

Out of the Ordinary since 1974

INVESTEC ANNUAL REPORT
2024

Investec 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.

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[www.investec.com/en_za/
welcome-to-investec/about-us/
investor-relations.html](http://www.investec.com/en_za/welcome-to-investec/about-us/investor-relations.html)

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Operational and strategic overview



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 Limited.

IN THIS SECTION

- 4 Our business at a glance

- 5 Overview of the Investec Group's and Investec Limited's Organisational structure

- 6 Overview of the activities of Investec Limited

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	<p>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.</p> <p>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.</p>
Our philosophies	<p>Single organisation</p> <hr/> <p>Meritocracy</p> <hr/> <p>Focused businesses</p> <hr/> <p>Differentiated, yet integrated</p> <hr/> <p>Material employee ownership</p> <hr/> <p>Creating an environment that stimulates extraordinary performance</p>
Our values	<p>Deep client partnerships, built on trust and Out of the Ordinary service, are the bedrock of our business</p> <hr/> <p>We uphold cast-iron integrity in all our dealings, consistently displaying moral strength</p> <hr/> <p>We seek creative, talented people with passion, energy and stamina, who collaborate unselfishly</p> <hr/> <p>We thrive on change and challenge the status quo with courage, constantly innovating and adapting to an ever-changing world</p> <hr/> <p>We believe in open and honest dialogue to test decisions, seek consensus and accept responsibility</p> <hr/> <p>We pursue diversity and strive to create an environment in which everyone can bring their whole selves</p> <hr/> <p>We show care for people, support our colleagues and respect the dignity and worth of the individual</p> <hr/> <p>We are committed to living in society, not off it, contributing meaningfully to the communities in which we operate</p> <hr/> <p>We embrace our responsibility to the environment and the well-being of our planet</p> <hr/> <p>We trust our people to exercise their judgement, promoting entrepreneurial flair and freedom to operate with risk consciousness and unwavering adherence to our values</p>

OVERVIEW OF THE INVESTEC GROUP'S AND INVESTEC LIMITED'S ORGANISATIONAL STRUCTURE

Operating structure


Investec Limited, which houses our Southern African operations, has been listed in South Africa since 1986.


During July 2002, Investec Group Limited (since renamed Investec Limited) implemented a dual listed companies (DLC) structure and listed its offshore business on the London Stock Exchange (LSE).

In terms of the DLC structure, Investec Limited is the holding company of our businesses in Southern Africa and Investec plc is the holding company of our non-Southern African businesses. Investec Limited is listed on the Johannesburg Stock Exchange Limited (JSE) (since 1986) and Investec plc is listed on the LSE (since 2002).

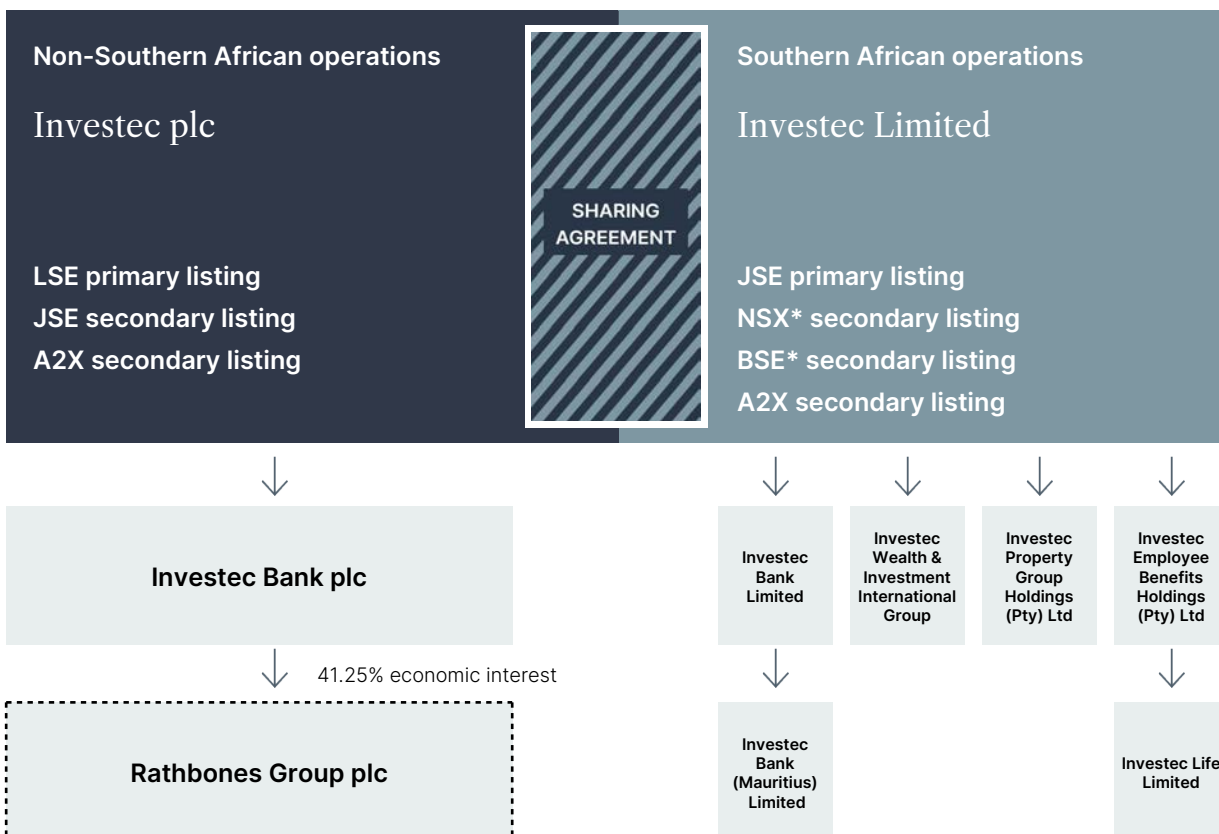
In March 2020, the Asset Management business was demerged and separately listed as Ninety One plc on the LSE and Ninety One Limited on the JSE.

All references in this report to the Group relate to Investec Limited, whereas references to Investec, Investec Group or DLC relate to the combined DLC Group comprising Investec plc and Investec Limited.

 A circular on the establishment of our DLC structure was issued on 20 June 2002 and is available on our website.

 Further information on the demerger can be found on our website.

How we are structured



* NSX – Namibian stock exchange; BSE – Botswana stock exchange

All shareholdings in the ordinary share capital of the subsidiaries shown are 100%.

Salient features of the DLC structure

Investec plc and Investec Limited are separate legal entities and listings, but are bound together by contractual agreements and mechanisms.

- Investec Group operates as if it is a single unified economic enterprise
- Shareholders have common economic and voting interests as if Investec plc and Investec Limited were a single company
- Creditors, however, are ring-fenced to either Investec plc or Investec Limited as there are no cross-guarantees between the companies.

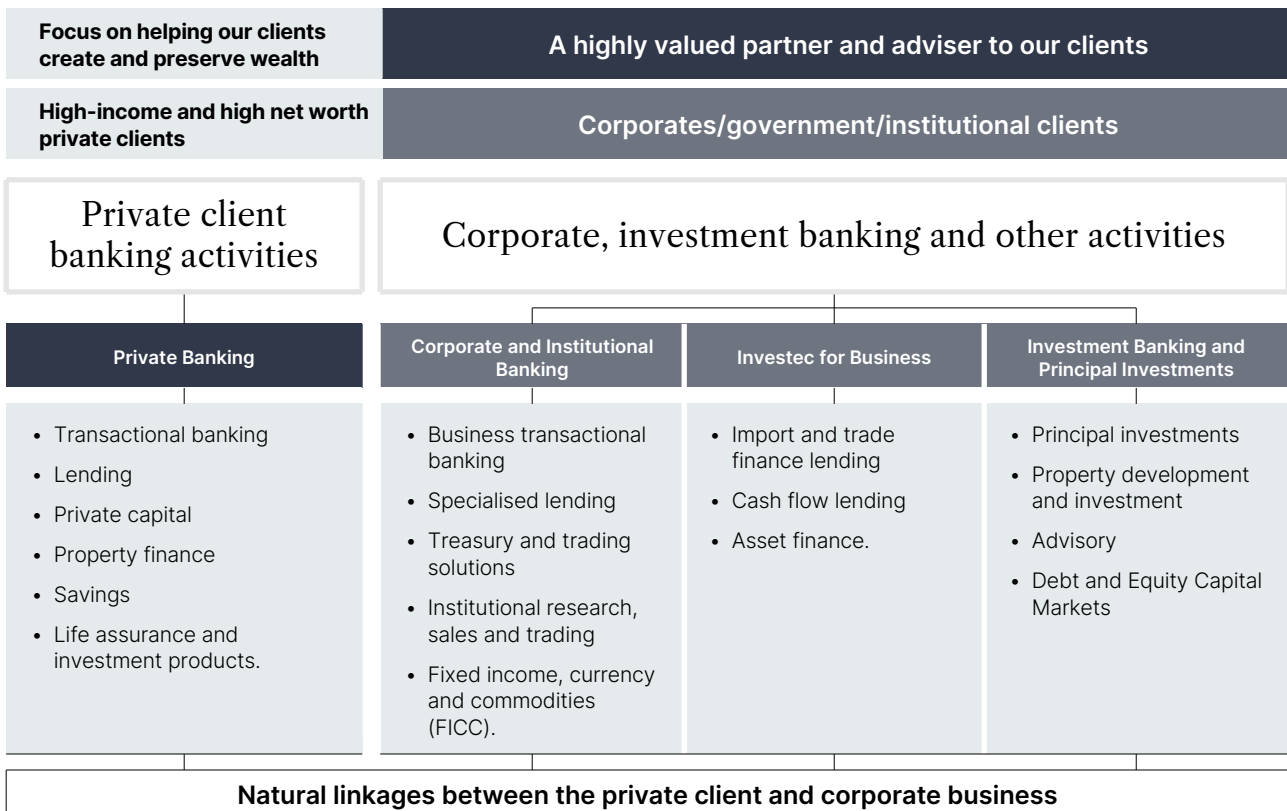
OVERVIEW OF THE ACTIVITIES OF INVESTEC LIMITED

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.



Group Investments

We have separated these assets from our core banking activities to make a more meaningful assessment of the underlying performance and value of the franchise businesses, while providing transparency over the standalone values of the assets classified as Group Investments.

The assets include a 36.4% stake in Bud Group Holdings (previously Investec Equity Partners (IEP)), 24.3% held in the Burstone Group Limited (previously Investec Property Fund (IPF)) and other unlisted equity investments.

OVERVIEW OF THE ACTIVITIES OF INVESTEC LIMITED
CONTINUED

Wealth & Investment

Investec Wealth & Investment International (IW&I) manages the wealth of leading private investors in South Africa including families, charities, pension funds and trusts.

Our global and holistic approach to wealth management, enables our clients to navigate the complexities of being global citizens whilst being aligned to achieving their wealth and investment management goals.

Our offering is built on the foundation of enduring client relationships and international investment expertise. We partner with our clients in the active management of their wealth based on an understanding of their investment needs.

We have a rigorous approach to investments, ensuring the optimal allocation of our clients' funds, both locally and internationally. We have a responsibility to preserve and grow the wealth that is entrusted to us over the long term.

Our award-winning fund range offers investors access to a spectrum of local and international investment opportunities supported by the depth of our investment process.

Sustainability is core to our fundamental investment approach by integrating environmental, social and governance considerations as well as actively engaging with the businesses that we invest in on behalf of our clients.

The Group manages approximately R500 billion assets globally.

IW&I South Africa manages approximately R450 billion of assets.

Investec has established investment operations in Switzerland, Mauritius, United Kingdom and South Africa, offering our clients a deep understanding of developed and emerging markets.

Sustainability is core to our fundamental investment approach by integrating environmental, social and governance considerations as well as actively engaging with the businesses that we invest in on behalf of our clients.

As signatories of the United Nations PRI (Principles for Responsible Investment), our commitment to sustainability recognises the interconnected nature of our business, the economy, the environment and society.

What makes us distinct?

- Purpose aligned to creating enduring worth, living in, not off society and extending this to our clients through our Philanthropy offering
- Internationally recognised for excellence in wealth management by London's Financial Times 11 years in a row (2013 – 2023) and for philanthropy services (2022-2023)
- Received industry recognition at the 2024 Raging Bull Awards: Best South African Equity General Fund - Straight Performance for over three years and Best South African Equity General Fund Risk-Adjusted Performance over five years
- Awarded Best Fund Manager - Equity for the 2nd consecutive year at the 2023 CityWire awards
- Unique One Place™ offering, enabling our clients to seamlessly bank and invest locally and internationally, all in One Place™
- Our expanded international investment universe provides clients access to a broad range of international investment opportunities together with the proximity to our globally integrated investment process
- Our deep personal relationships and consistent engagement with our clients
- Investment performance and track record supported by a rigorous global investment process and the deep expertise of our people
- Access to unique alternative investment opportunities as well as tax and estate planning services

Our service offering

IW&I operates from nine offices across South Africa and provides portfolio management, wealth management and stockbroking services with SA, UK and Swiss custody for private clients, families, charities, pension funds and trusts.

INL Audit committee report

INVESTEC LIMITED AUDIT COMMITTEE REPORT



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

Zarina Bassa

Chair of the Investec Limited Audit Committee

Introduction

I am pleased to present the Investec Limited 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 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 Group'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 Group'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 Group's financial reporting process are sound and reasonable
- Dealing with concerns, if any, from outside the Group regarding the application of accounting principles and external reporting
- Review the effectiveness of the Group's internal control environment and assurance processes

- Managing and overseeing the performance, conduct, quality and effectiveness of the Group's internal audit functions
- Reviewing the annual work plan, capacity, scope and staffing and independence of internal audit
- Overseeing Group compliance functions
- Overseeing the Group's subsidiary audit committees, including in remote locations
- Appointing, managing and overseeing the relationship with the Group'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 Group that culminate in the Group Chief Executive (Group CE) and Group Financial Director (Group FD) control attestation to the JSE.



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.

Philisiwe Sibiyi has not made herself available for re-election to the Board at the August 2024 AGM, in order to focus on her own businesses.

In March 2024, Diane Radley was appointed to the Committee following her appointment as a Non-Executive Director to the Investec Limited 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 146 to 149 of the Investec Group's 2024 integrated and strategic report.

The Group CE, Group FD, Group Chief Operating Officer (Group COO), Group Chief Risk Officer (Group 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 Group.

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

**INVESTEC LIMITED 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)	11/11
Vanessa Olver	11/11
Diane Radley ¹	1/1
Philisiwe Sibiyi	11/11

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 Limited Board, Investec plc 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 Group'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 Bank 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.

Investec Limited Operational Risk Committee

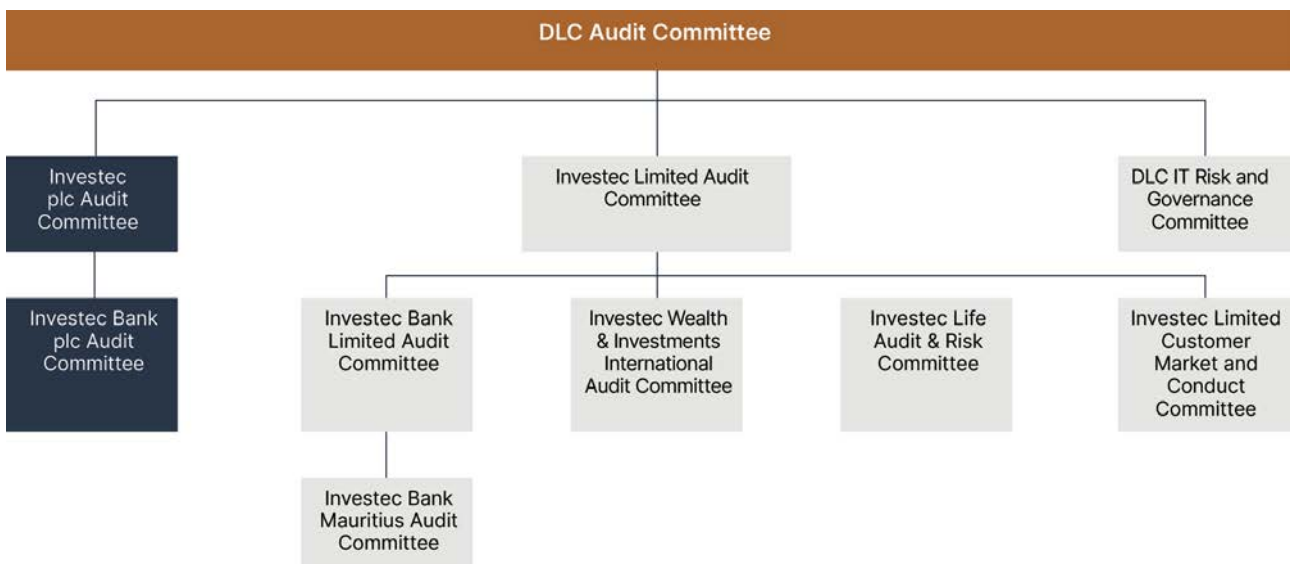
The Investec Limited Operational Risk Committee is mandated by the DLC Board Risk and Capital Committee (BRCC) to review, challenge and report matters related to operational risk. The Committee also approves and recommends operational risk policies including issues relating to non-compliance. The detailed Operational Risk reports are tabled at the DLC BRCC but the head of Operational Risk is a standard attendee at the Investec Limited and DLC Audit Committee meetings to highlight areas of concern, if any, pertaining to the internal control environment.

The DLC IT Risk and Governance Committee

The DLC IT Risk and Governance Committee is responsible for ensuring that technology risk management processes, investments, operations and governance, including control enhancement matters, support the purpose, values and strategic goals of the Group. The DLC IT Risk and Governance Committee reports to both the DLC BRCC and the DLC Audit Committee and is attended by the DLC Audit Committee and DLC BRCC Chairs.

Investec Limited Customer Market and Conduct Committee (CMCC)

The Investec Limited CMCC ensures that the best standards of market conduct, in its broadest form, are applied and monitors reports thereon. The CMCC is chaired by the Head of Compliance of Investec Limited and Investec Bank Limited and reports to the Investec Limited Audit Committee.



INVESTEC LIMITED AUDIT COMMITTEE REPORT CONTINUED

Areas covered by the Investec Limited 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
<p>Expected credit losses (ECL) assessment</p> <ul style="list-style-type: none"> • The appropriateness of the allowance for ECL is highly subjective and judgemental. 	<ul style="list-style-type: none"> • Challenged the level of ECL, model methodology and assumptions applied to calculate the ECL provisions held by the Group • Reviewed the appropriateness of the ECL models and approved the forward-looking macro-economic scenarios applied in South Africa • Reviewed and monitored the Group'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 Group 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.
<p>Fair value of level 3 instruments and the resulting IFRS® Accounting Standards 13 fair value measurement (IFRS 13) disclosure</p> <ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Received presentations on the material investments across the Group, 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: <ul style="list-style-type: none"> – 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.

INVESTEC LIMITED AUDIT COMMITTEE REPORT
CONTINUED

Key audit matters	What we did
Restatements of prior year comparative information	<p>Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments</p> <ul style="list-style-type: none"> • 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 IBL 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 IBL and DLC BRCCs, 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 Group'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 • Considered the impact, if any, on the control attestation made by the Group CE and Group FD as required by the JSE Listings Requirements 3.84(k). Concluded that there was no material impact on the ability of the Group CE and Group FD to make this attestation • Reviewed the appropriateness of the disclosure provided for the restatements. Refer to note 59 in the Investec Group's 2024 annual financial statements for further information. <p>Other restatements</p> <ul style="list-style-type: none"> ◦ 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.

INVESTEC LIMITED AUDIT COMMITTEE REPORT CONTINUED

Key audit matters	What we did
<p>Significant transactions</p>	<ul style="list-style-type: none"> • Reviewed the technical memorandum prepared by Group Finance regarding the accounting treatment and required disclosure for the sale of the Burstone Group Limited (previously Investec Property Fund Limited) (Burstone) management function that resulted in the deconsolidation of Burstone. Evaluated the appropriateness of the Burstone investment at fair value • Reviewed the disclosure provided for the discontinued operation of Burstone which was deconsolidated. Reviewed the technical memorandum prepared by Group Finance on the application of IFRS 5 regarding discontinued operations • Evaluated the appropriateness of the accounting and disclosure relating to significant judgements and estimates, impairment, valuation methods and assumptions applied.
<p>Audit firm rotation</p>	<ul style="list-style-type: none"> • Monitored and managed the rotation of the external audit from KPMG Inc. to PricewaterhouseCoopers Inc. • 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 Investec Limited 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 Investec Limited 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.

