(10)	(1 584)	(680)	(62)	(1 047)	(4 073)	(8 566)
Liabilities	**(234 669)**	**(33 427)**	**(70 345)**	**(34 820)**	**(47 705)**	**(122 061)**	**(16 522)**	**(559 549)**
Total equity	—	—	—	—	—	—	(49 449)	(49 449)
Contractual liquidity gap	**(86 661)**	**22 489**	**(46 903)**	**(7 478)**	**(17 323)**	**23 622**	**112 254**	**—**
Cumulative liquidity gap	(86 661)	(64 172)	(111 075)	(118 553)	(135 876)	(112 254)	—	

Behavioural liquidity as at 31 March 2024

R'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> Five years	Total
Behavioural liquidity gap	**77 924**	**2 786**	**(4 034)**	**4 091**	**(5 376)**	**(220 037)**	**144 646**	**—**
Cumulative	77 924	80 710	76 676	80 767	75 391	(144 646)	—	

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

56. Risk management (continued)

Interest rate risk in the banking book (IRRBB)

IRRBB arises from the impact of adverse movements in interest rates on both net interest earnings and economic value of equity.

Measurement and management of non-trading interest rate risk

IRRBB is an inherent consequence of conducting banking activities, and arises from the provision of non-trading banking products and services. The Bank considers the management of banking margin of vital importance, and our IRRBB philosophy is reflected in our day-to-day practices.

The aim of IRRBB management is to protect net interest income and economic value in accordance with the Board-approved risk appetite. IRRBB is measured and analysed by utilising standard tools of traditional interest rate repricing mismatch and net present value (NPV) sensitivity to changes in interest rate risk factors:

- Income metrics capture the change in accruals expected over a specified time horizon in response to a change in interest rates
- Economic value metrics capture all future cash flows in order to calculate the Group's net worth and therefore can highlight risks beyond the short-term earnings time horizon.

These metrics are used to assess and to communicate to senior management the financial impact of possible future interest rate scenarios, covering:

- Interest rate expectations and perceived risks to the central view
- Standard shocks to levels and shapes of interest rates and yield curves.

The repricing gap provides a simple representation of the balance sheet, with the sensitivity of fair values and earnings to changes to interest rates calculated off the repricing gap. This also allows for the detection of interest rate risk concentration in specific repricing buckets. Net interest income sensitivity measures the change in accruals expected over the specified horizon in response to a shift in the yield curve, while economic value sensitivity and stress testing to macro-economic movement or changes to the yield curve measures the interest risk implicit change in net worth as a result of a change in interest rates on the current values of financial assets and liabilities. Economic value measures have the advantage that all future cash flows are considered and therefore assess the risk beyond the earnings horizon.

Sources of IRRBB include:

- **Repricing risk:** arises from the timing differences in the fixed rate maturity and floating rate repricing of Bank assets, liabilities and derivative hedging positions. This affects the interest rate margin realised between lending income and borrowing costs when applied to our rate sensitive portfolios
- **Yield curve risk:** repricing mismatches also expose the Bank to changes in the slope and shape of the yield curve
- **Basis risk:** arises from imperfect correlation in the adjustments of the rates earned and paid on different instruments with otherwise similar repricing characteristics
- **Embedded option risk:** arises from optional elements embedded in items where the Bank or its customers can alter the level and timing of their cash flows, such as the prepayment of fixed rate loans and withdrawal of non-maturity deposits (NMDs)
- **Endowment risk:** refers to the interest rate risk exposure arising from the net differential between interest rate insensitive assets, interest rate insensitive liabilities and capital.

The above sources of interest rate risk affect the interest rate margin realised between lending income and borrowing costs when applied to our rate sensitive asset and liability portfolios, which has a direct effect on future net interest earnings and the economic value of equity.

Each banking entity has its own Board-approved IRRBB appetite, which is clearly defined in relation to both income risk and economic value risk. The Bank has limited appetite for IRRBB.