INVESTEC LIMITED AUDIT COMMITTEE REPORT CONTINUED

Other matters considered by the Investec Limited Audit Committee

The Committee considered the following matters during the year:

Other matters	What we did
Going concern	<ul style="list-style-type: none"> • Considered reports on the Group'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 Group 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 Investec Limited Board.
Information technology systems, cyber security and controls impacting financial reporting	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 • Obtained feedback from the cross-reviews performed between the joint firms • 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 Group'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 Group 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 in relation to the Group

INVESTEC LIMITED AUDIT COMMITTEE REPORT CONTINUED

Other matters	What we did
External audit and audit quality (continued)	<ul style="list-style-type: none"> • 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 • 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 IVTM, 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	<ul style="list-style-type: none"> • 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 Group subsidiaries • 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 • Reviewed the reporting obligations in respect of significant transactions completed during the financial year • Reviewed the reporting obligations in line with the JSE listing requirements in respect of the Investec Limited share buy-back of its own shares and acquisition of Investec plc shares.
Uncertain tax provisions and other legal matters	<ul style="list-style-type: none"> • Considered potential legal and uncertain tax matters with a view to ensuring appropriate accounting treatment in the financial statements • Received regular updates from the Group 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 54 in the Investec Group's 2024 annual financial statements.
Post balance sheet disclosure	<ul style="list-style-type: none"> • Considered any post balance sheet events that may require the AFS to be adjusted or require additional disclosure. Refer to note 60 in the Investec Group's 2024 annual financial statements.
Climate, nature and biodiversity and environmental, social and governance (ESG)	<ul style="list-style-type: none"> • Reviewed ESG reporting and disclosures • Considered the changing regulatory landscape for all jurisdictions that the Group operates in, including undertaking specific training for the Committee.

INVESTEC LIMITED AUDIT COMMITTEE REPORT CONTINUED

Other matters	What we did
<p>Internal controls</p> <ul style="list-style-type: none"> The effectiveness of the overall control environment, the status of any material control issues with emphasis on the progress of specific remediation plans. 	<ul style="list-style-type: none"> Attended regular meetings of the DLC 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, including entities that the Group's management is operationally responsible for Evaluated the impact of working from home on the overall control environment and operational risk 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 Group's IT controls. Considered updates on key internal and external audit findings with respect to the IT control environment Reviewed and approved the combined assurance model, ensuring completeness of risks and adequacy and effectiveness of assurance coverage Reviewed the reports of the Investec Limited CMCC Evaluated reports on cyber security within the Group and received a presentation on the outcome of the 2023/24 TAS Reviewed the work performed by Group Finance to support the control attestation made by the Group CE and Group FD as required by the JSE Listings Requirements 3.84(k) that supports the effectiveness of the internal control environment and the combined assurance matrix 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.
<p>Combined assurance matrix</p>	<ul style="list-style-type: none"> 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.

INVESTEC LIMITED AUDIT COMMITTEE REPORT CONTINUED

Other matters	What we did
<p>Fair, balanced and understandable reporting</p> <ul style="list-style-type: none"> The Group 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 Group's position and performance, business model and strategy. 	<ul style="list-style-type: none"> 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 Reviewed feedback from Group 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 Reviewed the process put in place to provide assurance on the Group CE and Group FD attestation as stipulated by the JSE Reviewed the annual reports of Investec Limited and all significant subsidiaries.
<p>Business control environment</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Received regular reports from the subsidiary audit committees, including entities that the Group's management is operationally responsible for Attended the audit committee meetings of all significant subsidiaries 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, for example, Investec Life.

INVESTEC LIMITED AUDIT COMMITTEE REPORT CONTINUED

Other matters	What we did
<p>Finance function</p>	<ul style="list-style-type: none"> • Considered the financial reporting as prepared by Group 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 Investec Limited and its subsidiaries were adequately skilled, resourced and experienced to perform the financial reporting for the Group and that appropriate succession was in place for key roles • Concluded that the Group FD, Nishlan Samujh, had the appropriate expertise and experience to meet the responsibilities of the position.
<p>Compliance with applicable accounting standards</p>	<ul style="list-style-type: none"> • Reviewed various accounting papers prepared by Group 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 Group 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.
<p>Related party disclosures</p>	<ul style="list-style-type: none"> • Considered and reviewed related party disclosures for the Group • Considered and reviewed the process followed by Group 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.
<p>Internal audit</p> <ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Scrutinised and reviewed internal audit plans, risk assessments, methodology and staffing, and approved the annual plan • Reviewed and approved the Group internal audit charter • Oversaw and provided input into the appointment of a new Head of Internal Audit for Investec Limited, 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 Audit Committee to consider audit quality

INVESTEC LIMITED AUDIT COMMITTEE REPORT CONTINUED

Other matters	What we did
Internal audit (continued)	<ul style="list-style-type: none"> • 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 Investec Limited 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.

INVESTEC LIMITED AUDIT COMMITTEE REPORT CONTINUED

External audit

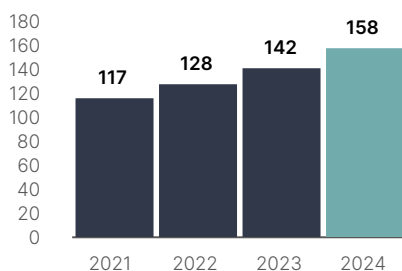
Non-audit services

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 R157 million (2023: R142 million), of which R2.2 million (2023: R2.4 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 Group 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 Group 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 Investec Limited.

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
- The additional cross-reviews by the auditors across the Group
- 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, Investec Limited has to appoint joint auditors. In 2019, the Committee decided to commence the process to rotate the Group'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 Investec Limited 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 Group, 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)	

INVESTEC LIMITED 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 Investec 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 Investec Limited'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 Audit 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 Investec Limited 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 Group'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 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 like to extend my gratitude and thanks to Philisiwe Sibiyi, who will step down at the August 2024 AGM, for her exemplary and valued contribution to the Committee over the last five years.

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 Group will benefit from her insights and experience.

I will be retiring from the Investec Limited 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, i.e. 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, Investec Limited Audit 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 Limited's annual financial statements.

IN THIS SECTION

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DIRECTORS' REPORT

The directors' report for the year ended 31 March 2024 comprises pages 26 to 31 of this report, together with the sections of the annual report incorporated by reference.


The directors' report deals with the requirements of Investec Limited.

The following matters have been included in the strategic report on pages 54 to 137 of the Investec Group's 2024 integrated and strategic report, as the Board considers them to be of strategic importance.

- Future business developments (detailed throughout the strategic report)
- Risk management on pages 2 and 94 of the Investec Group's 2024 risk and governance report
- Information on how the directors have considered the interests of the Investec Group's stakeholders and how it has addressed such, on pages 24 to 34 of the Investec Group's 2024 integrated and strategic report.

 For information on the corporate governance of the Investec Group, refer to the corporate governance sections of the Investec Group's 2024 integrated and strategic report and the Investec Group's 2024 risk and governance report.

Directors

 The directors' biographies are provided on pages 146 to 149 of the Investec Group's 2024 integrated and strategic report.

Changes to the composition of the Board during the year and up to the date of this report are shown in the table below:

	Role	Effective date of departure/ appointment
Departures		
Khumo Shuenyane	Non-Executive Director	3 August 2023
Richard Wainwright	Executive Director	3 August 2023
Ciaran Whelan	Executive Director	3 August 2023
Appointments		
Diane Radley	Non-Executive Director	6 March 2024

Zarina Bassa, who reached nine years of service with the Group in November 2023, and Philisiwe Sibiyi who wishes to focus on her own businesses, will not stand for re-election at the 2024 AGM.

Company Secretary

The Company Secretary of Investec Limited is Niki van Wyk.

The Company Secretary is professionally qualified and has gained experience over many years. Her performance is evaluated by the Board during the annual Board evaluation process. She is responsible for the flow of information to the Board and its committees, and for ensuring compliance with Board procedures. All directors have access to the advice and services of the Company Secretary, whose appointment and removal are a Board matter.

In compliance with the King IV™, the Companies Act and the JSE Listings Requirements, the Board has considered and is satisfied that the Company Secretary is competent and has the relevant qualifications and experience.

For information on compliance with King IV™, please refer to page 151 of the Investec Group's 2024 integrated and strategic report.

Debt Officer

Laurence Adams currently serves as the Debt Officer of Investec Limited (serving from 27 November 2020). In compliance with the JSE Debt Listings Requirements, the Board of Investec Limited has considered and is satisfied with the competence, qualifications and experience of the Debt Officer.

Induction, training and development

The Chair leads the training and development of directors and the Board generally.

A comprehensive development programme operates throughout the year, and comprises both formal and informal training and information sessions.

On appointment to the Board, all directors receive comprehensive induction which is tailored to the new director's individual requirements. The induction schedule is designed to provide the new director with an understanding of how Investec Limited works and the key issues it faces. The Company Secretary consults the Chair when designing an induction schedule, giving consideration to the particular needs of the new director. When a director joins a Board committee, the schedule includes an induction to the operations of that committee.

Directors and their interests

 The director's shareholdings and options to acquire shares are detailed in the Investec Group's 2024 remuneration report.


Directors' conflicts of interest

Investec Limited has procedures in place for managing conflicts of interest. Should a director become aware that they, or any of their connected parties, have an interest in an existing or proposed transaction with Investec Limited, they are required to notify the Board immediately or at the next Board meeting. Internal controls are in place to ensure that any related party transactions involving directors, or their connected parties, are conducted on an arm's length basis. Directors have a continuing duty to update any changes to their declarations.

Directors' and officers' liability insurance

Investec Limited maintains directors' and officers' liability insurance which provides appropriate cover for any potential legal action brought against its directors.

Directors' remuneration

 Details of directors' remuneration are detailed in the Investec Group's 2024 remuneration report.

Change of control

The Articles of Association of Investec plc and the Memorandum of Incorporation of Investec Limited ensure that a person cannot make an offer for one Company without having made an equivalent offer to the shareholders of both companies on equivalent terms.

Pursuant to the terms of the agreements establishing the DLC structure, if either Investec plc or Investec Limited serves written notice on the other at any time after either party becomes a subsidiary of a third party, or after both Investec plc and Investec Limited become subsidiaries of a third party, the agreements establishing the DLC structure will terminate.

All of Investec Limited's share plans contain provisions relating to a change of control. Outstanding awards and options would normally vest and become exercisable on a change of control and, where applicable, subject to the satisfaction of any performance conditions at that time.

DIRECTORS' REPORT CONTINUED

Powers of directors

The Board manages the business of Investec Limited under the powers set out in the Memorandum of Incorporation of Investec Limited, which include the ability of directors to issue or buy back shares. Directors were granted authority to issue and allot shares and to buy back shares at the 2023 AGM. Shareholders will be asked to renew this authority at the 2024 AGM.

Contracts



Details of contracts with directors can be found on pages 22 to 23 of the Investec Group's 2024 remuneration

Authorised and issued share capital

Details of the share capital are set out in note 45 and 48 of the Investec Limited 2024 annual financial statements.

Investec Limited repurchased 3 888 309 (2023: 11 393 755) of its ordinary shares during the financial year ended 31 March 2024 representing 1.30% (2023: 3.67%) of the issued share capital. The ordinary shares remaining in issue following these repurchases amounts to 295 125 806 (2023: 299 014 115).

Investec Limited made no repurchases of the non-redeemable non-cumulative non-participating preference shares during the 2024 financial year (2023: 4 382 795, representing 14.99% of the issued share capital). The preference shares in issue remains at 24 835 843 (2023: 24 835 843) shares.

At 31 March 2024, Investec Limited held 42 678 825 (2023: 50 689 788) shares in treasury. The maximum number of shares held in treasury by Investec Limited during the period under review was 50 675 354 (2023: 52 282 935) shares.

Investec Limited also purchased 8 434 679 of Investec plc's ordinary shares during the financial year ended 31 March 2024 representing 1.2% of the issued share capital. These shares are being held exclusive of voting and dividend rights in the investment portfolio.

Ordinary dividends

An interim dividend of 352 cents (2022: 278 cents) per ordinary share was declared to shareholders registered on 8 December 2023 and was paid on 22 December 2023.

The directors have proposed a final dividend to shareholders registered on 23 August 2024, of 444 cents (2023: 423 cents) per ordinary share, which is subject to the approval by the members of Investec Limited at the AGM that is scheduled to take place on 8 August 2024; if approved, this will be paid on 6 September 2024.

Preference dividends

Non-redeemable, non-cumulative, non-participating preference shares

Preference dividend number 38 for the period 1 April 2023 to 30 September 2023, amounting to 452.29114 cents per share (2023: 329.08429), was declared to shareholders holding preference shares registered on 1 December 2023 and was paid on 12 December 2023.

Preference dividend number 39 for the period 1 October 2023 to 31 March 2024, amounting to 455.64697 cents per share (2023: 401.90045), was declared to shareholders holding preference shares registered on 14 June 2024 and was paid on 28 June 2024.

Redeemable cumulative preference shares

Dividends amounting to R312 657 917.90 (2023: R177 236 534.87) were paid on the redeemable cumulative preference shares.

Going concern

In adopting the going concern basis for preparing the consolidated and separate financial statements, the directors have considered Investec Limited's business activities, objectives and strategy, principal risks and uncertainties in achieving its objectives, and performance that are set out on pages 8 to 12, pages 54 to 57 and pages 46 to 51 of the Investec Group's 2024 integrated and strategic annual report. The directors have performed a robust assessment of Investec 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 Limited, as a whole, has 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 and separate financial statements.

Social and Ethics Committee (SEC)

The Board of Investec Limited has delegated the duties of the Social and Ethics Committee as set out in the Companies Act, to the DLC SEC.



Further details of the role, responsibilities, membership and activities of the DLC SEC are set out on pages 101 to 105 of the Investec Group's 2024 risk and governance report.

Sustainability report




For information on our approach to social, environmental and ethical matters, refer to the Investec Group's 2024 sustainability report which is published and made available on our website www.investec.com

DIRECTORS' REPORT CONTINUED


Nominations and Directors' Affairs Committee (Nomdac)

The Board of Investec Limited has delegated the duties of the Directors' Affairs Committee as set out in the Banks Act, to the DLC Nomdac.

 Further details of the role, responsibilities, membership and activities of the DLC Nomdac are set out on pages 97 to 100 of the Investec Group's 2024 risk and governance report.


Remuneration Committee

The Board of Investec Limited has delegated the duties of the Remuneration Committee as set out in the Banks Act, to the DLC Remuneration Committee.

 Further details of the role, responsibilities, membership and activities of the DLC Remuneration Committee are set out on page 14 of the Investec Group's 2024 remuneration report.

Audit Committee

The Audit Committee, comprising of independent Non-Executive Directors, meet regularly with senior management, the external auditors, operational and IT risk, internal audit, compliance and the finance division to consider the integrity of financial reporting, the nature and scope of the internal and external audit reviews and the effectiveness of our risk and control systems, taking note of the key deliberations of the subsidiary Audit Committees as part of the process.

 Further details on the role, responsibilities and activities of the Investec Limited Audit Committee are set out on pages 11 to 22 of this report.

Independent auditor and audit information

Each director at the date of approval of this report confirms that, so far as the director is aware, there is no relevant audit information of which Investec Limited's auditors are unaware and each director has taken all steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that Investec Limited's auditors are aware of that information.


PricewaterhouseCoopers Inc. have indicated their willingness to continue in office as joint auditor of Investec Limited.

The appointment of Deloitte & Touche in a shadow capacity, for the financial year starting 1 April 2023, was recommended and approved by ordinary shareholders at the AGM held in August 2023. A formal transition process commenced during 2023, whereby Deloitte & Touche shadowed the full 2024 audit cycle performed by the incumbent joint external auditors. The purpose of the shadow period was for Deloitte & Touche to obtain sufficient information about the Group, the financial control environment and the audit process to ensure a smooth transition as external auditor in the following financial year i.e. ending 31 March 2025. Non-audit services provided by Deloitte & Touche were reviewed and considered in advance of their appointment as external auditors to ensure their continued independence.

Deloitte & Touche have indicated their willingness to act as joint auditor of Investec Limited.

The Board, having satisfied itself as to their independence and effectiveness, has proposed a resolution to reappoint PricewaterhouseCoopers Inc. and to appoint Deloitte & Touche as joint auditors of Investec Limited at the AGM scheduled to take place on 8 August 2024.

Major shareholders

 The largest shareholders of Investec Limited are shown on page 187 of the Investec Group's 2024 integrated and strategic annual report.

Special resolutions

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

- A renewable authority was granted to Investec Limited and any of its subsidiaries to acquire its own ordinary shares in terms of the provisions of the Companies Act
- A renewable authority was granted to Investec Limited and any of its subsidiaries to acquire its own preference shares in terms of the provisions of the South African Companies Act
- A renewable authority was granted to Investec Limited to provide financial assistance in order to comply with the provisions of Sections 44 and 45 of the Companies Act
- A renewable authority was granted to Investec Limited to approve the directors' remuneration in order to comply with the provisions of Sections 65(11)(h), 66(8) and 66(9) of the Companies Act.

AGM update statement

In accordance with the UK Corporate Governance Code, companies are required to provide an update statement within their annual report, where at the preceding general meeting a resolution passed with a less than 80% majority.

At the AGM on 3 August 2023, resolution 34 (political donations), passed with a less than 80% majority.

As stated in the notices to the AGMs, Investec plc does not give any money for political purposes in the UK nor does it make any donations to UK political organisations or incur UK political expenditure. However, the definitions of political donations and political expenditure used in the UK Companies Act are very wide. In line with UK market practice, the authority is therefore requested only as a precautionary measure to ensure that Investec plc and any company which is or becomes a subsidiary of Investec plc does not inadvertently breach the relevant provisions of the UK Companies Act.

DIRECTORS' REPORT
CONTINUED**Diversity and inclusion**

Our diversity and inclusion framework has a sense of belonging for all our people, irrespective of difference, as its goal. We aim to make Investec a place where it is easy to be yourself. It is a responsibility we all share and is integral to our purpose and values as an organisation. We recognise that a diverse and inclusive workforce is essential to our ability to be an innovative organisation that can adapt and prosper in a fast-changing world.

Investec's approach is to recruit and develop based on aptitude and attitude, with the deliberate intention to build a diverse workforce, which represents the population of the relevant jurisdiction and reflects its clients. Our recruitment strategies actively seek difference, engaging with minority groups, females and people with disabilities. Investec is committed to being an equal opportunity employer. In accordance with our policies and practices, and relevant International Labour Organisation (ILO) conventions and legislation, we do not tolerate any form of discrimination based on gender, gender reassignment, race, ethnicity, religion, belief, age, disability, nationality, political opinion, sensitive medical conditions, pregnancy, maternity, civil partnership and sexual orientation. People with different abilities are an essential part of a diverse talent pool and every effort is made to facilitate an accessible environment for all.

Empowerment and transformation

Investec recognises that economic growth and societal transformation is vital to creating a sustainable future for all the communities in which it operates, and that as a financial services provider, it plays a critical role in enabling this.



Further information is provided in the Investec Group's 2024 sustainability report.

Political donations and expenditure

Investec Limited did not make any political donations in the financial year ended 31 March 2024 (2023: Nil).

Subsidiary and associated companies

Details of principal subsidiary and associated companies are reflected on pages 163 to 164 of the Investec Group's 2024 annual financial statements.

Significant transaction

During the year, Investec Limited had a significant strategic action, namely the sale of the Burstone Group Limited (previously Investec Property Fund Limited) (Burstone) management companies. The completion date of the sale was 6 July 2023 at which point the Group deconsolidated its existing c.24.3% investment in IPF. The Burstone management companies have been disclosed as a discontinued operation and was disclosed in the Group investments segment.



Refer to Note 37 of the Annual Financial statements.

Restatements

Various restatements were processed during the year.



Refer to note 59 of the annual financial statements.

Events after the relevant reporting date

Refer to note 60 of the Investec Group's 2024 annual financial statements.

Signed on behalf of the Board of Investec Limited

Philip Hourquebie
Group Chair
24 June 2024

Fani Titi
Group Chief Executive
24 June 2024

DIRECTORS' REPORT CONTINUED

Directors' responsibilities

The following statement, which should be read in conjunction with the auditor's report set out on pages 32 to 37, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the accounts.

The directors are required by the South African Companies Act to prepare financial statements for each financial year. The annual financial statements were prepared in accordance with International Financial Reporting Standards (IFRS[®] Accounting Standards), as issued by the International Accounting Standards Board (IASB).

In preparing the financial statements the directors are required to:

- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements in IFRS Accounting Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on Investec Limited's financial position and financial performance
- In respect of the Investec Limited financial statements, state whether the accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- In respect of the holding Company financial statements, state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company and/or Investec Limited Group will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain Investec Limited's transactions and disclose with reasonable accuracy at any time the financial position of Investec Limited and enable them to ensure that the Company and the Investec Limited consolidated financial statements comply with South African Companies Act. They are also responsible for safeguarding the assets of Investec Limited and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that comply with such laws and regulations.

The directors are accountable for the maintenance and integrity of certain corporate and financial information on the Company's website. Investor Relations, Company Secretarial and Group Sustainability are respectively responsible for the maintenance and integrity of the general corporate, financial, governance, and sustainability-related information as well as any obligations to the various exchanges of Investec Group and its principal subsidiaries on the Investec website.