Operationally, daily management of interest rate risk is centralised within the Treasury of each banking entity and is subject to local independent risk and ALCO review. Treasury mitigates any residual undesirable risk where possible, by changing the duration of the banking book's discretionary liquid asset portfolio, or through derivative transactions. The Treasury mandate allows for a tactical response to market volatility which may arise during changing interest rate cycles, in order to hedge residual exposures. Any resultant interest rate position is managed under the IRRBB risk limits. Balance sheet risk management independently monitors a broad range of interest rate risk metrics to changes in interest rate risk factors, detailing the sources of interest rate exposure.

Automatic optionality arising from variable rate products with an embedded minimum lending rate serves as an income protection mechanism for the Group against falling interest rates, while behavioural optionality risk from customers of fixed rate products is mitigated by early repayment charges.

Economic value sensitivity at 31 March 2024

As outlined above, IRRBB is measured and monitored using an economic value sensitivity approach. The table below reflects our economic value sensitivity to a 2% parallel shift in interest rates assuming no management intervention. This sensitivity effect would only have a negligible direct impact on our equity.

R'million	All (ZAR)
200bps down	316.0
200bps up	(319.7)

Net interest income sensitivity at 31 March 2024

IRRBB is measured and monitored using an income sensitivity approach. The table below reflects our annualised net interest income value sensitivity to a 0.25% parallel shift in interest rates assuming no management intervention.

R'million	All (ZAR)
25bps down	(51.0)
25bps up	51.0

NOTES TO THE FINANCIAL STATEMENTS
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56. Risk management (continued)

Foreign currency translation sensitivity as at 31 March 2024

The table below shows a 10% sensitivity arising from the net open position of foreign denominated exposures. The sensitivity analysis reflects the impact on profit or loss to a 10% ZAR depreciation. The net open position is converted to ZAR on a spot basis for financial reporting purposes.

R'million		USD	Euro	Yen	CHF	GBP	Other	Total
Net Open Position ((ZAR Equivalent) (Asset/Liability))^		**260.0**	**9.1**	**6.9**	**(3.9)**	**117.1**	**(33.4)**	**355.7**
Sensitivity (ZAR depreciation)	10 %							
Impact on profit/(loss)		26.0	0.9	0.7	(0.4)	11.7	(3.3)	35.6

^ Before tax

Traded equity risk sensitivity as at 31 March 2024

Traded equity risk relates to the potential for losses or fluctuations in the value of an equity position due to changes in the equity market in for positions in the Trading book. Equity risk arises primarily from the uncertainty and volatility of stock prices, which in turn affect the value of equity exposures.

The table below shows a sensitivity to changes in the underlying equity spot prices. The sensitivity analysis reflects the impact on profit or loss to a 5% gain and a 5% drop in all equity prices.

R'million	Equity Spot Prices	
Sensitivity	(5)%	5 %
Impact on profit/(loss)	21	(7)

Commodity risk sensitivity as at 31 March 2024

Commodity price risk, which results from exposure changes in spot prices, forward prices and volatilities of commodity products such as energy and precious and base metals.

Investec holds economically hedged commodities positions, facilitating corporate clients in commodity hedging. The table below shows the sensitivity of the resultant residual commodity risk to changes in the underlying commodity spot prices. The sensitivity analysis reflects the impact on profit or loss to a 5% increase and a 5% decrease in commodity prices.

R'million	Commodity Spot prices	
Sensitivity	(5)%	5 %
Impact on profit/(loss)	(30)	30

NOTES TO THE FINANCIAL STATEMENTS
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57. Capital management and allocation

Current regulatory framework

Investec Bank 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 Bank Limited is designated by the South African PA, as a Systemically Important Financial Institution as well as a Domestic Systemically Important Bank (D-SIB) in South Africa. Investec Bank Limited and its subsidiaries have not been designated as a Financial Conglomerate.

Regulated subsidiaries of Investec Bank 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.

A summary of capital adequacy and leverage ratios

	IRB Scope*	
	31 March 2024^	31 March 2023^
Common equity tier 1 ratio	16.5%	17.1%
Tier 1 ratio	17.8%	18.2%
Total capital ratio	20.5%	21.2%
Risk-weighted assets (R'million)*	273 185	261 263
Leverage exposure measure (R'million)	684 313	662 702
Leverage ratio	7.1%	7.2%

* 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.