With regards to specific corporate information, processes are in place within the business units and at a Group level to ensure that all information published on the website is substantively correct, accurate and in line with corporate governance and compliance requirements. Group Marketing and various divisions are responsible for the above.

Directors' responsibility statement

The directors, whose names and functions are set out on pages 146 to 149 of the Investec Group's 2024 integrated and strategic annual report confirm to the best of their knowledge that:

- The consolidated financial statements, prepared in accordance with IFRS Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- The annual report, including the strategic report (as contained in the Investec Group's 2024 integrated and strategic report), includes a fair review of the development and performance of the business and the position of the Company and undertakings, included

in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face

- They consider that the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Chief Executive's and Group Finance Director's responsibility statement

Each of the directors, whose names are stated below, hereby confirm that:

- The annual financial statements set out on pages 24 to 171, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading
- Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls
- Where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies
- We are not aware of any fraud involving directors.

Signed by the CEO and the Financial Director



Fani Titi
Group Chief
Executive

24 June 2024



Nishlan Samujh
Group Finance
Director

24 June 2024

DIRECTORS' REPORT
CONTINUED**Financial results**

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

The preparation of these results were supervised by the Group Finance Director, Nishlan Samujh.

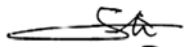
Approval of annual financial statements

The directors' report and the annual financial statements of the Company, which appear on pages 26 to 31 and 24 to 173 respectively of this report, were approved by the Board of Directors on 24 June 2024.

Signed on behalf of the Board of Investec Limited



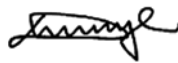
Philip Hourquebie
Group Chair
24 June 2024



Fani Titi
Group Chief Executive
24 June 2024

Declaration by the Company Secretary

In terms of Section 88(2)(e) of the Companies Act, I hereby certify that, to the best of my knowledge and belief, Investec Limited has lodged with the Companies and Intellectual Property Commission, for the financial year ended 31 March 2024, all such returns and notices as are required in terms of the Companies Act and that all such returns and notices are true, correct and up to date.



Niki van Wyk
Company Secretary
24 June 2024

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INVESTEC LIMITED

To the Shareholders of Investec Limited**Report on the Audit of the Consolidated Financial Statements****Our Opinion**

In our opinion, the consolidated financial statements of Investec Limited and its subsidiaries (together the Group) for the year ended 31 March 2024 are prepared, in all material respects, in accordance with the basis of presentation described in the accounting policies to the consolidated financial statements.

What we have audited

Investec Limited's consolidated financial statements set out on pages 41 to 171 comprise:

- the consolidated balance sheet as at 31 March 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of total comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement 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 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)*.

Emphasis of Matter – Basis of Presentation

We draw attention to the basis of presentation disclosed in the accounting policies to the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared in accordance with the Group's accounting policies for the purpose of providing financial information to the shareholders. As a result, the consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 TO THE SHAREHOLDERS OF INVESTEC LIMITED
CONTINUED

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of expected credit losses on loans and advances to customers</p> <p>The disclosures with respect to this key audit matter are contained in the following notes to the consolidated financial statements:</p> <ul style="list-style-type: none"> Accounting policies, "Impairment of financial assets held at amortised cost or FVOCI" and "Key management assumptions"; Note 6, "Expected credit loss impairment release/charges"; Note 26, "Loans and advances to customers and other loans and advances"; and Note 62, "Risk management". <p>Loans and advances and the related expected credit losses ('ECL') are material to the financial statements.</p> <p>The Group reported total gross loans and advances to customers subject to ECL as at 31 March 2024 amounting to R339 billion with a related ECL of R2.8 billion. For the year ended 31 March 2024, the group recognised expected credit loss impairment charges on loans and advances to customers of R189 million.</p> <p>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.</p> <p>The determination of the ECL, and the related disclosures is subjective due to the factors mentioned below.</p> <ul style="list-style-type: none"> The modelling of ECL based on certain management assumptions and estimations including 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. <p>Management's judgements are explained further below:</p> <p>ECL models: Management applies significant levels of judgement in modelling ECL particularly as it relates to:</p> <ul style="list-style-type: none"> 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. 	<p>Our audit procedures focused on key areas of significant judgement and estimation uncertainty in determining ECL on loans and advances to customers.</p> <p>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.</p> <p>Modelled ECL impairment losses</p> <ul style="list-style-type: none"> 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. <p>Incorporation of multiple forward-looking macroeconomic scenarios and weightings into the ECL calculation</p> <ul style="list-style-type: none"> 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 TO THE SHAREHOLDERS OF INVESTEC LIMITED
CONTINUED

Key audit matter	How our audit addressed the key audit matter
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Staging of loans</p> <ul style="list-style-type: none"> We tested the key controls relating to the staging of loans and advances to customers – including: <ul style="list-style-type: none"> 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. <p>Post model adjustments</p> <ul style="list-style-type: none"> 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 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. <p>Assessment of ECL raised on Stage 3 exposures</p> <ul style="list-style-type: none"> 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. <p>Disclosures related to credit risk</p> <ul style="list-style-type: none"> 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). <p>Overall stand-back assessment</p> <ul style="list-style-type: none"> 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's portfolios, risk profile and the impacts of the current economic conditions on the group's customers; and We performed peer benchmarking where available to assess overall staging and provision coverage levels.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INVESTEC LIMITED
CONTINUED**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 financial statements:

- Accounting policies, *Financial Instruments, Investment properties and Key management assumptions*;
- Note 15, *Financial instruments at fair value*; and
- Note 34, *Investment properties*

The Group reported financial instruments at fair value at a net total of R48.2 billion as at 31 March 2024, comprising assets of R165.4 billion and liabilities of R117.2 billion. The Group also reported investment properties at a value of R2.5 billion.

Within the financial instruments at fair value and investment properties financial statement line items, 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;
- Level 3 investments in the *Investment portfolio*; and
- Investment properties.

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.

How our audit addressed the key audit matter

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 equities, fair value investments, fair value loans, profit-sharing arrangements, and investment properties:

- 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;
- 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; and
- Where an external valuer was used for the valuation of investment properties, we evaluated their competence and objectivity with reference to their professional qualifications and curriculum vitae. We evaluated the external valuation reports received by assessing the data, assumptions and methodology used against our independent expectations thereof.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INVESTEC LIMITED
CONTINUED

Key audit matter	How our audit addressed the key audit matter
<p>Management's judgements are explained further below:</p> <ul style="list-style-type: none"> • 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, investment properties, 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. 	<p>Limited market observability or liquidity</p> <p>For a sample of investments, fair value loans, profit sharing arrangements and investment properties, 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:</p> <ul style="list-style-type: none"> • We compared unobservable inputs used to alternative data/ input sources; • 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; and • Using our real estate valuation expertise, where applicable, we assessed data inputs (such as market capitalisation rates) used to derive valuations against market available information to determine whether management's inputs were within a reasonable range of the market information. <p>Fair value adjustments</p> <ul style="list-style-type: none"> • 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.

Other Matter

The Group has separately prepared a combined consolidated set of financial statements for the year ended 31 March 2024 incorporating Investec Plc and its subsidiaries in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa on which separate auditor's reports to the shareholders of Investec Limited and Investec Plc are issued.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Investec Annual Report 2024 - Investec Limited Group and Company annual financial statements", which includes the Declaration by the Company Secretary, the Directors' report and the INL Audit Committee report, as required by the Companies Act of South Africa and the document titled "Investec Group Integrated and Strategic Annual Report 2024". The other information does not include the consolidated and separate financial statements and our auditors' reports thereon.

Our opinion on the consolidated 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 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 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 Financial Statements

The directors are responsible for the preparation of the consolidated financial statements in accordance with the basis of presentation disclosed in the accounting policies to the consolidated financial statements, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INVESTEC LIMITED

CONTINUED

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 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 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 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 to cease to continue as a going concern.
- 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 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 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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INVESTEC LIMITED

CONTINUED

To the Shareholders of Investec Limited

Report on the Audit of the Separate Financial Statements

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Investec Limited as at 31 March 2024, and its separate financial performance 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 Limited's separate financial statements set out on pages 41 to 171 comprise:

- the separate balance sheet as at 31 March 2024;
- the separate income statement for the year then ended;
- the separate statement of total comprehensive income for the year then ended;
- the separate statement of changes in equity for the year then ended;
- the separate cash flow statement 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 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 Company 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 Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the 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 TO THE SHAREHOLDERS OF INVESTEC LIMITED
CONTINUED

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of fair value instruments with higher risk characteristics</p> <p>The disclosures with respect to this key audit matter are contained in the following notes to the separate financial statements:</p> <ul style="list-style-type: none"> Accounting policies, <i>Financial Instruments</i> and <i>Key management assumptions</i>; and Note 15, <i>Financial instruments at fair value</i>; and <p>At 31 March 2024, the Company reported fair value investments in the <i>investment portfolio</i> financial statement line item of R4.3 billion.</p> <p>The valuation of these fair value investments 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.</p> <p>In estimating the valuation of these assets, management of the Company has exercised their judgement and applied assumptions in the following areas:</p> <ul style="list-style-type: none"> valuation techniques; and inputs where there is limited market observability or liquidity. <p>The estimation of the fair value is also subject to the current uncertain economic outlook.</p> <p>Management's judgements are explained further below:</p> <ul style="list-style-type: none"> Valuation techniques – illiquid investments in 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 inputs, where applicable. 	<p>Our audit procedures focused on the key areas of significant judgement and estimation uncertainty in the valuation of the identified assets and liabilities.</p> <p>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.</p> <p>Valuation techniques</p> <p>For a sample of fair value investments:</p> <ul style="list-style-type: none"> 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. <p>Limited market observability or liquidity</p> <p>For a sample of fair value investments, we performed procedures on inputs used in their valuation as follows:</p> <ul style="list-style-type: none"> 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Investec Annual Report 2024 - Investec Limited Group and Company annual financial statements", which includes the Declaration by the Company Secretary, the Directors' report and the INL Audit Committee report, as required by the Companies Act of South Africa and the document titled "Investec Group Integrated and Strategic Annual Report 2024". The other information does not include the consolidated and separate financial statements and our auditors' reports thereon.

Our opinion on the 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 separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INVESTEC LIMITED

CONTINUED

Responsibilities of the Directors for the Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company's internal control.
- 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 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 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 Company to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

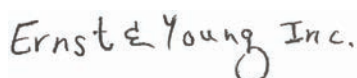
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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.

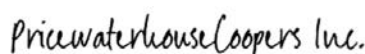
Report on Other Legal and Regulatory Requirements

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 Limited (the Company) for 49 years and 1 year, respectively.



Ernst & Young Inc.

Director: Ranesh P Hariparsad
Registered Auditor
Johannesburg
24 June 2024



PricewaterhouseCoopers Inc.

Director: Francois Prinsloo
Registered Auditor
Johannesburg
24 June 2024

INCOME STATEMENTS

For the year to 31 March R'million	Notes	Group		Company	
		2024	2023 [^]	2024	2023
Interest income	2	51 459	37 635	1 092	843
Interest income calculated using the effective interest method		47 831	34 104	1 092	843
Other interest income		3 628	3 531	—	—
Interest expense	2	(39 048)	(26 322)	(1 573)	(1 192)
Net interest income/(expense)		12 411	11 313	(481)	(349)
Fee and commission income	3	7 306	6 620	—	—
Fee and commission expense	3	(1 196)	(872)	—	—
Investment income	4	1 086	201	5 674	9 681
Share of post-taxation profit of associates and joint venture holdings	30	4	339	—	340
Trading income arising from					
– customer flow**		675	1 679	—	—
– balance sheet management and other trading income		344	27	—	9
Other operating loss	5	(5)	(44)	—	—
Operating income		20 625	19 263	5 193	9 681
Expected credit loss impairment release/(charges)	6	163	(289)	—	—
Operating income after expected credit loss impairment release/(charges)		20 788	18 974	5 193	9 681
Operating (costs)/releases	7	(10 849)	(10 028)	62	107
Operating profit before goodwill and acquired intangibles		9 939	8 946	5 255	9 788
Impairment of goodwill	35	—	(2)	—	—
Amortisation of acquired intangibles	36	(13)	(51)	—	—
Operating profit		9 926	8 893	5 255	9 788
Implementation costs on distribution of investment to shareholders		—	(6)	—	(6)
Profit before taxation from continuing operations		9 926	8 887	5 255	9 782
Taxation on operating profit before acquired intangibles	9	(2 022)	(2 121)	3	(17)
Taxation on acquired intangibles and strategic actions	9	4	301	—	—
Profit after taxation from continuing operations		7 908	7 067	5 258	9 765
(Loss)/profit after taxation and financial impact of strategic actions from discontinued operations	37	(758)	189	—	—
Operating profit before non-controlling interests from discontinued operations	37	347	189	—	—
Financial impact of strategic actions net of taxation from discontinued operations	37	(1 105)	—	—	—
Profit after taxation		7 150	7 256	5 258	9 765
Profit attributable to non-controlling interests	50	(4)	(17)	—	—
Profit attributable to non-controlling interests of discontinued operations	37	(273)	(185)	—	—
Earnings attributable to shareholders		6 873	7 054	5 258	9 765
Earnings attributable to ordinary shareholders		6 235	6 583	4 634	9 305
Earnings attributable to perpetual preferred securities and Other Additional Tier 1 securities		638	471	624	460

[^] Restated as per note 59.^{**} Included in trading income arising from customer flow, as required by IAS 1, is income of R3.2 billion (2023: R3.3 billion) and interest expense of R2.5 billion (2023: R1.6 billion) in the Group.

STATEMENTS OF TOTAL COMPREHENSIVE INCOME

For the year to 31 March R'million	Notes	Group		Company	
		2024	2023 [^]	2024	2023
Profit after taxation from continuing operations		7 908	7 067	5 258	9 765
Other comprehensive income from continuing operations:					
Items that may be reclassified to the income statement:					
Fair value movements on cash flow hedges taken directly to other comprehensive income [^]	9	(88)	(88)	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income [^]	9	105	33	—	—
Gain on realisation of debt instruments at FVOCI recycled to the income statement	9	(90)	(59)	—	—
Foreign currency adjustments on translating foreign operations		685	1 486	—	—
Items that will not be reclassified to the income statement:					
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	9	1 019	(219)	1 045	(111)
Movement in post-retirement benefits liabilities	9	(9)	—	—	—
Net gain attributable to own credit risk	9	17	2	—	—
Total comprehensive income from continuing operations		9 547	8 222	6 303	9 654
Total comprehensive income attributable to ordinary shareholders from continuing operations		8 905	7 734	5 679	9 194
Total comprehensive income attributable to non-controlling interests		4	17	—	—
Total comprehensive income attributable to perpetual preferred securities and Other Additional Tier 1 securities		638	471	624	460
Total comprehensive income from continuing operations		9 547	8 222	6 303	9 654
(Loss)/profit after taxation from discontinued operations		(758)	189	—	—
Total comprehensive (loss)/income from discontinued operations		(758)	189	—	—
Total comprehensive (loss)/income attributable to ordinary shareholders		(1 031)	4	—	—
Total comprehensive income attributable to non-controlling interests		273	185	—	—
Total comprehensive (loss)/income from discontinued operations		(758)	189	—	—
Profit after taxation from the total Group and Company		7 150	7 256	5 258	9 765
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 [^]	9	(88)	(88)	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income [^]	9	105	33	—	—
Gain on realisation of debt instruments at FVOCI recycled to the income statement	9	(90)	(59)	—	—
Foreign currency adjustments on translating foreign operations		685	1 486	—	—
Items that will not be reclassified to the income statement					
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	9	1 019	(219)	1 045	(111)
Movement in post-retirement benefits liabilities	9	(9)	—	—	—
Net gain attributable to own credit risk	9	17	2	—	—
Total comprehensive income from the total Group and Company		8 789	8 411	6 303	9 654
Total comprehensive income attributable to ordinary shareholders		7 874	7 738	5 679	9 194
Total comprehensive income attributable to non-controlling interests		277	202	—	—
Total comprehensive income attributable to perpetual preferred securities and Other Additional Tier 1 securities		638	471	624	460
Total comprehensive income from the total Group and Company		8 789	8 411	6 303	9 654

[^] Restated as per note 59.

BALANCE SHEETS

At 31 March R'million	Notes	Group			Company		
		2024	2023 [^]	2022 [^]	2024	2023 [^]	2022 [^]
Assets							
Cash and balances at central banks	18	14 795	22 761	11 893	—	—	—
Loans and advances to banks	19	9 217	12 323	21 014	24	22	21
Non-sovereign and non-bank cash placements		10 818	9 705	8 458	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	20	77 665	58 291	68 111	—	—	—
Sovereign debt securities	21	72 241	69 833	50 219	—	—	—
Bank debt securities	22	8 301	15 499	28 047	10 712	8 356	5 589
Other debt securities	23	10 539	11 676	15 417	—	—	—
Derivative financial instruments	24	9 984	16 025	17 130	—	—	—
Securities arising from trading activities	25	34 477	37 495	22 116	—	—	—
Loans and advances to customers	26	337 232	319 151	295 901	—	—	—
Own originated loans and advances to customers securitised	27	6 446	5 988	7 228	—	—	—
Other loans and advances	26	—	1	108	—	—	—
Other securitised assets	27	—	—	—	—	—	—
Other financial instruments at fair value through profit or loss in respect of liabilities to customers**	28	3 708	2 433	1 145	—	—	—
Investment portfolio**	29	16 053	22 675	15 509	12 223	8 904	511
Interests in associated undertakings and joint venture holdings	30	28	30	5 480	—	—	5 437
Current taxation assets		106	1	4	—	—	—
Deferred taxation assets	31	2 040	2 220	2 182	—	37	—
Other assets	32	23 078	23 999	24 506	29	28	38
Property and equipment	33	3 956	3 457	3 469	—	—	—
Investment properties	34	2 539	15 853	15 783	—	—	—
Goodwill	35	171	171	173	—	—	—
Software	36	123	131	46	—	—	—
Other acquired intangible assets	36	—	13	64	—	—	—
Investment in subsidiaries	39	—	—	—	16 980	19 114	21 436
Non-current assets classified as held for sale	34	534	785	1 524	—	—	—
		644 051	650 516	615 527	39 968	36 461	33 032
Liabilities							
Deposits by banks		31 065	31 789	22 236	—	—	—
Derivative financial instruments	24	14 293	18 473	16 145	—	—	—
Other trading liabilities	40	32 368	27 434	30 187	—	—	—
Repurchase agreements and cash collateral on securities lent	20	19 890	17 967	13 941	—	—	—
Customer accounts (deposits)	41	448 458	447 864	419 356	—	—	—
Debt securities in issue	42	6 715	7 747	7 607	5 883	3 734	3 734
Liabilities arising on securitisation of own originated loans and advances	27	4 997	3 594	4 585	—	—	—
Current taxation liabilities		845	647	469	—	3	20
Deferred taxation liabilities	31	375	95	714	251	—	—
Other liabilities	43	18 942	23 727	25 952	3 293	4 944	2 548
Liabilities to customers under investment contracts	28	3 711	2 433	1 145	—	—	—
		581 659	581 770	542 337	9 427	8 681	6 302
Subordinated liabilities	44	7 283	7 748	10 722	7 359	5 752	4 725
		588 942	589 518	553 059	16 786	14 433	11 027
Equity							
Ordinary share capital	45	1	1	1	1	1	1
Ordinary share premium	46	4 474	4 885	6 076	4 054	4 466	5 656
Treasury shares	47	(3 652)	(3 854)	(3 507)	—	—	—
Other reserves		6 313	4 495	4 339	972	(178)	(35)
Retained income		41 573	39 894	39 262	11 804	12 144	10 497
Ordinary shareholders' equity		48 709	45 421	46 171	16 831	16 433	16 119
Perpetual preference shares in issue	48	2 451	2 445	2 886	2 451	2 445	2 886
Shareholders' equity excluding non-controlling interests		51 160	47 866	49 057	19 282	18 878	19 005
Other Additional Tier 1 securities in issue	49	4 010	3 260	3 110	3 900	3 150	3 000
Non-controlling interests	50	(61)	9 872	10 301	—	—	—
Total equity		55 109	60 998	62 468	23 182	22 028	22 005
Total liabilities and equity		644 051	650 516	615 527	39 968	36 461	33 032

[^] Restated as detailed in note 59.

** During the year the Group reassessed the order of liquidity within the balance sheet and moved 'Investment portfolio' to below 'Other financial instruments at fair value through profit or loss in respect of liabilities to customers' 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. In addition, 'Insurance liabilities, including unit-linked liabilities' has been aggregated with 'Liabilities to customers under investment contracts'.