^ 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).

For the year ended 31 March 2024, Investec Bank Limited calculated its minimum capital requirements in respect of:

- 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
- Operational risk capital requirement is calculated on the SA
- Equity risk is calculated using the market-based approach by applying the simple risk-weight method
- Market risk, using an Internal Risk Management Model, approved by the South African PA.

Year under review

Investec Bank Limited remains well capitalised with capital ratios exceeding both regulatory minimums and targets. At 31 March 2024, the CET1 ratio decreased to 16.5% from 17.1% at 31 March 2023. CET1 capital decreased by R0.3 billion to R45.1 billion, largely affected by:

- Positive attributable earnings post taxation of R8.1 billion
- An increase of R0.6 billion in the Foreign currency translation reserve

These increases were offset by:

- Dividends paid to ordinary shareholders and AT1 security holders of R5.9 billion
- A net deduction of R2.2bn due to the restatement of retained earnings
- A R0.3 billion increase in regulatory expected loss deduction

RWAs increased by 4.6% from R261.3 billion (March 2023) to R273.2 billion (March 2024).

Credit risk RWAs, including counterparty credit risk, increased by R4.3 billion (2.0%) from 31 March 2023 to 31 March 2024. The increase was mainly driven by book growth, offset by additional collateral and a decrease in the deferred tax asset.

Equity risk RWAs increased by R3.0 billion (28.6%) from March 2023 to March 2024, largely attributable to new investments.

Market risk RWAs for Investec Bank Limited increased by R0.5 billion (8.1%) 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.

Operational risk RWAs for Investec Bank Limited increased by R4.1 billion (15.1%) 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.

Investec Bank Limited's leverage ratio decreased to 7.1% (March 2024) from 7.2% (March 2023). The decrease is primarily driven by a decrease in total Tier 1 capital of R1.1 billion and by an increase of R21.6 billion in the leverage exposure measure owing largely to growth in total assets.

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57. Capital management and allocation (continued)

Minimum capital requirement

Investec Bank 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% CCyB. As at 31 March 2024, Investec Bank Limited's institution-specific CCyB, held for purposes of the reciprocity requirement, was 0.0425% of risk weighted exposures.

Regulatory developments

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, up to R100 000 per bank, in the event of their bank failing.

The South African PA revised the implementation of the outstanding Basel 3 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 (60%) till 1 January 2028 where it is expected to be fully phased-in at 72.5% of total non-modelled RWA.

Investec Bank 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 Bank Limited at capital committees and its Board.

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 PCN CCyB effective 1 January 2026. The PCN CCyB shall be 1% 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.

Philosophy and approach

Investec Bank Limited’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.

For Investec Bank Limited we target a Total Capital ratio > 15%, and we target a minimum Tier 1 ratio > 12.5% and a CET1 ratio between 11.5% and 12.5% on a consolidated basis.

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 regulatory capital through the Internal Capital Adequacy and Assessment Process (ICAAP). The ICAAP documents the approach to capital management, including the assessment of the regulatory and internal capital position.
- The ICAAP is reviewed and approved by DLC BRCC and the Board.

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

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

57. Capital management and allocation (continued)

Capital planning and stress/scenario testing

A capital plan is prepared 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 considerations. 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.

Capital plans are prepared and presented to the Limited and DLC capital committees on a bi-annual basis. The plans are updated with the actual month-end position and forecast out to the end of the fiscal year, taking into account updated profit or loss and asset growth forecasts.

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 Bank Limited duress. The conditions are agreed by the DLC 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, 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 DLC Capital Committee and DLC BRCC are presented with the potential variability in capital adequacy and are responsible, in consultation with the Board, for considering the appropriate response.

Reverse stress testing is performed annually as part of the Recovery Plan process.