STATEMENTS OF CHANGES IN EQUITY

R'million	Ordinary share capital	Share premium	Treasury shares
Group			
At 31 March 2022	1	6 076	(3 507)
Restatement	—	—	—
At 1 April 2022	1	6 076	(3 507)
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	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Net gain attributable to own credit risk	—	—	—
Total comprehensive income for the year	—	—	—
Issue of Other Additional Tier 1 security instruments	—	—	—
Redemption of Other Additional Tier 1 security instruments	—	—	—
Movement in treasury shares	—	—	(347)
Share-based payments movements	—	—	—
Employee benefit liability recognised	—	—	—
Transfer from fair value reserve to retained income	—	—	—
Transfer to regulatory general risk reserve	—	—	—
Transfer between cash flow hedge reserve and retained income	—	—	—
Repurchase of perpetual preference shares	—	—	—
Share buyback of ordinary share capital	—	(1 191)	—
Dividends declared to other equity holders including Other Additional Tier 1 securities	—	—	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 securities	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends paid to non-controlling interests	—	—	—
Distribution to ordinary shareholders	—	—	—
At 31 March 2023	1	4 885	(3 854)
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	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
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	—	—	—
Issue of Other Additional Tier 1 security instruments	—	—	—
Movement of treasury shares	—	—	202
Share-based payments movements	—	—	—
Transfer from fair value reserve to retained income	—	—	—
Transfer to regulatory general risk reserve	—	—	—
Movement in perpetual preference shares	—	—	—
Share buy-back of ordinary share capital	—	(411)	—
Deconsolidation of subsidiary company	—	—	—
Dividends declared to other equity holders including Other Additional Tier 1 securities	—	—	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 securities	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends paid to non-controlling interests	—	—	—
At 31 March 2024	1	4 474	(3 652)

Restated as detailed in note 59.

STATEMENTS OF CHANGES IN EQUITY
CONTINUED

Other reserves							Retained income [^]	Ordinary shareholders' equity [^]	Perpetual preference shares in issue	Shareholders' equity excluding non-controlling interests [^]	Other Additional Tier 1 securities in issue	Non-controlling interests	Total equity [^]
Capital reserve account	Fair value reserve [^]	Regulatory general risk reserve	Cash flow hedge reserve [^]	Own credit risk reserve	Foreign currency reserve								
61	1 329	662	(1 621)	13	2 045	41 173	46 232	2 886	49 118	3 110	10 301	62 529	
—	56	—	1 794	—	—	(1 911)	(61)	—	(61)	—	—	(61)	
61	1 385	662	173	13	2 045	39 262	46 171	2 886	49 057	3 110	10 301	62 468	
—	—	—	—	—	—	7 054	7 054	—	7 054	—	202	7 256	
—	—	—	(88)	—	—	—	(88)	—	(88)	—	—	(88)	
—	33	—	—	—	—	—	33	—	33	—	—	33	
—	(59)	—	—	—	—	—	(59)	—	(59)	—	—	(59)	
—	(219)	—	—	—	—	—	(219)	—	(219)	—	—	(219)	
—	—	—	—	—	1 486	—	1 486	—	1 486	—	—	1 486	
—	—	—	—	2	—	—	2	—	2	—	—	2	
—	(245)	—	(88)	2	1 486	7 054	8 209	—	8 209	—	202	8 411	
—	—	—	—	—	—	—	—	—	—	500	—	500	
—	—	—	—	—	—	—	—	—	—	(350)	—	(350)	
—	—	—	—	—	—	—	(347)	—	(347)	—	—	(347)	
—	—	—	—	—	—	424	424	—	424	—	—	424	
—	—	—	—	—	—	(93)	(93)	—	(93)	—	—	(93)	
—	(1 158)	—	—	—	—	1 158	—	—	—	—	—	—	
—	—	133	—	—	—	(133)	—	—	—	—	—	—	
—	—	—	26	—	—	(26)	—	—	—	—	—	—	
—	—	—	—	—	—	15	15	(441)	(426)	—	—	(426)	
—	—	—	—	—	—	—	(1 191)	—	(1 191)	—	—	(1 191)	
—	—	—	—	—	—	(471)	(471)	163	(308)	308	—	—	
—	—	—	—	—	—	—	—	(163)	(163)	(308)	—	(471)	
—	—	—	—	—	—	(3 516)	(3 516)	—	(3 516)	—	—	(3 516)	
—	—	—	—	—	—	—	—	—	—	—	(631)	(631)	
—	—	—	—	—	—	(3 780)	(3 780)	—	(3 780)	—	—	(3 780)	
61	(18)	795	111	15	3 531	39 894	45 421	2 445	47 866	3 260	9 872	60 998	
—	—	—	—	—	—	6 873	6 873	—	6 873	—	277	7 150	
—	—	—	(88)	—	—	—	(88)	—	(88)	—	—	(88)	
—	105	—	—	—	—	—	105	—	105	—	—	105	
—	(90)	—	—	—	—	—	(90)	—	(90)	—	—	(90)	
—	1 019	—	—	—	—	—	1 019	—	1 019	—	—	1 019	
—	—	—	—	—	685	—	685	—	685	—	—	685	
—	—	—	—	—	—	(9)	(9)	—	(9)	—	—	(9)	
—	—	—	—	17	—	—	17	—	17	—	—	17	
—	1 034	—	(88)	17	685	6 864	8 512	—	8 512	—	277	8 789	
—	—	—	—	—	—	—	—	—	—	750	—	750	
—	—	—	—	—	—	—	202	—	202	—	—	202	
—	—	—	—	—	—	378	378	—	378	—	—	378	
—	(2)	—	—	—	—	2	—	—	—	—	—	—	
—	—	172	—	—	—	(172)	—	—	—	—	—	—	
—	—	—	—	—	—	—	—	6	6	—	—	6	
—	—	—	—	—	—	—	(411)	—	(411)	—	—	(411)	
—	—	—	—	—	—	—	—	—	—	—	(9 915)	(9 915)	
—	—	—	—	—	—	(638)	(638)	212	(426)	426	—	—	
—	—	—	—	—	—	—	—	(212)	(212)	(426)	—	(638)	
—	—	—	—	—	—	(4 755)	(4 755)	—	(4 755)	—	—	(4 755)	
—	—	—	—	—	—	—	—	—	—	—	(295)	(295)	
61	1 014	967	23	32	4 216	41 573	48 709	2 451	51 160	4 010	(61)	55 109	

STATEMENTS OF CHANGES IN EQUITY
CONTINUED

R'million	Ordinary share capital	Share premium	Capital reserve account	Fair value reserve	Retained income ^a	Ordinary shareholders' equity	Perpetual preference shares in issue	Shareholders' equity excluding non-controlling interests	Other Additional Tier 1 securities in issue	Total equity
Company										
At 31 March 2022	1	5 656	62	(97)	10 247	15 869	2 886	18 755	3 000	21 755
Restatement	—	—	—	—	250	250	—	250	—	250
At 1 April 2022	1	5 656	62	(97)	10 497	16 119	2 886	19 005	3 000	22 005
Movement in reserves										
1 April 2022 – 31 March 2023										
Profit after taxation	—	—	—	—	9 765	9 765	—	9 765	—	9 765
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—	(111)	—	(111)	—	(111)	—	(111)
Total comprehensive income for the year	—	—	—	(111)	9 765	9 654	—	9 654	—	9 654
Share buyback of ordinary share capital	—	(1 190)	—	—	—	(1 190)	—	(1 190)	—	(1 190)
Issue of Other Additional Tier 1 securities in issue	—	—	—	—	—	—	—	—	500	500
Net equity movements in interests in associated undertakings	—	—	—	—	—	—	—	—	(350)	(350)
Capital contribution from Group companies	—	—	—	—	4	4	—	4	—	4
Repurchase of perpetual preference shares	—	—	—	—	14	14	(441)	(427)	—	(427)
Transfer from fair value reserve to retained income	—	—	—	(32)	32	—	—	—	—	—
Dividends paid to ordinary shareholders	—	—	—	—	(3 615)	(3 615)	—	(3 615)	—	(3 615)
Dividends declared to perpetual preference shareholders including Other Additional Tier 1 security holders	—	—	—	—	(460)	(460)	163	(297)	297	—
Dividends paid to perpetual preference shareholders and Other Additional Tier 1 security holders	—	—	—	—	—	—	(163)	(163)	(297)	(460)
Distribution to ordinary shareholders	—	—	—	—	(4 093)	(4 093)	—	(4 093)	—	(4 093)
At 31 March 2023	1	4 466	62	(240)	12 144	16 433	2 445	18 878	3 150	22 028
Movement in reserves										
1 April 2023 – 31 March 2024										
Profit after taxation	—	—	—	—	5 258	5 258	—	5 258	—	5 258
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—	1 045	—	1 045	—	1 045	—	1 045
Total comprehensive income for the year	—	—	—	1 045	5 258	6 303	—	6 303	—	6 303
Share buyback of ordinary share capital	—	(412)	—	—	—	(412)	—	(412)	—	(412)
Issue of Other Additional Tier 1 securities in issue	—	—	—	—	—	—	—	—	750	750
Transfer from fair value reserve to retained income	—	—	—	105	(105)	—	—	—	—	—
Movement in perpetual preference shares	—	—	—	—	—	—	6	6	—	6
Dividends paid to ordinary shareholders	—	—	—	—	(4 869)	(4 869)	—	(4 869)	—	(4 869)
Dividends declared to perpetual preference shareholders including Other Additional Tier 1 security holders	—	—	—	—	(624)	(624)	212	(412)	412	—
Dividends paid to perpetual preference shareholders including Other Additional Tier 1 security holders	—	—	—	—	—	—	(212)	(212)	(412)	(624)
At 31 March 2024	1	4 054	62	910	11 804	16 831	2 451	19 282	3 900	23 182

Restated as detailed in note 59.

CASH FLOW STATEMENTS

For the year to 31 March R'million	Notes	Group		Company	
		2024	2023 [^]	2024	2023*
Cash flows from operating activities					
Profit before taxation adjusted for non-cash, non-operating items and other required adjustments	52	10 898	9 997	(171)	(295)
Taxation paid		(1 975)	(1 965)	—	(31)
Dividends received from investments in subsidiaries		—	—	6 095	9 362
(Increase)/decrease in operating assets*	52	(22 751)	(27 573)	371	948
Increase/(decrease) in operating liabilities*	52	9 968	35 902	(68)	(190)
Net cash (outflow)/inflow from operating activities		(3 860)	16 361	6 227	9 794
Cash flows from investing activities					
Cash flow on loss of control on subsidiary		283	—	—	—
Derecognition of cash on loss of control on subsidiary		(56)	—	—	—
Cash outflow on acquisition of property, equipment, intangible assets and investment properties		(823)	(685)	—	—
Cash inflow on disposal of property, equipment, intangible assets and investment properties		111	576	—	—
Cash flow on acquisition of shares in Investec plc	29	(893)	(4 377)	(893)	(4 377)
Cash flow on acquisition of debt securities from Group companies*		—	—	(1 999)	(2 177)
Cash flow on capital reduction of associate		17	—	—	—
Cash flow on sale of equity instruments held for sale		—	498	—	—
Cash flow on loans to Group companies		—	—	—	(724)
Net cash outflow from investing activities		(1 361)	(3 988)	(2 892)	(7 278)
Cash flows from financing activities					
Dividends paid to ordinary shareholders	11	(4 755)	(3 516)	(4 869)	(3 615)
Dividends paid to other equity shareholders		(933)	(1 102)	(624)	(460)
Cash flow on net acquisition of treasury shares, net of related costs		(103)	(347)	—	—
Repurchase of perpetual preference shares		—	(426)	—	(427)
Cash flow on movement in preference shares		6	—	6	—
Share buyback of ordinary shares		(411)	(1 191)	(412)	(1 190)
Proceeds from subordinated debt raised	44	1 250	2 359	1 250	2 359
Repayment of subordinated debt	44	(1 970)	(6 498)	—	(1 922)
Cash inflow/(outflow) from loans to Group companies*		—	—	(1 583)	2 590
Proceeds on issue of Other Additional Tier 1 securities in issue	49	750	500	750	500
Repayment of Other Additional Tier 1 securities in issue	49	—	(350)	—	(350)
Issue of debt securities to Group companies		—	—	2 149	—
Lease liabilities paid	43	(42)	(50)	—	—
Net cash outflow from financing activities		(6 208)	(10 621)	(3 333)	(2 515)
Effects of exchange rates on cash and cash equivalents		338	1 143	—	—
Net (decrease)/increase in cash and cash equivalents		(11 091)	2 895	2	1
Cash and cash equivalents at the beginning of the year		33 116	30 221	22	21
Cash and cash equivalents at the end of the year		22 025	33 116	24	22
Cash and cash equivalents is defined as including:					
Cash and balances at central banks		14 795	22 761	—	—
On demand loans and advances to banks		7 219	10 351	24	22
Expected credit loss on cash and cash equivalents		11	4	—	—
Cash and cash equivalents at the end of the year		22 025	33 116	24	22

[^] Restated as detailed in note 59.

* In the Company, 'Cash flow on acquisition of debt securities from Group companies' has been reclassified from operating activities to investing activities. In addition cash flows from loans to Group companies' was also reclassified from investing to financing Activities.

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 R7.2 billion (2023: R10.4 billion) 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). These are included in cash and cash equivalents.

Included within net cash inflow from operating activities is interest received of R49.1 billion (2023: R35.4 billion), interest paid of R37.5 billion (2023: R24.7 billion) and dividends received of R523 million (2023: R163 million) in the Group and interest received of R0.9 billion (2023: R0.7 billion), interest paid of R1.4 billion (2023: R1.0 billion) and dividends received of R6.2 billion (2023: R9.4 billion) in the Company.

Cash flows from discontinued operations have been included in the consolidated statement of cash flow above. Refer to note 37 for detail of cash flows from discontinued operations.

ACCOUNTING POLICIES

Basis of presentation

Under the contractual arrangements implementing the dual listed companies (DLC) structure, Investec Limited and Investec plc, the latter a company incorporated in the United Kingdom, effectively form a single economic enterprise in which the economic and voting rights of shareholders are equalised. In accordance with this structure the appropriate presentation under International Financial Reporting Standards (IFRS[®] Accounting Standards) is achieved by combining the results and the financial position of both companies using merger accounting principles. Those combined consolidated financial statements have been separately prepared and will be issued on 24 June 2024.

The Companies Act of South Africa does not specifically envisage a reporting structure such as the DLC structure. The combined consolidated financial statements of Investec Limited and Investec plc are considered the statutory financial statements of Investec Limited and Investec plc. The attached Group financial statements of Investec Limited are prepared to present the financial position, results and cash flows of Investec Limited and its directly owned subsidiaries in the absence of a DLC structure, and are prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as if Investec Limited were a standalone component of the DLC structure, but with earnings per share disclosed in the DLC combined consolidated financial statements by virtue of the sharing arrangement and prepared for the purpose of providing financial information to the shareholders. The Company financial statements have been 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 and the Companies Act of South Africa. For an understanding of the financial position, results and cash flows of the Investec DLC structure, the user is referred to the combined consolidated financial statements of Investec Limited and Investec plc.

As stated on page 27, the directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

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

'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:

On 1 April 2023, the Group adopted IFRS 17 Insurance Contracts which sets out the requirements that an entity should apply in accounting for insurance contracts it issues and reinsurance contracts it holds. It applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. Management performed an analysis of the impact and concluded that the impact is immaterial for the purposes of this set of financial statements.

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

For equity accounted associates and joint venture holdings, the combined consolidated annual financial statements include the attributable share of the results and reserves of associated undertakings and joint venture holdings. The Group's interests in associated undertakings and joint venture holdings 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 and joint venture holdings.

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

ACCOUNTING POLICIES

CONTINUED

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 and joint venture holdings 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 and joint venture holdings.

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 four principal business divisions namely, Wealth & Investment, 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.

For further detail on the Group's segmental reporting basis refer to pages 6 and 7.

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.

ACCOUNTING POLICIES

CONTINUED

Discontinued operations

A disposal group qualifies as a discontinued operation if it is a component of an entity that has either been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement.

All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise. Additional disclosures are provided in note 37.

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.

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.

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 and joint venture holdings 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

ACCOUNTING POLICIES

CONTINUED

- 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 joint venture holdings 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.

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, providing advisory services as well as portfolio management and includes rental income from investment properties and insurance income 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), operating lease income and income from assurance activities. Operating costs associated with these investments are included in operating costs in the income statement.

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.

ACCOUNTING POLICIES

CONTINUED

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 trade 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:

- **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 instruments 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.

ACCOUNTING POLICIES

CONTINUED

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.

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.

ACCOUNTING POLICIES

CONTINUED

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).

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 its 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.

ACCOUNTING POLICIES

CONTINUED

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.

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).

ACCOUNTING POLICIES

CONTINUED

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 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 are initially measured net of directly attributable issue costs.

Treasury shares represent issued equity repurchased by the Group which have not been cancelled. Treasury shares are deducted from shareholders' equity and represent the purchase consideration, including directly attributable costs. Where treasury shares are subsequently sold or reissued, net proceeds received are included in shareholders' equity.

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.

ACCOUNTING POLICIES

CONTINUED

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.

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.

ACCOUNTING POLICIES

CONTINUED

Insurance contracts

Insurance contracts are those contracts in which the Group assumes significant insurance risk. Reinsurance contracts are insurance contracts issued by a reinsurer to compensate the Group for claims arising from one or more insurance contracts issued by the Group. An assessment of significant insurance risk is made only once, being at contract inception. If a contract is deemed to be within the scope of IFRS 17, it remains an insurance contract until all rights and obligations are extinguished (i.e. discharged, cancelled or expired) or until the contract is derecognised because of a contract modification. Where the terms of an insurance contract are modified, the Group derecognises the original contract and recognises a new contract, applying IFRS 17 or other applicable standard.

The insurance and reinsurance contract assets or liabilities are determined with reference to what is included in the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). For reinsurance contract assets or liabilities, this is referred to as the asset for remaining coverage (ARC) and the asset recoverable on incurred claims (ARIC). The line items on the balance sheet include all rights and obligations from a portfolio of insurance contracts. Portfolios that are in an asset position are presented separately from those in a liability position. The Group reduces the LRC and recognises insurance revenue as it provides insurance contract services. The insurance service result, which is the separate recognition of insurance revenue and insurance service expenses is included in the fee and commission income on the income statement.

Insurance contracts and reinsurance contracts are measured using the Premium Allocation Approach (PAA). This is for contracts with a short boundary, a coverage period of less than 12 months or where it meets the eligibility criteria.

Investment properties

Properties held for capital appreciation or rental yield are classified as investment properties. Investment properties are initially measured at cost plus transaction costs and subsequently carried at fair value, with fair value gains or losses recognised in the income statement in investment income.

Fair value of investment property is calculated by taking into account the expected rental stream associated with the property, and are supported by market evidence.

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.

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.

ACCOUNTING POLICIES

CONTINUED

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 intangible assets

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 and joint venture holdings, 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.

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.

ACCOUNTING POLICIES

CONTINUED

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

The following significant standards and interpretations, which have been issued but are not yet effective, are applicable to the Group. These standards and interpretations have not been applied in these annual financial statements. The Group intends to comply with these standards from the effective dates.

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 15.

Details of unlisted investments can be found in note 29 with further analysis contained on page 162.

- 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

ACCOUNTING POLICIES

CONTINUED

- 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 39 on page 114.
- 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. .
- Valuation of investment properties is performed twice annually by qualified internal valuers and at least half of the portfolio is valued by independent external valuers annually. The valuation is performed by capitalising the budgeted net income of the property at the market-related yield applicable at the time.

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

Group

For the year to 31 March 2024 R'million	Private Client		Specialist Banking		Group Investments	Group Costs	Total Group
	Wealth & Investment	Private Banking	Corporate, investment banking and Other				
Net interest income/(expense)	131	6 106	6 377	(203)	—	—	12 411
Net fee and commission income	2 344	1 060	2 706	—	—	—	6 110
Investment income	21	216	651	198	—	—	1 086
Share of post-taxation profit of associates and joint venture holdings	—	3	1	—	—	—	4
Trading income arising from							
– customer flow	(4)	—	679	—	—	—	675
– balance sheet management and other trading income	1	(3)	346	—	—	—	344
Other operating loss	1	—	(6)	—	—	—	(5)
Operating income/(loss)	2 494	7 382	10 754	(5)	—	—	20 625
Expected credit loss impairment release/(charges)	—	55	108	—	—	—	163
Operating income after expected credit loss impairment release/(charges)	2 494	7 437	10 862	(5)	—	—	20 788
Operating (costs)/releases	(1 712)	(3 952)	(4 826)	(6)	(353)	(10 849)	
Operating profit before goodwill, acquired intangibles and non-controlling interests	782	3 485	6 036	(11)	(353)	(353)	9 939
Profit attributable to non-controlling interests	—	—	(4)	—	—	—	(4)
Adjusted operating profit/(loss) from continuing operations	782	3 485	6 032	(11)	(353)	(353)	9 935
Profit before taxation from discontinued operations	—	—	—	347	—	—	347
Profit attributable to non-controlling interests of discontinued operations	—	—	—	(273)	—	—	(273)
Operating profit/(loss) before goodwill, acquired intangibles, taxation and after non-controlling interests	782	3 485	6 032	63	(353)	(353)	10 009
Cost to income ratio	68.6%	53.5%	44.9%	n/a	n/a	n/a	52.6%
Total assets	4 471	241 676	385 075	12 829	—	—	644 051

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

1. Segmental analysis (continued)

For the year to 31 March 2023 [^] R'million	Private Client		Specialist Banking	Group Investments	Group Costs	Total Group
	Wealth & Investment	Private Banking	Corporate, investment banking and Other			
Net interest income/(expense)	99	6 133	5 298	(217)	—	11 313
Net fee and commission income	2 060	1 067	2 622	(1)	—	5 748
Investment income	8	310	79	(196)	—	201
Share of post-taxation profit of associates and joint venture holdings	—	(3)	2	340	—	339
Trading income arising from						
– customer flow	(1)	—	1 680	—	—	1 679
– balance sheet management and other trading income	8	1	18	—	—	27
Other operating loss	(1)	—	(43)	—	—	(44)
Operating income/(loss)	2 173	7 508	9 656	(74)	—	19 263
Expected credit loss impairment release/(charges)	—	(247)	(42)	—	—	(289)
Operating income after expected credit loss impairment release/(charges)	2 173	7 261	9 614	(74)	—	18 974
Operating (costs)/releases	(1 501)	(3 584)	(4 606)	(23)	(314)	(10 028)
Operating profit before goodwill, acquired intangibles and non-controlling interests	672	3 677	5 008	(97)	(314)	8 946
Profit attributable to non-controlling interests	—	—	(17)	—	—	(17)
Adjusted operating profit from continuing operations	672	3 677	4 991	(97)	(314)	8 929
Profit before taxation from discontinued operations	—	—	—	169	—	169
Profit attributable to non-controlling interests of discontinued operations	—	—	—	(185)	—	(185)
Operating profit/(loss) before goodwill, acquired intangibles, taxation and after non-controlling interests	672	3 677	4 991	(113)	(314)	8 913
Cost to income ratio	69.1%	47.7%	47.8%	n/a	n/a	52.1%
Total assets	5 029	228 960	382 535	33 992	—	650 516

[^] Restated as detailed in note 59.

Refer to note 7 for a further analysis of operating costs.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**2. Net interest income/(expense)****Group**

For the year to 31 March R'million	Notes	2024			2023 [^]		
		Average balance sheet value*	Interest income	Average yield	Average balance sheet value*	Interest income	Average yield
Cash, near cash and bank debt and sovereign debt securities	1	203 186	14 186	6.98%	190 056	9 722	5.12%
Core loans and advances	2	333 720	36 327	10.89%	310 854	27 133	8.73%
Private client		235 129	25 260	10.74%	226 591	19 601	8.65%
Corporate, investment banking and Other		98 591	11 067	11.23%	84 263	7 532	8.94%
Other debt securities and other loans and advances		10 500	668	6.36%	12 641	661	5.23%
Other	3	835	278	n/a	1 024	119	n/a
		548 241	51 459		514 575	37 635	

For the year to 31 March R'million	Notes	2024			2023 [^]		
		Average balance sheet value*	Interest expense	Average yield	Average balance sheet value*	Interest expense	Average yield
Deposits by banks and other debt-related securities	4	52 482	(3 924)	7.48%	48 083	(1 558)	3.24%
Customer accounts (deposits)		458 545	(33 653)	7.34%	433 166	(23 495)	5.42%
Subordinated liabilities		7 683	(630)	8.20%	8 841	(713)	8.06%
Other	5	4 226	(841)	n/a	3 441	(556)	n/a
		522 936	(39 048)		493 531	(26 322)	
Net interest income			12 411			11 313	
Net interest margin			2.26%			2.20%	

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 other securitised assets (as per the balance sheet).

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 and lease liabilities.

[^] Restated as per note 59.

* 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 59.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**2. Net interest income/(expense) (continued)****Company**

For the year to 31 March R'million	Notes	2024			2023		
		Average balance sheet value*	Interest income	Average yield	Average balance sheet value*	Interest income	Average yield
Cash, near cash and bank debt and sovereign debt securities	1	9 516	920	9.67%	7 373	614	8.33%
Other	2		172	n/a		229	n/a
			1 092			843	

For the year to 31 March R'million	Notes	2024			2023		
		Average balance sheet value*	Interest expense	Average yield	Average balance sheet value*	Interest expense	Average yield
Deposits by banks and other debt-related securities	3	4 053	(269)	6.64%	3 734	(215)	5.76%
Subordinated liabilities		6 651	(573)	8.62%	6 162	(458)	7.43%
Other	4		(731)	n/a		(519)	n/a
Net interest expense			(1 573)			(1 192)	
			(481)			(349)	

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. Other comprises interest income from loans to Group companies.
 3. Comprises (as per the balance sheet) deposits by banks; debt securities in issue; repurchase agreements and cash collateral on securities lent.
 4. Other comprises interest expense from loans from Group companies which is included in 'other liabilities' on the balance sheet.
- * The average balance sheet value is calculated using a straight-line 13 point average.

3. Fee and commission income and fee and commission expense

For the year to 31 March R'million	Group	
	2024	2023 [^]
Wealth & Investment net fee and commission income	2 344	2 060
Fund management fees/fees for funds under management	1 394	1 223
Private client transactional fees*	1 012	884
Fee and commission expense	(62)	(47)
Specialist Banking net fee and commission income	3 766	3 689
Specialist Banking fee and commission income**	4 900	4 514
Specialist Banking fee and commission expense	(1 134)	(825)
Group Investments net fee and commission income	—	(1)
Group Investments fee and commission income	—	(1)
Group Investments fee and commission expense	—	—
Net fee and commission income	6 110	5 748
Fee and commission income	7 306	6 620
Fee and commission expense	(1 196)	(872)
Net fee and commission income	6 110	5 748
Annuity fees (net of fees payable)	4 306	3 853
Deal fees	1 804	1 895

* Trust and fiduciary fees amounted to R8.6 million (2023: R7.9 million) and is included in private client transactional fees in the Group.

** Included in Specialist Banking fee and commission income is fee income of R170.6 million (2023: R135.0 million) for operating lease income and R7 million (2023: R46 million) for insurance relating to insurance contracts which are out of scope of IFRS 15 Revenue from Contracts with Customers. Refer to note 12 for details on operating lease disclosures.

[^] Restated as per note 59.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**4. Investment income**

The following table analyses investment income generated by the asset portfolio shown on the balance sheet:

For the year to 31 March R'million	Listed equities	Unlisted equities	Fair value investments	Profit shares	Investment portfolio	Debt securities (sovereign, bank and other)	Investment and trading properties	Other asset and liability categories	Total
Group									
2024									
Realised	—	(1 352)	—	97	(1 255)	124	3	(12)	(1 140)
Unrealised [#]	53	1 265	150	46	1 514	84	(2)	(8)	1 588
Dividend income	133	390	—	—	523	—	—	—	523
Funding and other net related (costs)/income	—	(52)	—	—	(52)	—	167	—	115
	186	251	150	143	730	208	168	(20)	1 086
2023[^]									
Realised	3	32	—	90	125	200	71	(135)	261
Unrealised [#]	(19)	(181)	(200)	10	(390)	25	74	(22)	(313)
Dividend income	39	107	—	—	146	—	—	17	163
Funding and other net related costs	—	(42)	—	—	(42)	—	132	—	90
	23	(84)	(200)	100	(161)	225	277	(140)	201
Company									
2024									
Realised	—	—	—	—	—	—	—	(673)	(673)
Unrealised	8	—	150	—	158	—	—	(250)**	(92)
Dividend income	94	—	—	—	94	—	—	6 345**	6 439
	102	—	150	—	252	—	—	5 422	5 674
2023									
Unrealised**	—	—	(200)	—	(200)	—	—	(3 010)**	(3 210)
Dividend income	—	—	—	—	—	—	—	12 891**	12 891
	—	—	(200)	—	(200)	—	—	9 881	9 681

[^] Restated as per note 59.

[#] 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 and impairment of subsidiary companies is presented in 'other asset and liability categories' above. In the prior year, a dividend in specie to the value of R3.5 billion was received from a subsidiary, Investec Investments Proprietary Ltd. The asset received as a dividend in specie were the Ninety One Ltd shares.

5. Other operating loss

For the year to 31 March R'million	Group	
	2024	2023
Unrealised losses on other investments	(5)	(44)
	(5)	(44)

6. Expected credit loss impairment release/(charges)

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

* 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 59.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

7. Operating costs/(releases)

For the year to 31 March R'million	Group		Company	
	2024	2023 [^]	2024	2023
Staff costs	8 028	7 396	(69)	(151)
Salaries and wages*	4 145	3 908	—	(1)
Variable remuneration*	2 437	2 232	(69)	(150)
Share-based payments expense*	575	491	—	—
Pensions and provident fund contributions*	432	411	—	—
Other	439	354	—	—
Business expenses**	986	906	7	44
Equipment expenses (excluding depreciation)	779	727	—	—
Premises expenses	366	368	—	—
Premises expenses (excluding depreciation)	200	217	—	—
Premises depreciation	166	151	—	—
Marketing expenses	558	475	—	—
Depreciation, amortisation and impairment on property, equipment, software and intangibles	132	156	—	—
	10 849	10 028	(62)	(107)

[^] Restated as per note 59.

* Details of the directors' emoluments, pensions and their interests are disclosed in note 61.

** Business expenses mainly comprise insurance costs, consulting and professional fees, travel expenses and subscriptions.

Segmental analysis of operating costs

For the year to 31 March 2024 R'million	Wealth & Investment	Specialist Banking	Group Investments	Group Costs	Total Group
Staff costs	1 118	6 792	—	118	8 028
Business expenses	249	589	6	142	986
Equipment expenses (excluding depreciation)	204	569	—	6	779
Premises expenses	74	284	—	8	366
Marketing expenses	65	420	—	73	558
Depreciation, amortisation and impairment on property, equipment, software and intangibles	2	124	—	6	132
	1 712	8 778	6	353	10 849
For the year to 31 March 2023 [^] R'million	Wealth & Investment	Specialist Banking	Group Investments	Group Costs	Total Group
Staff costs	972	6 306	—	118	7 396
Business expenses	217	543	23	123	906
Equipment expenses (excluding depreciation)	192	531	—	4	727
Premises expenses	62	300	—	6	368
Marketing expenses	56	362	—	57	475
Depreciation, amortisation and impairment on property, equipment, software and intangibles	2	148	—	6	156
	1 501	8 190	23	314	10 028

[^] Restated as per note 59.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**7. Operating costs/(releases)(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		Company	
	2024	2023	2024	2023
Ernst & Young Inc. fees				
Total audit fees	78	74	6	5
Audit of the Group's accounts	50	48	4	3
Audit of the Group's subsidiaries pursuant to legislation	19	18	—	—
Audit-related assurance services	9	8	2	2
Total non-audit fees	1	2	—	—
Audit-related assurance services	1	2	—	—
PwC 2024/KPMG fees 2023				
Total audit fees	78	66	5	3
Audit of the Group's accounts	30	51	5	3
Audit of the Group's subsidiaries pursuant to legislation	41	8	—	—
Audit-related to assurance services	7	7	—	*
Total non-audit fees	1	*	—	—
Audit-related assurance services	1	*	—	—
Tax compliance and advisory services	—	—	—	—
Total auditors remuneration	158	142	11	8

- Less than R1 million.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**8. 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.

Equity settled 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.

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	2024	2023
R'000		
Weighted average fair value of awards granted in the year		
South African schemes	588 145	651 491

Equity-settled options

For the year to 31 March	Group			
	2024		2023	
	Number of shares outstanding	Weighted average exercise price	Number of shares outstanding	Weighted average exercise price
Details of equity-settled awards outstanding during the year				
Outstanding at the beginning of the year	28 542 307	6.60	26 601 046	—
Property Fund deconsolidation	(259 286)	7.08	—	—
Granted during the year	6 952 574	21.54	8 509 927	22.14
Exercised during the year	(6 698 245)	—	(5 635 542)	—
Expired during the year	(866 749)	4.84	(933 124)	—
Outstanding at the end of the year	27 670 601	12.01	28 542 307	6.60
Vested and exercisable at the end of the year	302 228	—	492 909	—

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

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

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**8. Share-based payments and long-term employee benefits (continued)**

For the year to 31 March	Group	
	2024	2023
The exercise price range and weighted average remaining contractual life for the awards during the year were as follows:		
Long-term incentive options with strike price		
Weighted average remaining contractual life of outstanding awards	2.55 years	3.16 years
Weighted average fair values of awards granted during the year	R13.86	R14.42
Long-term incentive shares with no strike price		
Weighted average remaining contractual life of outstanding awards	1.67 years	1.81 years
Weighted average fair values of awards granted during the year	R102.73	R95.89
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
Exercise price	Rnil, R105.57	Rnil, R93.31
Expected volatility *	29.74% - 29.84%	25.42 %
Option life	1.00 - 5.03 years	2.50 - 5.00 years
Expected dividend yields	8.46% - 8.88%	5.89% - 6.06%
Risk-free rate	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 share options granted to directors, refer to note 61

For the year to 31 March	Group			
	2024		2023	
	Number of shares outstanding	Year of vesting	Number of shares outstanding	Year of vesting
Summary by share plan and award type				
Investec Limited Share Incentive Plan				
Conditional awards	359 542	3,4,5	457 112	3,4,5
Forfeitable awards	12 175 000	3,4,5	19 211 263	3,4,5
Investec Limited Share Incentive Plan 2021				
Conditional awards	46 385	3,4,5	46 385	3,4,5
Equity settled share appreciation rights	3 377 933	3,4,5	2 019 529	3,4,5
Share appreciation rights	11 711 741	3,4,5	6 808 018	3,4,5
Outstanding at the end of the year	27 670 601		28 542 307	

For the year to 31 March	Group			
	2024		2023	
	Number of shares outstanding	Maximum limit per individual	Number of shares outstanding	Maximum limit per individual
Summary by share plan				
Investec Limited Share Incentive Plan	12 534 542	10 000 000	19 668 375	10 000 000
Investec Limited Share Incentive Plan 2021	15 136 059	15 000 000	8 873 932	15 000 000
Outstanding at the end of the year	27 670 601		28 542 307	

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**8. Share-based payments and long-term employee benefits (continued)**

For the year to 31 March	Group	
	2024	2023
Awards granted but not exercised by option vesting period		
Year to 31 March 2023	—	492 909
Year to 31 March 2024	302 228	6 567 568
Year to 31 March 2025	7 875 132	8 116 562
Year to 31 March 2026	7 485 673	7 766 108
Year to 31 March 2027	7 554 943	5 557 675
Year to 31 March 2028	4 395 276	41 485
Year to 31 March 2029	48 072	—
Year to 31 March 2030	9 277	—
Outstanding at the end of the year	27 670 601	28 542 307

Cash-settled options**Details of cash-settled awards outstanding during the year**

For the year to 31 March Details of cash-settled awards outstanding during the year	Group			
	2024		2023	
	Number of options outstanding	Weighted average exercise price	Number of options outstanding	Weighted average exercise price
Outstanding at the beginning of the year	3 606 097	54.03	3 606 097	54.03
Property Fund deconsolidation	(16 329)	54.03	—	—
Outstanding at the end of the year	3 589 768	54.03	3 606 097	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 liability, which is included in other liabilities on the balance sheet, is valued at R181.1 million (2023: R66.5 million) and an expense of R114.6 million (2023: R35.9 million) has been recognised in share-based payments expense within operating costs in the income statement.

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

At 31 March	Group	
	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
Exercise price	R54.03	R54.03
Expected volatility *	27.85% - 27.96%	30.61%
Option life	0.42 - 2.08 years	1.41 - 3.08 years
Expected dividend yields	6.40% - 8.45%	5.94% - 6.34%
Risk-free rate	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.

Further information on the awards granted to directors, refer to note 61.

Awards granted but not exercised by option vesting period

For the year to 31 March	Group	
	2024	2023
Year to 31 March 2025	1 196 563	1 202 006
Year to 31 March 2026	2 393 205	2 404 091
Outstanding at the end of the year	3 589 768	3 606 097

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**8. Share-based payments and long-term employee benefits (continued)**

In March 2020, as part of the Investec Asset Management Limited 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 R156.2 million 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 also approved the acceleration of certain remaining Ninety One awards. Participants had 90 days to exercise the acceleration. The acceleration did not apply to 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 R4.1 million (2023: loss of R70.3 million).

	Group	
	2024	2023
For the year to 31 March	Number of shares outstanding	Number of shares outstanding
Details of awards outstanding during the year		
Outstanding at the beginning of the year	952 998	4 940 271
Grant linked to Ninety One Distribution	—	4 411 398
Granted during the year *	26 772	—
Exercised during the year	(845 350)	(8 281 466)
Lapsed during the year	(8 547)	(117 205)
Outstanding at the end of the year ^	125 873	952 998
Exercisable at the end of the year	29 545	789 931

* 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	
	2024	2023
At 31 March		
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
Weighted average remaining contractual life	0.68 years	1.08 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
Exercise price	Rnil	Rnil
Expected volatility *	31.17% – 31.26%	31.27%
Option life	0.16 – 2.08 years	0.15 – 3.08 years
Expected dividend yields	0% – 10.08%	0% – 8.49%
Risk-free rate	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

9. Taxation

For the year to 31 March R'million	Group		Company	
	2024	2023 [^]	2024	2023
Income statement tax charge				
Taxation on income				
South Africa				
– Current taxation	1 684	1 929	(3)	15
in respect of the current year	1 876	1 878	(3)	15
in respect of prior year adjustments	(192)	51	—	—
– Deferred taxation	119	(237)	—	2
Foreign taxation – Mauritius	215	128	—	—
Total taxation charge as per income statement	2 018	1 820	(3)	17
Total taxation charge for the year comprises:				
Taxation on operating profit before acquired intangibles	2 022	2 121	(3)	17
Taxation on acquired intangibles	(4)	(301)	—	—
	2 018	1 820	(3)	17
Tax rate reconciliation:				
Profit before taxation as per income statement	9 926	8 887	5 255	9 782
Total taxation charge as per income statement	2 018	1 820	(3)	17
Tax on profit before tax at 27%	2 680	2 399	1 419	2 641
The standard rate of South African normal taxation has been affected by:				
Dividend income	(489)	(353)	(1 689)	(3 427)
Other Additional Tier 1 securities interest	(115)	(83)	(111)	(80)
Foreign earnings*	(205)	(153)	—	—
Prior year tax adjustments	(192)	51	—	—
Tax rate differential on profits of a capital nature	(167)	22	182	30
Assessed losses not recognised	162	39	—	—
Tax impact of equity accounted earnings of associate	10	(86)	—	(92)
Impairment of subsidiary	—	—	—	—
Non-deductible preference dividends	242	140	90	60
Revaluation/impairment of investments and subsidiary	(43)	—	25	813
Other non-taxable/non-deductible differences	135	131	81	72
Change in expected tax consequences due to distribution	—	(287)	—	—
Total taxation charge as per income statement	2 018	1 820	(3)	17

[^] Restated as per note 59.

* Includes the effect of cumulative tax losses and other permanent differences relating to foreign subsidiaries.

For the year to 31 March R'million	Group		Company	
	2024	2023	2024	2023
The deferred taxation movements in the income statement arise from:				
Income and expenditure accruals	69	(45)	—	—
Expected credit loss impairment charges	105	(18)	—	—
Unrealised fair value adjustments on financial instruments	42	(49)	—	2
Movement in deferred tax assets related to losses including impairment of deferred taxation assets	(19)	—	—	—
Deferred taxation on acquired intangibles	(3)	(14)	—	—
Revaluation of investment property	(4)	9	—	—
Finance lease accounting	(79)	(115)	—	—
	111	(232)	—	2

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

9. Taxation (continued)

For the year to 31 March R'million	Group		Company	
	2024	2023	2024	2023
Other comprehensive income taxation effects				
Fair value movements on cash flow hedges taken directly to other comprehensive income	(88)	(88)	—	—
– Pre-taxation	(28)	(44)	—	—
– Deferred taxation	136	64	—	—
– Current taxation	(196)	(108)	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	105	33	—	—
– Pre-taxation	123	75	—	—
– Income taxation	(18)	(42)	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	(90)	(59)	—	—
– Pre-taxation	(123)	(81)	—	—
– Deferred taxation	33	22	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	1 019	(219)	1 046	(111)
– Pre-taxation	1 300	(602)	1 334	(150)
– Deferred taxation	(281)	383	(288)	39
Net gain attributable to own credit risk	17	2	—	—
– Pre-taxation	23	3	—	—
– Deferred taxation	(6)	(1)	—	—
Movement in post retirement benefits liabilities	(9)	—	—	—
– Pre-taxation	(15)	—	—	—
– Income taxation effect	6	—	—	—

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**10. Headline earnings****Group**

R'million	Year to 31 March 2024	Year to 31 March 2023
Continuing operations		
Earnings attributable to shareholders from continuing operations	7 904	7 050
Dividends paid to perpetual preference shareholders and other Additional Tier 1 security holders	(638)	(471)
Gain on redemption of perpetual preference shares	—	15
Earnings attributable to ordinary shareholders from continuing operations	7 266	6 594
Headline adjustments	(47)	8
Revaluation of investment properties**	(47)	(6)
Headline adjustments of equity accounted associates	—	12
Impairment of goodwill	—	2
Headline earnings attributable to ordinary shareholders from continuing operations	7 219	6 602
Discontinued operations		
Earnings attributable to shareholders from discontinued operations	(1 031)	4
Headline adjustments	1 081	(25)
Loss on sale of property management contract and deconsolidation of IPF (excluding implementation costs)**	1 081	—
Revaluation of investment properties**	—	(26)
Headline adjustments of equity accounted associates	—	1
Headline earnings attributable to ordinary shareholders from discontinued operations	50	(21)
Total Group		
Earnings attributable to shareholders	6 873	7 054
Dividends paid to perpetual preference shareholders and Other Additional Tier 1 security holders	(638)	(471)
Gain on repurchase of perpetual preference shares	—	15
Earnings attributable to ordinary shareholders	6 235	6 598
Headline adjustments	1 034	(17)
Revaluation of investment properties**	(47)	(32)
Headline adjustments of equity accounted associates	—	13
Loss on sale of property management contract and deconsolidation of IPF (excluding implementation costs)**	1 081	—
Impairment of goodwill	—	2
Headline earnings attributable to ordinary shareholders	7 269	6 581

** These amounts are net of taxation of R196.3 million (2023: R19.9 million) and Rnil (2023: R84.3 million) of which was attributable to non-controlling interests.