Capital structure and capital adequacy

R'million	IRB Scope*	
	31 March 2024^	31 March 2023^
Shareholders' equity	**45 989**	**44 016**
Shareholders' equity per balance sheet	45 989	44 016
Perpetual preference share capital and share premium	—	—
Regulatory adjustments to the accounting basis	**(277)**	**1 111**
Prudent (Additional) value adjustment	(220)	(223)
Gains or losses on liabilities at fair value resulting from changes in our credit standing	(32)	(15)
Cash flow hedging reserve	(25)	1 349
Deductions	**(588)**	**(329)**
Goodwill and intangible assets net of deferred tax	(262)	(311)
Other regulatory adjustments	(20)	—
Shortfall of eligible provisions compared to expected loss	(306)	(18)
Common equity tier 1 capital	**45 124**	**44 798**
Additional tier 1 capital	**3 460**	**2 710**
Additional tier 1 instruments	3 460	2 710
Phase out of non-qualifying additional tier 1 instruments	—	—
Tier 1 capital	**48 584**	**47 508**
Tier 2 capital	**7 447**	**7 928**
Collective impairment allowances	164	365
Tier 2 instruments	7 283	7 563
Total regulatory capital	**56 031**	**55 436**
Risk-weighted assets*	**273 185**	**261 263**

* 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.

^ 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).

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

57. Capital management and allocation (continued)

Capital requirements

R'million	IRB Scope* 31 March 2024^	IRB Scope* 31 March 2023^
Capital requirements	**32 898**	**31 384**
Credit risk	25 668	24 828
Equity risk	1 616	1 254
Counterparty credit risk	807	953
Credit valuation adjustment risk	318	418
Market risk	753	695
Operational risk	3 736	3 236
Risk weighted assets*	**273 185**	**261 263**
Credit risk	213 144	206 693
Equity risk	13 422	10 437
Counterparty credit risk	6 705	7 930
Credit valuation adjustment risk	2 637	3 477
Market risk	6 255	5 784
Operational risk	31 022	26 942

Leverage

R'million	IRB Scope* 31 March 2024^	IRB Scope* 31 March 2023^
Tier 1 capital	48 584	47 508
Total exposure measure	684 313	662 702
Leverage ratio	**7.1%**	**7.2%**

* 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.

^ 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).

Total regulatory capital flow statement

R'million	IRB Scope 31 Mar 2024	IRB Scope 31 Mar 2023
Opening Common Equity Tier 1 capital	**44 798**	**45 206**
Dividends paid to ordinary shareholders and Additional Tier 1 security holders	(5 858)	(8 956)
Profit after taxation	8 076	6 792
Reclassification of reserves^	(2 187)	—
Share-based payment adjustments	(62)	225
Employee benefit liability recognised	—	(85)
Movement in other comprehensive income	668	1 758
Shortfall of eligible provisions compared to expected loss	(288)	151
Goodwill and intangible assets (deduction net of related taxation liability)	49	(29)
Gains or losses on liabilities at fair value resulting from changes in own credit standing	—	2
Other, including regulatory adjustments and other transitional arrangements	(72)	(266)
Closing Common Equity Tier 1 capital	**45 124**	**44 798**
Opening Additional Tier 1 capital	**2 710**	**2 560**
Issued capital	750	500
Redeemed capital	—	(350)
Closing Additional Tier 1 capital	**3 460**	**2 710**
Closing Tier 1 capital	**48 584**	**47 508**
Opening Tier 2 capital	**7 928**	**9 557**
Issued capital	1 250	2 431
Redeemed capital	(1 996)	(4 347)
Collective impairment allowances	(200)	(59)
Other, including regulatory adjustments and other transitional arrangements	465	346
Closing Tier 2 capital	**7 447**	**7 928**
Closing total regulatory capital	**56 031**	**55 436**

^ 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.