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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

11. Dividends

For the year to 31 March R'million	Group		Company	
	2024	2023	2024	2023
Ordinary dividend*				
Final dividend in prior year	2 602	1 814	2 664	1 858
Interim dividend for current year	2 153	1 702	2 205	1 757
Total dividend attributable to ordinary shareholders recognised in current financial year	4 755	3 516	4 869	3 615
The directors have proposed a final ordinary dividend of 444 cents, resulting in a full year dividend of 796 cents per ordinary share (2023: 701 cents per ordinary share).				
In the prior year, the c.15% shareholding in Ninety One DLC was distributed to ordinary shareholders which amounted to R3.8 billion for Group and R4.1 billion for Company. The difference in the distribution between Group and Company is due to shares held within the staff share trusts.				
Perpetual preference dividend				
Final dividend in prior year	100	77	100	77
Interim dividend for current year	112	86	112	86
Total dividend attributable to perpetual preference shareholders recognised in current financial year	212	163	212	163
The directors have declared a final preference dividend in respect of the financial year ended 31 March 2024 of 455.64697 cents (2023: 401.90045) per Investec Limited perpetual preference share. The final preference dividend will be payable to shareholders on the register at the close of business on 28 June 2024.				
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 49 for detail on rates.				
	426	308	412	297
Total dividends declared to other equity holders including Other Additional Tier 1 securities	638	471	624	460

* This includes the dividend paid by Investec Limited on DAS share equivalent for South African resident shareholders of Investec plc.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**12. Operating lease disclosure**

For the year to 31 March R'million	Group	
	2024	2023 [^]
Operating lease income recognised in operating income	171	135
For the year to 31 March R'million	Group	
	2024	2023 [^]
Operating lease receivable		
Future minimum lease payments receivable under non-cancellable operating leases:		
Less than one year	230	204
One to two years	211	204
Two to three years	200	164
Three to four years	126	148
Four to five years	58	94
Greater than five years	186	99
	1 011	913

[^] Restated to reflect the impact of restatements related to discontinued operations detailed in note 59

The Group leases property to third parties under operating lease arrangements. The term of the leases range between three and ten years with annual escalation clauses. The majority of the leases have renewal options.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**13. Analysis of income and impairments by category of financial instrument**

For the year to 31 March R'million	At fair value through profit or loss		
	Trading [#]	Non-trading [#]	Designated at inception
Group			
2024			
Interest income	643	2 385	598
Interest expense	(524)	(3)	(1 098)
Fee and commission income	266	29	—
Fee and commission expense	(141)	(11)	—
Investment income	99	587	131
Share of post-taxation loss of associates and joint venture holdings	—	—	—
Trading income/(loss) arising from			
– customer flow**	3 203	(19)	—
– balance sheet management and other trading activities	410	29	(166)
Other operating (loss)/income	—	—	—
Operating income	3 956	2 997	(535)
Expected credit loss impairment charges/(release)	—	—	137
Operating income after expected credit loss impairment charges	3 956	2 997	(398)
2023[^]			
Interest income	389	1 044	2 089
Interest expense	(279)	(19)	(1 298)
Fee and commission income	224	2	—
Fee and commission expense	(7)	(8)	—
Investment income	38	(333)	242
Share of post-taxation profit of associates and joint venture holdings	—	—	—
Trading income arising from			
– customer flow**	3 370	(20)	—
– balance sheet management and other trading activities	(400)	(14)	326
Other operating loss	—	(55)	—
Operating income	3 335	597	1 359
Expected credit loss impairment charges	—	—	(22)
Operating income after expected credit loss impairment charges	3 335	597	1 337

[^] Restated as per note 59.

* Includes off-balance sheet items.

** Included in trading income arising from customer flow, as required by IAS 1, is income of R3.2 billion (2023: R3.3 billion) and interest expense of R2.5 billion (2023: R1.6 billion) in the Group.

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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUEDAt fair value through
comprehensive income

Debt instruments with a dual business model	Equity instruments	Amortised cost	Non-financial instruments	Other fee income*	Total
3 791	—	44 040	2	—	51 459
(4)	—	(37 396)	(23)	—	(39 048)
—	—	3 316	85	3 610	7 306
(4)	—	(911)	(22)	(107)	(1 196)
119	3	4	143	—	1 086
—	—	—	4	—	4
—	—	(2 505)	—	(4)	675
—	—	67	3	1	344
—	—	2	(7)	—	(5)
3 902	3	6 617	185	3 500	20 625
109	—	(94)	—	11	163
4 011	3	6 523	185	3 511	20 788
2 991	—	31 113	9	—	37 635
—	—	(24 717)	(9)	—	(26 322)
—	—	2 021	1 373	3 000	6 620
(3)	—	(748)	(5)	(101)	(872)
96	—	(136)	247	47	201
—	—	—	339	—	339
—	—	(1 670)	—	(1)	1 679
—	—	99	9	7	27
—	—	—	11	—	(44)
3 084	—	5 962	1 974	2 952	19 263
(43)	—	(232)	—	8	(289)
3 041	—	5 730	1 974	2 960	18 974

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**13. Analysis of income and impairments by category of financial instrument
(continued)**

For the year to 31 March R'million	At fair value through profit or loss			Total
	Non-trading*	Amortised cost	Non-financial instruments	
Company				
2024				
Interest income	—	1 092	—	1 092
Interest expense	—	(1 573)	—	(1 573)
Investment income	253	—	5 421	5 674
Operating income/(expense)	253	(481)	5 421	5 193
2023				
Interest income	—	843	—	843
Interest expense	—	(1 192)	—	(1 192)
Investment income	(200)	—	9 881	9 681
Share of post taxation profit of associates and joint venture holdings	—	—	340	340
Trading income arising from				
– balance sheet management and other trading activities	—	—	9	9
Operating income/(expense)	(200)	(349)	10 230	9 681

* 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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**14. Analysis of financial assets and liabilities by category of financial instrument**

At 31 March R'million	At fair value through profit and loss		
	IFRS 9 mandatory		
	Trading*	Non-trading*	Designated at initial recognition
Group			
2024			
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	—	311	—
Bank debt securities	—	—	—
Other debt securities	—	749	—
Derivative financial instruments	9 984	—	—
Securities arising from trading activities	34 346	131	—
Loans and advances to customers	—	1 540	14 629
Own originated loans and advances to customers securitised	—	—	—
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	—	—
Investment portfolio	211	9 094	—
Interests in associated undertakings and joint venture holdings	—	—	—
Current taxation assets	—	—	—
Deferred taxation assets	—	—	—
Other assets	4 057	2 339	—
Property and equipment	—	—	—
Investment properties	—	—	—
Goodwill	—	—	—
Software	—	—	—
Other acquired intangible assets	—	—	—
Non-current assets classified as held for sale	—	—	—
	56 600	39 523	14 918
Liabilities			
Deposits by banks	—	—	—
Derivative financial instruments	14 293	—	—
Other trading liabilities	32 368	—	—
Repurchase agreements and cash collateral on securities lent	4 121	—	—
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	—	—
Liabilities to customers under investment contracts [#]	—	—	—
	51 598	—	61 895
Subordinated liabilities	—	—	—
	51 598	—	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.

[#] Included in 'liabilities to customers under investment contracts' is R14 million insurance liabilities recognised in terms of IFRS 17.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUEDAt fair value through other
comprehensive income

Debt instruments with a dual business model	Equity instruments	Financial assets linked to investment contract liabilities	Total instruments at fair value	Financial instruments at amortised cost	Non-financial instruments or scoped out of IFRS 9	Total
—	—	—	—	14 795	—	14 795
—	—	—	—	9 217	—	9 217
—	—	—	289	10 529	—	10 818
—	—	—	33 361	44 304	—	77 665
34 168	—	—	34 479	37 762	—	72 241
4 430	—	—	4 430	3 871	—	8 301
5 325	—	—	6 074	4 465	—	10 539
—	—	—	9 984	—	—	9 984
—	—	—	34 477	—	—	34 477
—	—	—	16 169	321 063	—	337 232
—	—	—	—	6 446	—	6 446
—	—	3 708	3 708	—	—	3 708
—	6 748	—	16 053	—	—	16 053
—	—	—	—	—	28	28
—	—	—	—	—	106	106
—	—	—	—	—	2 040	2 040
—	—	—	6 396	11 722	4 960	23 078
—	—	—	—	—	3 956	3 956
—	—	—	—	—	2 539	2 539
—	—	—	—	—	171	171
—	—	—	—	—	123	123
—	—	—	—	—	—	—
—	—	—	—	—	534	534
43 923	6 748	3 708	165 420	464 174	14 457	644 051
—	—	—	—	31 065	—	31 065
—	—	—	14 293	—	—	14 293
—	—	—	32 368	—	—	32 368
—	—	—	4 121	15 769	—	19 890
—	—	—	61 895	386 563	—	448 458
—	—	—	—	6 715	—	6 715
—	—	—	—	4 997	—	4 997
—	—	—	—	—	845	845
—	—	—	—	—	375	375
—	—	—	816	11 863	6 263	18 942
—	—	3 711	3 711	—	—	3 711
—	—	3 711	117 204	456 972	7 483	581 659
—	—	—	—	7 283	—	7 283
—	—	3 711	117 204	464 255	7 483	588 942

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**14. Analysis of financial assets and liabilities by category of financial instrument
(continued)**

At 31 March R'million	At fair value through profit and loss		
	Trading*	Non-trading*	Designated at initial recognition
Group			
2023[^]			
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	16 025	—	—
Securities arising from trading activities	37 378	117	—
Loans and advances to customers**	—	1 641	15 164
Own originated loans and advances to customers securitised	—	—	—
Other loans and advances	—	—	—
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	—	—
Investment portfolio	194	17 938	—
Interests in associated undertakings and joint venture holdings	—	—	—
Current taxation assets	—	—	—
Deferred taxation assets	—	—	—
Other assets	3 424	1 795	—
Property and equipment	—	—	—
Investment properties	—	—	—
Goodwill	—	—	—
Software	—	—	—
Other acquired intangible assets	—	—	—
Non-current assets classified as held for sale	—	—	—
	60 958	41 860	15 164
Liabilities			
Deposits by banks	—	—	—
Derivative financial instruments	18 473	—	—
Other trading liabilities	27 434	—	—
Repurchase agreements and cash collateral on securities lent	3 744	—	—
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	1 011	—
Liabilities to customers under investment contracts	—	—	—
	50 689	1 011	72 474
Subordinated liabilities	—	—	—
	50 689	1 011	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 detailed in note 59.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUEDAt fair value through other
comprehensive income

Debt instruments with a dual business model	Equity instruments	Financial assets linked to investment contract liabilities	Total instruments at fair value	Financial instruments at amortised cost	Non-financial instruments or scoped out of IFRS 9	Total
—	—	—	—	22 761	—	22 761
—	—	—	—	12 323	—	12 323
—	—	—	130	9 575	—	9 705
—	—	—	21 436	36 855	—	58 291
43 569	—	—	44 193	25 640	—	69 833
7 415	—	—	9 067	6 432	—	15 499
6 462	—	—	6 926	4 750	—	11 676
—	—	—	16 025	—	—	16 025
—	—	—	37 495	—	—	37 495
—	—	—	16 805	302 346	—	319 151
—	—	—	—	5 988	—	5 988
—	—	—	—	1	—	1
—	—	2 433	2 433	—	—	2 433
—	4 543	—	22 675	—	—	22 675
—	—	—	—	—	30	30
—	—	—	—	—	1	1
—	—	—	—	—	2 220	2 220
—	—	—	5 219	14 836	3 944	23 999
—	—	—	—	—	3 457	3 457
—	—	—	—	—	15 853	15 853
—	—	—	—	—	171	171
—	—	—	—	—	131	131
—	—	—	—	—	13	13
—	—	—	—	—	785	785
57 446	4 543	2 433	182 404	441 507	26 605	650 516
—	—	—	—	31 789	—	31 789
—	—	—	18 473	—	—	18 473
—	—	—	27 434	—	—	27 434
—	—	—	3 744	14 223	—	17 967
—	—	—	72 474	375 390	—	447 864
—	—	—	—	7 747	—	7 747
—	—	—	—	3 594	—	3 594
—	—	—	—	—	647	647
—	—	—	—	—	95	95
—	—	—	2 049	15 797	5 881	23 727
—	—	2 433	2 433	—	—	2 433
—	—	2 433	126 607	448 540	6 623	581 770
—	—	—	—	7 748	—	7 748
—	—	2 433	126 607	456 288	6 623	589 518

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**14. Analysis of financial assets and liabilities by category of financial instrument
(continued)**

At 31 March R'million	At fair value through profit and loss		At fair value through other comprehensive income		Total instruments at fair value	Financial instruments at amortised cost	Non-financial instruments or scoped out of IFRS 9	Total
	Non-trading*	IFRS 9 mandatory	Equity instruments					
Company								
2024								
Assets								
Loans and advances to banks	—	—	—	—	24	—	24	
Bank debt securities	—	—	—	—	10 712	—	10 712	
Investment portfolio	5 793	—	6 430	—	12 223	—	12 223	
Other assets	—	—	—	—	—	29	29	
Investment in subsidiaries	—	—	—	—	—	16 980	16 980	
	5 793	—	6 430	—	12 223	10 736	17 009	39 968
Liabilities								
Debt securities in issue	—	—	—	—	5 883	—	5 883	
Deferred tax liabilities	—	—	—	—	—	251	251	
Other liabilities	—	—	—	—	3 280	13	3 293	
	—	—	—	—	9 163	264	9 427	
Subordinated liabilities	—	—	—	—	7 359	—	7 359	
	—	—	—	—	16 522	264	16 786	
2023[^]								
Assets								
Loans and advances to banks	—	—	—	—	22	—	22	
Bank debt securities	—	—	—	—	8 356	—	8 356	
Investment portfolio	4 699	—	4 205	—	8 904	—	8 904	
Interests in associated undertakings and joint venture holdings	—	—	—	—	—	37	37	
Other assets	—	—	—	—	—	28	28	
Investment in subsidiaries	—	—	—	—	—	19 114	19 114	
	4 699	—	4 205	—	8 904	8 378	19 179	36 461
Liabilities								
Debt securities in issue	—	—	—	—	3 734	—	3 734	
Current taxation liabilities	—	—	—	—	—	3	3	
Other liabilities	—	—	—	—	4 861	83	4 944	
	—	—	—	—	8 595	86	8 681	
Subordinated liabilities	—	—	—	—	5 752	—	5 752	
	—	—	—	—	14 347	86	14 433	

[^] Restated as detailed in note 59.

* 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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**15. 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).

At 31 March R'million	Total instruments at fair value	Fair value category		
		Level 1	Level 2	Level 3
Group				
2024				
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	34 479	34 479	—	—
Bank debt securities	4 430	3 978	452	—
Other debt securities	6 074	2 307	3 767	—
Derivative financial instruments	9 984	—	9 984	—
Securities arising from trading activities	34 477	30 400	4 077	—
Loans and advances to customers	16 169	—	15 270	899
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	3 708	3 708	—	—
Investment portfolio	16 053	8 471	42	7 540
Other assets	6 396	6 396	—	—
	165 420	89 739	67 242	8 439
Liabilities				
Derivative financial instruments	14 293	—	14 293	—
Other trading liabilities	32 368	7 278	25 090	—
Repurchase agreements and cash collateral on securities lent	4 121	—	4 121	—
Customer accounts (deposits)	61 895	—	61 895	—
Other liabilities	816	—	816	—
Liabilities to customers under investment contracts	3 711	—	3 711	—
	117 204	7 278	109 926	—
Net financial assets/(liabilities) at fair value	48 216	82 461	(42 684)	8 439

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

15. Financial instruments at fair value (continued)

At 31 March R'million	Total instruments at fair value	Fair value category		
		Level 1	Level 2	Level 3
Group				
2023^				
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	16 025	—	16 025	—
Securities arising from trading activities	37 495	37 120	375	—
Loans and advances to customers**	16 805	—	16 076	729
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	2 433	2 433	—	—
Investment portfolio	22 675	4 782	40	17 853
Other assets	5 219	5 219	—	—
Non-current assets classified as held for sale	—	—	—	—
	182 404	100 514	63 308	18 582
Liabilities				
Derivative financial instruments	18 473	—	18 473	—
Other trading liabilities	27 434	5 959	21 475	—
Repurchase agreements and cash collateral on securities lent	3 744	—	3 744	—
Customer accounts (deposits)**	72 474	—	72 474	—
Other liabilities	2 049	—	1 038	1 011
Liabilities to customers under investment contracts	2 433	—	2 433	—
	126 607	5 959	119 637	1 011
Net financial assets/(liabilities) at fair value	55 797	94 555	(56 329)	17 571
Company				
2024				
Assets				
Investment portfolio	12 223	7 903	—	4 320
	12 223	7 903	—	4 320
2023				
Assets				
Investment portfolio	8 904	4 205	—	4 699
	8 904	4 205	—	4 699

^ Restated as detailed in note 59.

** 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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**15. 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 when 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	Discounted cash flow model	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
Liabilities to customers under investment contracts	Current price of underlying unitised assets	Listed prices
Insurance liabilities, including unit-linked liabilities	Current price of underlying unitised assets	Listed prices

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**15. 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.

Group

R'million	Investment portfolio	Loans and advances to customers	Other level 3 assets	Total
Assets				
Balance at 1 April 2022	10 460	777	498	11 735
Net losses included in the income statement	(945)	(178)	—	(1 123)
Purchases	2 352	—	—	2 352
Sales	(46)	—	(498)	(544)
Issues	14	169	—	183
Settlements	(960)	(39)	—	(999)
Transfer from interests in associated undertakings*	5 633	—	—	5 633
Foreign exchange adjustments	1 345	—	—	1 345
Balance at 31 March 2023	17 853	729	—	18 582
Net gains included in the income statement	56	86	—	142
Purchases	366	—	—	366
Sales	(956)	—	—	(956)
Issues	—	156	—	156
Settlements	(615)	(72)	—	(687)
Discontinued operations	(10 225)	—	—	(10 225)
Foreign exchange adjustments	1 061	—	—	1 061
Balance at 31 March 2024	7 540	899	—	8 439

* In the prior year, the IEP Group and Bud Group shareholders had approved a restructure to facilitate an exit by certain IEP shareholders, including the Investec Group, by way of a share buyback. The restructure entails the transfer of certain assets to a Newco, to facilitate the orderly disposal of those assets. As a result the nature of the holding in IEP has changed to that of a fair value investment and has been transferred to the investment portfolio line on the balance sheet, where it is measured at fair value through profit or loss.

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

R'million	Other liabilities	Total
Liabilities		
Balance at 1 April 2022	951	951
Net gains recognised in the income statement	(101)	(101)
Settlements	(11)	(11)
Foreign exchange adjustments	172	172
Balance at 31 March 2023	1 011	1 011
Settlements	(28)	(28)
Discontinued operations	(1 090)	(1 090)
Foreign exchange adjustments	107	107
Balance at 31 March 2024	—	—

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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**15. Financial instruments at fair value (continued)****Level 3 financial instruments (continued)****Company**

R'million	Investment portfolio	Total
Assets		
Balance at 1 April 2022	—	—
Net losses recognised in the income statement	(200)	(200)
Purchases	16	16
Settlements	(750)	(750)
Transfers to non current assets held for sale	5 633	5 633
Balance at 31 March 2023	4 699	4 699
Net gains/(losses) recognised in the income statement	150	150
Settlements	(529)	(529)
Balance at 31 March 2024	4 320	4 320

The following table quantifies the gains/(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 gains included in the income statement for the year			
Investment income	142	20	122
	142	20	122
2023			
Total (losses)/gains included in the income statement for the year			
Investment loss	(1 081)	(44)	(1 037)
Trading gain arising from balance sheet management and other trading activities	59	—	59
	(1 022)	(44)	(978)
Company			
2024			
Total (losses)/gains included in the income statement for the year			
Investment income	150	—	150
	150	—	150
2023			
Total losses included in the income statement for the year			
Investment loss	(200)	—	(200)
	(200)	—	(200)

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**15. 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	Unfavourable changes R'million
Group						
Assets						
Investment portfolio	7 540				793	(877)
		Price earnings	EBITDA	*	185	(210)
		Price earnings	EBITDA	(10%)-10%	430	(430)
		Discounted cash flow	Cash flows	*	43	(31)
		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)
		Net asset value	Underlying asset value	^	2	(2)
		Underlying asset value	Property values	*	241	(253)
Total level 3 assets	8 439				1 036	(1 132)
Net level 3 assets	8 439				1 036	(1 132)

* The EBITDA, cash flows and property values have been stressed on an investment-by-investment and loan-by-loan basis in order to obtain favourable and unfavourable valuations.

** The valuation sensitivity for the certain equity investments has 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 a tangible asset.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

15. Financial instruments at fair value (continued)

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	Unfavourable changes R'million
Group						
Assets						
Investment portfolio	17 853				1 920	(2 035)
		Price earnings	EBITDA	*	242	(273)
		Price earnings	EBITDA	(10%)-10%	468	(468)
		Discounted cash flow	Cash flows	*	42	(31)
		Net asset value	Underlying asset value	^	32	(68)
		Discounted cash flow	Precious and industrial metal prices	(5%)-5%	27	(27)
		Discounted cash flow	Property values	#	1 002	(1 076)
		Other	Various	**	107	(92)
Loans and advances to customers	729				330	(214)
		Net asset value	Underlying asset value	^	2	(2)
		Underlying asset value	Property values	^	328	(212)
Total level 3 assets	18 582				2 250	(2 249)
Liabilities						
Other liabilities	1 011	Discounted cash flow	Property values	#	108	(116)
Total level 3 liabilities	1 011				108	(116)
Net level 3 assets	17 571				2 358	(2 365)

* The EBITDA and cash flows have been stressed on an investment-by-investment basis in order to obtain favourable and unfavourable valuations.

** The valuation sensitivity for the certain equity investments has 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 a tangible asset.

Property values are the significant unobservable input for these valuations. The capitalisation rates have been stressed by 0.25bp when valuing these properties.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**15. 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	Unfavourable changes R'million
Company						
Assets						
Investment portfolio	4 320	Price earnings	EBITDA	*	432	(432)
		Price earnings	EBITDA	(10%)-10%	2	(2)
					430	(430)
	4 320				432	(432)
At 31 March 2023						
Company						
Assets						
Investment portfolio	4 699	Price earnings	EBITDA	*	470	(470)
		Price earnings	EBITDA	(10%)-10%	2	(2)
					468	(468)
	4 699				470	(470)

* The EBITDA has been stressed on an investment-by-investment basis in order to obtain favourable and unfavourable valuations.

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

Price earnings multiple

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

EBITDA

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

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**16. 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 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							
2024							
Assets							
Cash and balances at central banks	14 795	14 795	—	—	—	—	—
Loans and advances to banks	9 217	4 536	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	44 304	5 628	38 676	38 674	—	38 674	—
Sovereign debt securities	37 762	—	37 762	37 494	37 494	—	—
Bank debt securities	3 871	—	3 871	3 808	3 808	—	—
Other debt securities	4 465	1 839	2 626	2 669	2 669	—	—
Loans and advances to customers	321 063	296 800	24 263	24 267	—	—	24 267
Own originated loans and advances to customers securitised	6 446	6 446	—	—	—	—	—
Other assets	11 722	11 722	—	—	—	—	—
	464 174	352 295	111 879	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)	386 563	227 513	159 050	159 534	—	159 534	—
Debt securities in issue	6 715	5 924	791	793	—	793	—
Liabilities arising on securitisation of own originated loans and advances	4 997	4 997	—	—	—	—	—
Other liabilities	11 863	11 863	—	—	—	—	—
Subordinated liabilities	7 283	7 283	—	—	—	—	—
	464 255	268 083	196 172	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**16. Fair value of financial instruments at amortised cost (continued)**

At 31 March 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							
2023[^]							
Assets							
Cash and balances at central banks	22 761	22 761	—	—	—	—	—
Loans and advances to banks	12 323	12 323	—	—	—	—	—
Non-sovereign and non-bank cash placements	9 575	9 575	—	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	36 855	10 145	26 710	26 713	—	26 713	—
Sovereign debt securities	25 640	—	25 640	26 093	26 093	—	—
Bank debt securities	6 432	105	6 327	7 000	7 000	—	—
Other debt securities	4 750	2 081	2 669	2 666	2 666	—	—
Loans and advances to customers*	302 346	282 468	19 878	19 866	—	—	19 866
Own originated loans and advances to customers securitised	5 988	5 988	—	—	—	—	—
Other loans and advances	1	1	—	—	—	—	—
Other assets	14 836	14 836	—	—	—	—	—
	441 507	360 283	81 224	82 338	35 759	26 713	19 866
Liabilities							
Deposits by banks	31 789	11 025	20 764	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)*	375 390	215 963	159 427	158 512	—	158 512	—
Debt securities in issue	7 747	6 502	1 245	1 245	—	1 245	—
Liabilities arising on securitisation of own originated loans and advances	3 594	3 594	—	—	—	—	—
Other liabilities	15 797	15 797	—	—	—	—	—
Subordinated liabilities**	7 748	7 748	—	—	—	—	—
	456 288	262 780	193 508	193 549	—	193 549	—

[^] Restated as detailed in note 59.

* 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 R1.9 billion accordingly.

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 62.

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

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		
Loans and advances to banks	Discounted cash flow model	Yield curve
Reverse repurchase agreements and cash collateral on securities borrowed	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
CONTINUED

17. Financial instruments designated at fair value

At 31 March R'million	Carrying value	Fair value adjustment		Change in fair value attributable to credit risk*		Maximum exposure to credit risk
		Current	Cumulative	Current	Cumulative	
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

At 31 March R'million	Carrying value	Remaining contractual amount to be repaid at maturity	Fair value adjustment		Change in fair value attributable to credit risk*	
			Current	Cumulative	Current	Cumulative
Group						
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
CONTINUED**18. Cash and balances at central banks**

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

19. Loans and advances to banks

At 31 March R'million	Group		Company	
	2024	2023	2024	2023
Gross loans and advances to banks	9 228	12 327	24	22
Expected credit loss on amortised cost	(11)	(4)	—	—
Net loans and advances to banks	9 217	12 323	24	22
The country risk of loans and advances to banks lies in the following geographies:				
South Africa	2 060	2 696	24	22
United Kingdom	1 894	1 513	—	—
Europe (excluding UK)	1 676	3 648	—	—
North America	1 353	1 374	—	—
Africa (excluding RSA)	1 971	2 416	—	—
Asia	101	286	—	—
Australia	162	390	—	—
	9 217	12 323	24	22

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

At 31 March R'million	Group	
	2024	2023 [^]
Assets		
Gross reverse repurchase agreements and cash collateral on securities borrowed	77 667	58 292
Expected credit loss on amortised cost	(2)	(1)
Net reverse repurchase agreements and cash collateral on securities borrowed	77 665	58 291
Reverse repurchase agreements	72 908	53 060
Cash collateral on securities borrowed	4 757	5 231
	77 665	58 291
As part of the reverse repurchase and securities borrowing agreements the Group has received securities that it is allowed to sell or re-pledge. R84.7 million (2023: R52.2 million) has been resold or re-pledged to third parties in connection with financing activities or to comply with commitments under short sale transactions.		
Liabilities		
Repurchase agreements	16 626	16 758
Cash collateral on securities lent	3 264	1 209
	19 890	17 967
The assets transferred and not derecognised in the above repurchase agreements are fair valued at R17.4 billion (2023: R18.6 billion). They are pledged as security for the term of the underlying repurchase agreement. Refer to note 53.		

[^] Restated as per note 59.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**21. Sovereign debt securities**

At 31 March R'million	Group	
	2024	2023 [^]
Gross sovereign debt securities	72 271	69 862
Expected credit loss on amortised cost	(30)	(29)
Net sovereign debt securities	72 241	69 833
The country risk of the sovereign debt securities lies in the following geographies:		
South Africa	61 320	59 950
United Kingdom	2 550	2 156
North America	8 073	7 453
Africa (excluding RSA)	298	274
	72 241	69 833

[^] Restated as per note 59.**22. Bank debt securities**

At 31 March R'million	Group		Company	
	2024	2023 [^]	2024	2023
Gross bank debt securities	8 303	15 503	10 712	8 356
Expected credit loss on amortised cost	(2)	(4)	—	—
Net bank debt securities	8 301	15 499	10 712	8 356
Bonds	8 251	10 819	10 712	8 356
Floating rate notes	50	4 680	—	—
	8 301	15 499	10 712	8 356
The country risk of the bank debt securities lies in the following geographies:				
South Africa	2 702	6 441	10 712	8 356
United Kingdom	1 876	1 942	—	—
Europe (excluding UK)	1 567	2 683	—	—
North America	199	2 868	—	—
Africa (excluding RSA)	886	460	—	—
Asia	—	—	—	—
Australia	1 071	1 105	—	—
	8 301	15 499	10 712	8 356

[^] Restated as per note 59.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**23. Other debt securities**

At 31 March R'million	Group	
	2024	2023
Gross other debt securities	10 547	11 688
Expected credit loss on amortised cost	(8)	(12)
Net other debt securities	10 539	11 676
Bonds	6 249	6 463
Floating rate notes	2 415	3 316
Asset-based securities	1 226	1 551
Other	649	346
	10 539	11 676
The country risk of the other debt securities lies in the following geographies:		
South Africa	6 582	8 813
United Kingdom	1 454	1 018
Europe (excluding UK)	1 259	1 369
North America	972	346
Africa (excl RSA)	93	—
Asia	179	130
	10 539	11 676

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**24. 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.

At 31 March R'million	2024			2023 [^]		
	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	45 221	826	1 659
OTC options bought and sold	6 139	588	786	86 956	909	1 278
Other foreign exchange contracts	398	18	8	89	—	—
	50 140	2 072	1 778	458 781	6 571	7 199
Interest rate derivatives						
Caps and floors	56 221	33	118	34 249	58	149
Swaps	6 959 365	7 946	6 858	2 976 890	6 933	7 622
Forward rate agreements	717 057	103	110	1 171 415	500	401
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	8 117	7 099	4 194 548	7 877	8 255
Equity and stock index derivatives						
OTC options bought and sold*	10 143	4 534	6 325	61 602	3 355	5 236
Equity swaps and forwards	88 256	1 433	719	52 434	2 959	3 334
OTC derivatives	98 399	5 967	7 044	114 036	6 314	8 570
Exchange traded futures	8	—	—	86	—	—
Exchange traded options	—	260	—	—	205	—
Warrants	—	—	—	583	—	33
	98 407	6 227	7 044	114 705	6 519	8 603
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
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		9 984	14 293		16 025	18 473

[^] Restated as per note 59.

* In the prior year, notional principal amounts have been restated, as a result of the derivative financial instrument restatement detailed in note 59.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**25. Securities arising from trading activities**

At 31 March R'million	Group	
	2024	2023 [^]
Bonds	4 913	5 645
Floating rate notes	684	1 105
Collective investment schemes*	3 793	2 721
Listed equities	24 813	27 952
Other**	274	72
	34 477	37 495

[^] Restated as per note 59.

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

** In the prior year, these instruments were included in 'bonds'

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

At 31 March R'million	Group	
	2024	2023 [^]
Gross loans and advances to customers at amortised cost*	323 671	305 317
Gross loans and advances to customers designated at FVPL at inception ^{^^}	14 779	15 450
Suspended interest**	613	556
Gross loans and advances to customers subject to ECL	339 063	321 323
Expected credit loss on amortised cost	(2 758)	(3 257)
Loans and advances to customers at fair value	1 540	1 641
Suspended interest**	(613)	(556)
Net loans and advances to customers	337 232	319 151
Gross other loans and advances	—	1
Expected credit loss of other loans and advances	—	—
Net other loans and advances	—	1

[^] Restated as per note 59.

^{^^} 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 62.

At 31 March R'million	Group	
	2024	2023
Expected credit losses on loans and advances to customers at amortised cost		
Balance at the beginning of the year	3 257	2 668
Expected credit loss impairment charges to the income statement	189	734
Utilised	(685)	(172)
Reclassification	—	21
Exchange adjustment	(3)	6
Balance at the end of the year	2 758	3 257

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**27. 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

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**28. Long-term assurance business attributable to policyholders**

At 31 March R'million	Group	
	2024	2023
Liabilities to customers under investment contracts	3 333	2 378
Insurance liabilities, including unit-linked liabilities	378	55
Liabilities to customers under investment contracts	3 711	2 433
Other financial instruments at fair value through profit or loss in respect of liabilities to customers:		
Investments	3 708	2 433
	3 708	2 433
Investments shown above comprise:		
Interest-bearing securities	68	6
Stocks, shares and unit trusts	5	2 378
Deposits	3 635	49
	3 708	2 433

29. Investment portfolio

At 31 March R'million	Group		Company	
	2024	2023	2024	2023
Listed equities	8 475	4 787	7 904	4 205
Unlisted equities*	2 771	3 151	16	16
Other fair value investments	4 807	14 737	4 303	4 683
	16 053	22 675	12 223	8 904

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

Equity instruments at FVOCI (included in 'listed equities')

At 31 March R'million	Group		Company	
	2024	2023	2024	2023
Carrying values at 31 March and dividends recognised for the year to 31 March				
Portfolio of perpetual preference shares issued by South African listed banks				
Carrying value	318	338	—	—
Dividends recognised	34	24	—	—
Investec plc shares				
Carrying value	6 430	4 205	6 430	4 205
Total carrying value of equity instruments at FVOCI	6 748	4 543	6 430	4 205

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**30. Interests in associated undertakings and joint venture holdings**

At 31 March R'million	Group		Company	
	2024	2023	2024	2023
Analysis of the movement in interests in associated undertakings and joint venture holdings:				
At the beginning of the year	30	5 480	—	5 437
Disposals	(1)	—	—	—
Share of post-taxation profit of associates and joint venture holdings (excluding recycling of foreign exchange losses)	4	321	—	340
Dividends declared by associate	—	(144)	—	(144)
Discontinued operation	10	—	—	—
Transfer to investment portfolio*	—	(5 633)	—	(5 633)
Capital reduction	(17)	—	—	—
Exchange adjustments	2	6	—	—
At the end of the year	28	30	—	—

* In the prior year, the IEP Group and Bud Group shareholders approved a restructure to facilitate an exit by certain IEP shareholders, including the Investec Group, by way of a share buyback. The restructure entails the transfer of certain assets to a Newco, to facilitate the orderly disposal of those assets. As a result the nature of the holding in IEP has changed to that of a fair value investment and has been transferred to the investment portfolio line on the balance sheet, where it is measured at fair value through profit or loss.

Group & Company**For the year to 31
March 2023****Details of material associated company: IEP Group Proprietary Limited****Summarised financial information (R'million):**

Revenue	12 465*
Profit after taxation	700*
Total comprehensive income after non-controlling interests	501*

* The IEP summarised information is only shown for the eight months until date of derecognition as an equity accounted interest in associated undertaking on 30 November 2022.

Income statement and other comprehensive income items are only shown for the period for which they are equity accounted.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**31. Deferred taxation**

At 31 March R'million	Group		Company	
	2024	2023 [^]	2024	2023
Deferred taxation assets	2 040	2 220	—	37
Deferred taxation liabilities	(375)	(95)	(251)	—
Net deferred taxation assets/(liabilities)	1 665	2 125	(251)	37
The net deferred taxation assets arise from:				
Income and expenditure accruals	1 306	1 421	—	—
Expected credit loss on loans and advances to customers	316	421	—	—
Unrealised fair value adjustments on financial instruments	(243)	68	(251)	37
Losses carried forward	168	292	—	—
Deferred taxation on acquired intangibles	—	(3)	—	—
Revaluation of property	(126)	(130)	—	—
Fair value movements on cash flow hedge	1	(108)	—	—
Finance lease accounting	243	164	—	—
Net deferred taxation assets/(liabilities)	1 665	2 125	(251)	37
Reconciliation of net deferred taxation assets/(liabilities)				
At the beginning of the year	2 125	1 468	37	—
(Charge)/release to income statement	(111)	234	—	(2)
Charge directly in other comprehensive income	(160)	423	(288)	39
Loss of control of subsidiary	(143)	—	—	—
Other	(46)	—	—	—
At the end of the year	1 665	2 125	(251)	37

[^] Restated as detailed in note 59.

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.

32. Other assets

At 31 March R'million	Group		Company	
	2024	2023 [^]	2024	2023
Gross other assets	23 078	23 999	29	28
Expected credit loss on amortised cost	—	—	—	—
Net other assets	23 078	23 999	29	28
Financial assets				
Settlement debtors	9 400	13 228	—	—
Prepayments and accrued income	39	152	—	—
Trading initial margin	5 587	4 522	—	—
Other investments	809	697	—	—
Fee debtors	47	81	—	—
Other financial assets	2 236	1 375	—	—
Non-financial assets				
Trading properties	1 078	1 054	—	—
Prepayments and accrued income	567	698	—	—
Commodities	2 937	1 457	—	—
Indirect taxation assets receivable	—	24	—	—
Other	378	711	29	28
	23 078	23 999	29	28

[^] Restated as per note 59.

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
CONTINUED**33. 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	3 640	176	61	238	632	4 747
Discontinued operation	(200)	—	—	—	—	(200)
Additions	18	497	166	34	112	827
Disposals and modifications	(8)	23	(2)	(40)	(33)	(60)
Write-offs	—	(2)	—	(7)	(8)	(17)
Reclassifications	—	—	—	3	4	7
At the end of the year	3 450	694	225	228	707	5 304
Accumulated depreciation						
At the beginning of the year	(497)	(130)	(55)	(163)	(445)	(1 290)
Discontinued operation	120	—	—	—	—	120
Disposals and modifications	—	4	3	34	30	71
Depreciation charge for year	(112)	(44)	(10)	(14)	(79)	(259)
Write-offs	—	2	—	7	8	17
Reclassifications	—	—	—	(3)	(4)	(7)
At the end of the year	(489)	(168)	(62)	(139)	(490)	(1 348)
Net carrying value	2 961	526	163	89	217	3 956
2023						
Cost						
At the beginning of the year	3 531	177	69	212	591	4 580
Additions	109	10	2	31	102	254
Disposals and modifications	—	(11)	(10)	(15)	(51)	(87)
Write-offs	—	—	—	—	(2)	(2)
Reclassifications	—	—	—	10	(8)	2
At the end of the year	3 640	176	61	238	632	4 747
Accumulated depreciation						
At the beginning of the year	(388)	(106)	(55)	(149)	(413)	(1 111)
Disposals and modifications	—	15	4	11	48	78
Depreciation charge for year	(109)	(39)	(3)	(15)	(91)	(257)
Write-offs	—	—	—	—	2	2
Reclassifications	—	—	(1)	(10)	9	(2)
At the end of the year	(497)	(130)	(55)	(163)	(445)	(1 290)
Net carrying value	3 143	46	6	75	187	3 457

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

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**34. Investment properties**

At 31 March R'million	Group	
	2024	2023
At the beginning of the year	15 853	15 783
Additions	461	295
Disposals	(5)	(39)
Fair value movement	64	89
Reclassifications*	(183)	(275)
Discontinued operation	(13 651)	—
At the end of the year	2 539	15 853

* Reclassifications of R380 million (2023: R274.5 million) to non-current assets classified as held for sale and a reclassification of R197 million (2023: Rnil million) from other assets as there was a change in use of the property.

For total gains and losses on investment properties recognised in the income statement, refer to note 4.

Non-current assets held for sale comprise of R455 million (2023: R785 million) of investment properties and R79 million (2023: Rnil) of trading properties. These investment properties are excluded from the measurement scope of IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations and continue to be measured according to the fair value model. The majority of these properties are in the Group Investments business segment.

All investment properties are classified as level 3 in the fair value hierarchy.

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use. Properties are valued under the income capitalisation method and discounted cash flow method (DCF).

Under the income capitalisation method a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate.

Under the DCF method a property's fair value is estimated using explicit assumptions about the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This involves the projection of a series of cash flows and, to this, an appropriate market-derived discount rate is applied to establish the present value of the income stream.