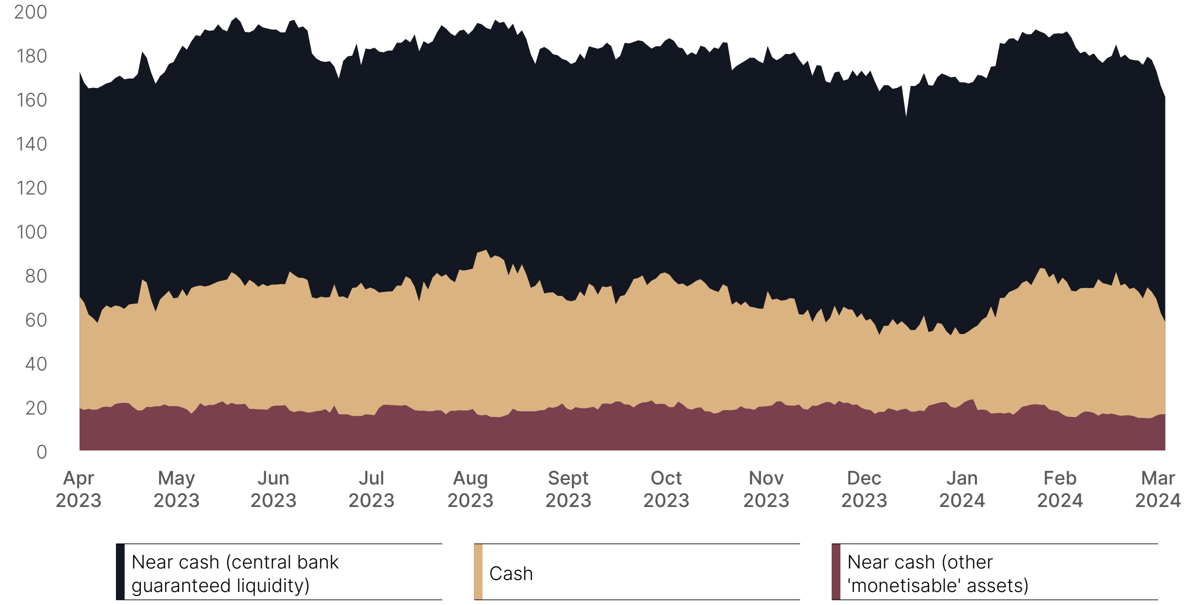
UNAUDITED RISK MANAGEMENT

Risk management (unaudited)

Balance sheet risk management

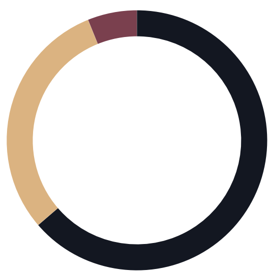
Cash and near cash trend

R'billion



An analysis of cash and near cash at 31 March 2024

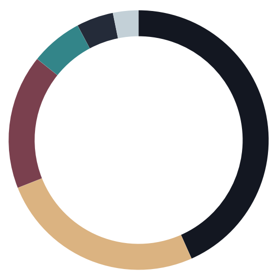
R160.7 billion



Near cash (central bank guaranteed liquidity)	63.7%
Cash	30.2%
Near cash (other 'monetisable' assets)	6.1%

Bank and non-bank depositor concentration by type at 31 March 2024

R479.7 billion



Non-bank financials	43.3%
Individuals	25.7%
Non-financial corporates	16.7%
Banks	6.5%
Public sector	4.6%
Small business	3.2%

UNAUDITED RISK MANAGEMENT
CONTINUED

Risk management (unaudited)

Market risk in the trading book

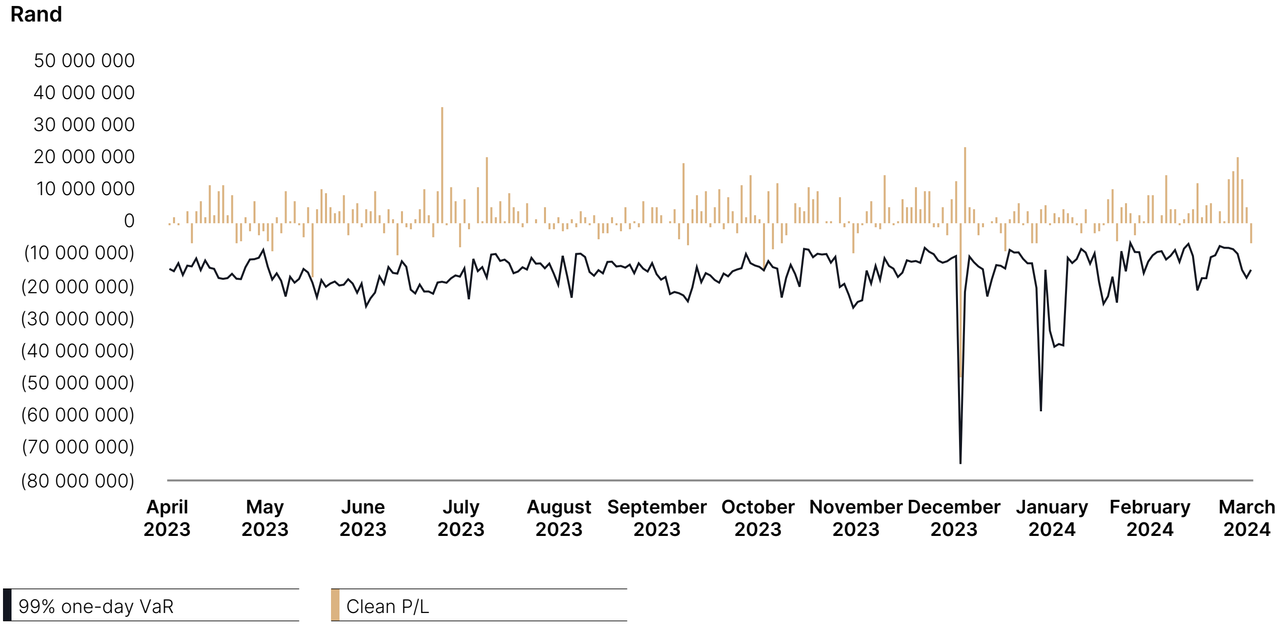
Backtesting

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 graph that follows shows 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 VaR figures, i.e. 99% of the time, losses are not expected to exceed the 99% one-day VaR.

The average VaR for the year ended 31 March 2024 in the trading book was higher than for the year ended 31 March 2023. Using clean profit and loss data for backtesting resulted in no exceptions over the year (as shown in the graph below), which is below the expected number of two to three exceptions over a one year period that a 99% VaR model implies.

99% one-day VaR backtesting



Market risk – derivatives

The Bank enters into various derivative contracts, largely on the back of customer flow. These are used for hedging foreign exchange, interest rates, commodity, equity and credit exposures and to a small extent as principal for trading purposes. Traded instruments include financial futures, options, swaps and forward rate agreements.

Information showing our derivative trading portfolio over the reporting period on the basis of the notional principal and the fair value of all derivatives can be found on pages 119 and 120.

The notional principal indicates our activity in the derivatives market and represents the aggregate size of total outstanding contracts at year end. The fair value of a derivative financial instrument represents the present value of the positive or negative cash flows which would have occurred had we closed out the rights and obligations arising from that instrument in an orderly market transaction at year end. Both these amounts reflect only derivatives exposure and exclude the value of the physical financial instruments used to hedge these positions.

GLOSSARY

The following abbreviations have been used throughout this report:

AATE	The Academy of Accelerated Technology Education
AGM	Annual general meeting
ADR	Forum Arrears, Recovery and Default Forum
AI	Artificial Intelligence
AIRB	Advanced Internal Ratings-Based
AML	Anti-money laundering
AUM	Assets under management
BASA	Banking Association of South Africa
BCBS	Basel Committee of Banking Supervision
BRCC	Board Risk and Capital Committee
BSE	Botswana Stock Exchange
CA	Chartered Accountant
CAM	Combined Assurance Matrix
CCB	Capital conservation buffer
CCR	Counterparty credit risk
CCyB	Countercyclical capital buffer
CDS	Credit default swap
CEM	Current exposure method
CE	Chief Executive
CET1	Common equity tier 1
CFO	Chief Financial Officer
CFP	Contingency Funding Plan
CFT	Combating the financing of terrorism
CLR	Credit Loss Ratio
COO	Chief Operating Officer
COVID	Corona Virus Disease
CRO	Chief Risk Officer
CSST	Common Scenario Stress Test
CVA	Credit valuation adjustment
DLC	Dual listed company
DLC BRCC	DLC Board Risk and Capital Committee
DLC Nomdac	DLC Nominations and Directors Affairs Committee
DLC SEC	DLC Social and Ethics Committee
D-SIB	Domestic systemically important bank
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECL	Expected credit loss
EIR	Effective interest rate
EP	Equator Principles
EQAR	Engagement Quality Assurance Review
ESG	Environmental, social and governance
FATF	Financial Action Task Force
FIRB	Foundation Internal Ratings-Based
FLAC	Financial Loss Absorbing Capacity
FRC	Financial Regulatory Council
FRTB	Fundamental Review of the Trading Book
FSLAA	Financial Sector Law Amendment Act
FSLAB	Financial Sector Laws Amendment Bill
FSR Act	Financial Sector Regulation Act No, 9 of 2017
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit and loss
GDP	Gross domestic product
GDPR	General Data Protection Regulation
GISD	UN Global Investment for Sustainable Development
GERC	Group Executive Risk Committee
HLA	Higher loss-absorbency
HNW	High net worth
HVCRE	High Volatility Commercial Real Estate
IAM	Investec Asset Management
IASs	International Accounting Standards
IBL	Investec Bank Limited
IBL BRCC	IBL Board Risk and Capital Committee
IBL ERC	IBL Executive Risk Committee
IBL Review ERRF	IBL Review Executive Risk Review Forum
IBM	Investec Bank Mauritius
ICAAP	Internal Capital Adequacy Assessment Process
ICR	Individual capital requirement
IEP	IEP Group
IFB	Investec for Business
IFC	International Finance Corporation
IFRIC	International Financial Reporting Committee
IFRS	International Financial Reporting Standard
IP	Investec Property
IPF	Investec Property Fund
IPRE	Income Producing Real Estate
IRB	Internal Ratings-Based
IRBA	International Regulatory Board for Auditors
IRRBB	Interest Rate Risk in the Banking Book
ITRG	Information Technology Risk and Governance
IW&I	Investec Wealth & Investment
JIBAR	Johannesburg Interbank Average Rate
KAM	Key Audit Matters
JSE	Johannesburg Stock Exchange
LCR	Liquidity coverage ratio
LHS	Left hand side
LSE	London Stock Exchange
MAFR	Mandatory Audit Firm Rotation
MER	Mutual Evaluation Report
NSFR	Net stable funding ratio
NAV	Net asset value
NACQ	Nominal annual compounded quarterly in arrears
NSX	Namibian Stock Exchange
OCI	Other comprehensive income
PCCC	Prudential Conduct and Controls Committee
PCN-CCyB	Positive Cycle -Neutral Countercyclical Capital Buffer
PRA	Prudential Regulation Authority
PwC Inc.	PricewaterhouseCoopers Incorporated
RDARR	Risk Data Aggregation Risk Reporting
RHS	Right hand side
ROU	Right of use asset
RWA	Risk-weighted asset
SA-CCR	Standardised Approach to Counterparty Credit Risk
SAICA	South African Institute of Chartered Accountants
SDGs	Sustainable Development Goals
SIFI	Systemically important financial institution
SOE	State-owned Enterprise
SOFR	Secured Overnight Financing Rate
South African PA	South African Prudential Authority (previously known as the Banking Supervision Division of the South African Reserve Bank)
SPPI	Solely payments of principal and interest
SREP	Supervisory Review and Evaluation Process
TAS	Targeted Attack Simulation
TCFD	Task Force on Climate-related Financial Disclosures
VaR	Value at Risk
WACC	Weighted average cost of capital

CORPORATE INFORMATION

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Directorate

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Cumesh Moodliar (Chief Executive)
Fani Titi (Executive Director)
Rupesh Govan (Finance Director)
Richard Wainwright (Executive Director)

Non-Executive Directors

Philip Hourquebie (Chair)
Zarina Bassa
Morris Mthombeni
Vanessa Olver
Geoffrey Qhena
Diane Radley

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