Valuation techniques used to derive level 3 fair values

The significant unobservable inputs used to derive the fair value measurements are those relating to the valuation of underlying investment properties. The table below includes the following definitions and relationship between the unobservable inputs and fair value measurement:

Significant unobservable inputs	Definitions
Expected Rental Value (ERV)	The rent at which space could be let in the market conditions prevailing at the date of valuation.
Capitalisation rate (cap rate)	The rate of return that is expected to be generated on the real estate investment property.
Long-term vacancy rate	The ERV of the expected long-term average structural vacant space divided by the ERV of the whole property. Long-term vacancy rate can also be determined based on the percentage of estimated vacant space divided by the total lettable area.
Equivalent Yield Range	The measure used in property valuation to determine the expected return on investment for a property.

Level 3 valuations

At 31 March 2024 Description	Average expected Rental value per R/m ²	Equivalent yield range	Weighted average Cap rate	Long-Term Vacancy Rates	Change in fair value from a 25bp increase/ decrease in cap rate R'million	Change in fair value from a 5% increase/ decrease in expected rental value
						R'million
Across South African sectors	114.3	0% – 12.83%	8.53%	10.39%	21.7	39.2
SA Retail	143.2	7.20% – 10.19%	8.14%	3.00%	29.7	55.2
SA Industrial	78.3	8.74% – 12.83%	8.55%	—%	17.9	30.2
SA Office	192.8	0% – 9.54%	10.11%	22.00%	0.3	5.4

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

At 31 March 2023 Description	Average expected rental value per R/m ²	Equivalent yield range	Weighted average cap rate	Long-term vacancy rates	Change in fair value from a 0.25bp increase/ decrease in cap rate R'million	Change in fair value from a 5% increase/ decrease in expected rental value R'million
Across South African sectors	104.2	7.4% – 12.0%	8.8%	4.0% – 6.0%	299.2	664.9
SA Retail	162.2	7.4% – 11.0%	8.3%	4.0% – 5.0%	140.9	270.0
SA Industrial	53.8	7.6% – 11.1%	9.2%	1.5% – 2.0%	74.0	158.7
SA Office	144.0	7.7% – 12.0%	8.9%	7.7% – 9.5%	58.1	237.5

35. Goodwill

At 31 March R'million	Group	
	2024	2023
Cost		
At the beginning of the year	1 468	1 468
At the end of the year	1 468	1 468
Accumulated impairments		
At the beginning of the year	(1 297)	(1 295)
Impairments	—	(2)
At the end of the year	(1 297)	(1 297)
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 predominantly to the businesses from 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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**36. Software and other acquired intangible assets**

At 31 March R'million	Software		Other acquired intangible assets		Total
	Acquired software	Total	Client relationships	Total	
Group					
2024					
Cost					
At the beginning of the year	391	391	409	409	800
Additions	31	31	—	—	31
Write-offs	(112)	(112)	—	—	(112)
Reclassifications	43	43	—	—	43
At the end of the year	353	353	409	409	762
Accumulated amortisation and impairments					
At the beginning of the year	(260)	(260)	(396)	(396)	(656)
Amortisation	(39)	(39)	(13)*	(13)	(52)
Write-offs	112	112	—	—	112
Reclassifications	(43)	(43)	—	—	(43)
At the end of the year	(230)	(230)	(409)	(409)	(639)
Net carrying value	123	123	—	—	123
2023					
Cost					
At the beginning of the year	369	369	409	409	778
Additions	135	135	—	—	135
Reclassifications	(43)	(43)	—	—	(43)
Disposals	(70)	(70)	—	—	(70)
At the end of the year	391	391	409	409	800
Accumulated amortisation and impairments					
At the beginning of the year	(323)	(323)	(345)	(345)	(668)
Disposals	70	70	—	—	70
Amortisation	(50)	(50)	(51)*	(51)	(101)
Reclassifications	43	43	—	—	43
At the end of the year	(260)	(260)	(396)	(396)	(656)
Net carrying value	131	131	13	13	144

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

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**37. Discontinued operations****Group****Remeasurement on deconsolidation of IPF, net of gain on sale of IPF management business**

The completion date of the sale of the IPF management companies was 6 July 2023 at which point the Group deconsolidated its c.24.3% investment in IPF. Historically, IPF has been controlled by the Group because of the power over relevant activities held over the IPF management function which was, until the current period, wholly owned by the Group, further the majority of directors of IPF were associated with the Group. In the current period, the management companies were sold into the fund, and as a result the Group lost control of both these functions and the executive directors transferred employment from Investec to IPF reducing the number of directors associated with Investec to less than the majority. The investment in IPF is now held as an associate company. In accordance with the Group's accounting policies, associates that are held with no strategic intention should be accounted for at fair value through profit or loss by applying the venture capital exemption as provided in IAS 28. The investment is disclosed in the investment portfolio line on the balance sheet. Investec Limited, through its ordinary course of business has been classified as a venture capital entity and this exemption provided in IAS 28 has been applied.

Loss on sale of IPF asset management function and deconsolidation

R'million	2024
The loss is calculated as follows:	
Fair value of the consideration*	824
Fair value of investment at 6 July 2023	1 465
Net asset value of IPF previously consolidated	(13 106)
Non-controlling interest derecognised previously included in the consolidation of IPF at 6 July 2023	9 915
Loss before taxation and costs	(902)
Implementation costs	(24)
Loss before taxation	(926)
Taxation	(179)
Loss on sale of IPF management function and deconsolidation net of taxation and implementation costs	(1 105)

* Included in the "fair value value of the consideration" is a non-cash component of R541 million.

Major classes of assets and liabilities

R'million	2024
Investment properties	13 651
Investment portfolio	10 225
Other assets	2 113
Deposits by banks	(6 204)
Debt securities in issue	(5 005)
Other liabilities	(1 674)
Net asset value of IPF previously consolidated	13 106

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**37. Discontinued operations (continued)****Consolidated income statement of discontinued operations**

The completion date of the sale of the Investec Property Fund (IPF) asset management function was 6 July 2023 and the group deconsolidated its existing c.24.3% investment in IPF. IPF has been disclosed as a discontinued operation.

For the year to 31 March R'million	2024	2023
Operating profit before strategic actions and non-controlling interests	347	169
Taxation on operating profit	—	20
Operating profit before strategic actions and non-controlling interests from discontinued operations	347	189
Financial impact of strategic actions	(926)	—
Taxation on strategic actions	(179)	—
Profit after taxation and financial impact of strategic actions from discontinued operations	(758)	189
Profit attributable to non-controlling interests of discontinued operations	(273)	(185)
(Loss)/earnings attributable to shareholders	(1 031)	4

The table below presents the income statement from discontinued operations included in the income statement.

For the year to 31 March R'million	2024	2023
Net interest income	(145)	(432)
Net fee and commission income	306	1 020
Investment income/(loss)	83	(1 009)
Share of post-taxation loss of associates and joint venture holdings	—	(18)
Trading (loss)/income arising from		
– customer flow	(225)	(235)
– balance sheet management and other trading income	397	886
Total operating income before expected credit loss impairment charges	416	212
Expected credit loss impairment charges	(6)	(5)
Operating income	410	207
Operating costs	(63)	(38)
Operating profit before strategic actions and non-controlling interests	347	169
Profit attributable to non-controlling interests from discontinued operations	(273)	(185)
Operating profit before strategic actions	74	(16)
Financial impact of group restructures	(926)	—
Profit before taxation	(852)	(16)
Taxation on operating profit before strategic actions	—	20
Taxation on financial impact of strategic actions	(179)	—
(Loss)/earnings attributable to shareholders	(1 031)	4

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**37. Discontinued operations (continued)****Condensed consolidated statement cash flow of discontinued operation**

R'million	Period to 30 June 2023	Year to 31 March 2023
Net cash inflow from operating activities	614	616
Net cash outflow from investing activities	(227)	164
Net cash outflow from financing activities	(389)	(833)
Net decrease in cash and cash equivalents	(2)	(53)
Cash and cash equivalents at the beginning of the year	59	112
Cash and cash equivalents at the end of the year	57	59

38. Acquisitions and disposals

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

During the year, the Group had a significant strategic action which has been reflected as a discontinued operation. Refer to note 37 for further details.

There were no other significant disposals of subsidiaries during the prior year.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**39. Investment in subsidiaries**

At 31 March	Principal activity	Holding %	Shares at book value	
			R'million	
			2024	2023
Company				
Material direct subsidiaries of Investec Limited				
Investec Bank Limited [#]	Banking institution	100.0	15 288	15 288
Investec Employee Benefits Holdings Proprietary Limited [#]	Investment holding	100.0	580	580
Investec International Holdings (Gibraltar) Limited [§]	Investment holding	100.0	218	218
Investec Wealth and Investment International Proprietary Limited [#]	Stockbroking	100.0	152	152
Fedsure International Limited [#]	Investment holding	100.0	316	316
Investec Property Proprietary Limited [#]	Investment holding	100.0	*	*
Investec Markets Proprietary Limited [#]	Stockbroking	100.0	250	250
Burstone Group Limited [#]	Engage in long-term immovable property investment	n/a	—	2 134
Investec Investment Platform Proprietary Limited [#]	Investment platform	100.0	100	100
Investec Investment Management Proprietary Limited [#]	Investment management	100.0	50	50
Grayston Prefco Proprietary Limited [#]	Investment holding	100.0	*	—
Other subsidiaries ^{#^^}			26	26
			16 980	19 114

* Less than R1 million.

South Africa.

§ Gibraltar.

^^ In the prior year, R319 million of 'loan advances to subsidiaries' has been re-allocated to 'other liabilities'.

Loans to/(from) subsidiaries are unsecured, interest-bearing, with no fixed terms of repayment.

Indirect material subsidiaries of Investec Limited-	Principal activity	Holding company	Holding %
Details of subsidiaries which are not material to the financial position of the Group are not stated below:			
Investec Bank (Mauritius) Limited [^]	Banking institution	Investec Bank Limited	100.0
Investec Life Limited [#]	Long-term insurance	Investec Employee Benefits Holdings Proprietary Limited	100.0

South Africa.

^ Mauritius.

Consolidation of subsidiaries for accounting and regulatory purposes

There are no subsidiaries which are consolidated for regulatory, but not for accounting purposes. Investec Employee Benefit Holdings Proprietary Limited, including Investec Life Limited, and its subsidiaries are not consolidated for regulatory purposes.

Investment in Burstone Group Limited (previously Investec Property Fund Limited (IPF))

Burstone Group Limited was deconsolidated from the Group during the year. The investment is now held as an associate at fair value through profit or loss applying the venture capital exemption in IAS 28. For further details on the remeasurement and deconsolidation, refer to note 37.

In the prior year, the Group considered that it had control over Burstone Group Limited as a result of the common directors with the holding Company and the impact this has on the beneficial returns, as well as the power over relevant activities held by the IPF management function. Management considered the relationship with the directors and power over the relevant activities to be sufficient to meet the definition of control. The disposal of the management company (refer to note 37) resulted in loss of control of Burstone Group Limited with the 24.3% investment then being accounted for as an associate.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**39. Investment in subsidiaries (continued)****Consolidated structured entities**

Investec Limited has residual economic interests 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 27.

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 vehicle instalment sale agreements in order to provide investors with exposure to vehicle instalment sale risk and to raise funding. This 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 exposure to residual economic risks and benefits. The Group is not required to fund any losses above those incurred on the investments made.

Interest in Wealth & Investment Funds

Management has concluded that the investment funds in the Wealth & Investment business do not meet the definition of structured entities as the Group does not hold material interests in these funds and currently does not provide financial support or other support. Support transactions with these funds are conventional customer-supply relationships.

40. Other trading liabilities

At 31 March R'million	Group	
	2024	2023 [^]
Retail structured products	16 649	13 837
Deposits	8 440	7 638
Short positions		
– Equities	6 856	5 405
– Gilts	423	554
	32 368	27 434

[^] Restated per note 59.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**41. Customer accounts (deposits)**

At 31 March R'million	Group	
	2024	2023 [^]
Transactional	20 378	20 712
Demand	199 307	188 444
Notice	45 140	39 523
Fixed term	183 633	199 185
	448 458	447 864

[^] Restated as per note 59.**42. Debt securities in issue**

At 31 March R'million	Group		Company*	
	2024	2023	2024	2023
Repayable in:				
Less than three months	427	862	—	—
Three months to one year	1 152	1 708	3 415	—
One to five years	5 136	4 877	2 468	3 734
Greater than five years	—	300	—	—
	6 715	7 747	5 883	3 734
Debt securities in issue shown above comprise:				
Loans	—	5 161	—	—
Redeemable preference shares	5 313	1 341	5 883	3 734
Other	1 402	1 245	—	—
	6 715	7 747	5 883	3 734

* Includes, the funding obtained of R3.4 billion (2023: R3.4 billion) in the Company related to Investec Bank Limited financing of the acquisition of IEP shares in Investec Limited for the year ended 31 March 2022. The funding is secured by the respective shares of the investment companies. The current year also includes R2 billion related to Grayston Prefco Proprietary Limited. The funding obtained was used to repay a portion of Investec Limited's loan from Investec Bank Limited. The loan was incurred to enable Investec Limited to acquire ordinary shares in Investec Plc.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**43. Other liabilities**

At 31 March R'million	Group		Company	
	2024	2023 [^]	2024	2023
Financial liabilities				
Settlement liabilities	10 632	15 096	—	—
Other creditors and accruals	947	1 332	1	1
Loans from Group companies ^{^^}	—	—	3 277	4 860*
Other non-interest-bearing liabilities	1 046	1 354	2	—
Expected credit loss on undrawn commitments and guarantees	54	64	—	—
Non-financial liabilities				
Other creditors and accruals	3 949	3 864	6	76
Other non-interest-bearing liabilities	791	923	7	7
Rewards Programme liability	752	705	—	—
Lease liabilities	568	94	—	—
Long service employee benefits liability (refer to note 8)	4	39	—	—
Indirect taxation liabilities payable	199	256	—	—
	18 942	23 727	3 293	4 944

[^] Restated as per note 59.

^{^^} Predominantly relates to a loan from Investec Bank Limited, a subsidiary of Investec Limited.

* In the prior year, R319 million of 'loan advances to subsidiaries' has been re-allocated to 'other liabilities'.

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	2023
Balance at the beginning of the year	94	134
Interest	24	9
Additional leases	596	10
Repayment of lease liabilities	(66)	(59)
Modifications	(80)	—
Balance at the end of the year	568	94

Lease liabilities included in other liabilities are due in:

At 31 March R'million	Group			
	2024		2023	
	Undiscounted payments	Present value	Undiscounted payments	Present value
Less than one year	66	63	41	40
One to two years	58	51	12	12
Two to three years	61	50	11	11
Three to four years	66	53	12	9
Four to five years	65	43	13	9
Greater than five years	896	308	22	13
	1 212	568	111	94

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**44. Subordinated liabilities**

At 31 March R'million	Group		Company	
	2024	2023	2024	2023
Issued by Investec Bank Limited				
IV019 indexed rate subordinated unsecured callable bonds	—	145	—	—
IV019A indexed rate subordinated unsecured callable bonds	—	522	—	—
IV049 variable rate subordinated unsecured callable bonds	—	1 329	—	—
Issued by Investec Limited				
INLV07 variable rate subordinated unsecured callable bonds	1 636	1 636	1 636	1 636
INLV11 variable rate subordinated unsecured callable bonds	400	400	400	400
INLV12 variable rate subordinated unsecured callable bonds	1 100	1 100	1 100	1 100
INLV14 variable rate subordinated unsecured callable bonds	500	—	500	—
INLV15 variable rate subordinated unsecured callable bonds	750	—	750	—
INLIX01 variable rate subordinated unsecured callable bonds	2 897	2 616	2 973	2 616
	7 283	7 748	7 359	5 752
Remaining maturity*:				
In one year or less, or on demand	—	1 996	—	—
In more than one year, but not more than two years	—	—	—	—
In more than two years, but not more than five years	7 283	5 752	7 359	5 752
In more than five years	—	—	—	—
	7 283	7 748	7 359	5 752
Reconciliation from opening balance to closing balance:				
Opening balance	7 748	10 722	5 752	4 725
Issue of subordinated liabilities	1 250	2 359	1 250	2 359
Interest accrued on subordinated liabilities	631	713	574	458
Net movements in capitalised interest	(231)	(419)	(174)	(202)
Repayment of interest	(379)	(323)	(379)	(252)
Transfer of interest accrued to other liabilities at the beginning of the year	13	42	13	9
Transfer of interest accrued to other liabilities from the end of the year	(34)	(13)	(34)	(13)
Redemption of subordinated liabilities	(1 970)	(6 498)	—	(1 922)
Consumer Price Index, effective interest rate adjustments and currency adjustments on foreign-denominated bonds adjustment	255	1 165	357	590
Closing balance	7 283	7 748	7 359	5 752

* 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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**44. Subordinated liabilities (continued)****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.

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.

INLV07 variable rate subordinated unsecured callable bonds

R1 636 million Investec Limited issued INLV07 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.

INLV11 variable rate subordinated unsecured callable bonds

R400 million Investec Limited issued INLV11 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.

INLV12 variable rate subordinated unsecured callable bonds

R1 100 million Investec Limited issued INLV12 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.

INLV14 variable rate subordinated unsecured callable bonds

R500 million Investec Limited INLV14 locally registered subordinated unsecured floating rate notes are due June 2033. 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.

INLV15 variable rate subordinated unsecured callable bonds

R750 million Investec Limited INLV15 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.

INLIX01 variable rate subordinated unsecured callable bonds

\$191 million Investec Limited INLIX01 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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**45. Ordinary share capital**

At 31 March R'million	Group		Company	
	2024	2023	2024	2023
Authorised				
450 000 000 (2023: 450 000 000) ordinary shares of R0.0002 each				
Issued				
295 125 806 (2023: 299 014 115) ordinary shares of R0.0002 each, fully paid	1	1	1	1

For the year ended 31 March 2024, 3 888 309 ordinary (2023: 11 393 755) shares were bought back and cancelled (refer to note 46).

In terms of the dual listed companies structure, shareholders have common economic and voting rights as if Investec Limited and Investec plc were a single Company. These include equivalent dividends on a per share basis, joint electorate and class right variations. The UK DAS share, UK DAN share and the special converting shares have been issued to achieve this.

The unissued shares are under the control of the directors until the next annual general meeting.

Details of the share capital are set out in Investec's 2024 integrated annual report.

46. Share premium

At 31 March R'million	Group		Company	
	2024	2023	2024	2023
Share premium on ordinary shares	4 474	4 885	4 054	4 466
	4 474	4 885	4 054	4 466

Investec Limited repurchased 3 888 309 (2023: 11 393 755) of its ordinary shares and utilised the ordinary share premium in part to fund the share buy-back further reducing ordinary share premium (refer to note 45).

47. Treasury shares

At 31 March	2024 R'million	2023 R'million
Treasury shares held by subsidiaries of Investec Limited		
Investec Limited ordinary shares	3 652	3 854
	Number	Number
Number of Investec Limited ordinary shares held by subsidiaries	42 678 825	50 689 788
Reconciliation of treasury shares	Number	Number
At the beginning of the year	50 689 788	52 277 446
Purchase of own shares by subsidiary companies	950 000	13 708 261
Shares disposed of by subsidiaries	(8 960 963)	(15 295 919)
At the end of the year	42 678 825	50 689 788
	R'million	R'million
Market value of treasury shares	5 332	4 974

Subsidiary companies which hold treasury shares are the staff share trusts which facilitate share-based awards within the Group.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**48. Perpetual preference shares in issue**

At 31 March R'million	Group		Company	
	2024	2023	2024	2023
Authorised				
100 000 000 (2023: 100 000 000) non-redeemable, non-cumulative, non-participating preference shares of one cent each				
20 000 000 (2023: 20 000 000) non-redeemable, non-participating preference shares with a par value of one cent each				
Issued				
24 835 843 (2023: 24 835 843) non-redeemable, non-cumulative, non-participating preference shares of one cent each, issued at various premiums				
	2 451	2 445	2 451	2 445
– Perpetual preference share capital – par value	*	*	*	*
– Perpetual preference share capital – premium	2 451	2 445	2 451	2 445

* Less than R1 million.

Preference shareholders will be entitled to receive dividends, if declared, at a rate limited to 77.77% of the South African prime interest rate on R100 being the deemed value of the issue price of the preference share held.

Preference shareholders receive dividends in priority to any payment of dividends to the holder of any other class of shares in the capital of the Company not ranking prior or pari passu with the preference shares.

An ordinary dividend will not be declared by Investec Limited unless the preference dividend has been declared. If declared, preference dividends are payable semi-annually at least seven business days prior to the date on which Investec Limited pays its ordinary dividends, if any, but shall be payable no later than 120 business days after 31 March and 30 September respectively.

For the year ended 31 March 2023, 4 382 795 million perpetual preference shares were repurchased.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**49. Other Additional Tier 1 securities in issue**

At 31 March R'million	Group		Company	
	2024	2023	2024	2023
INLV01 variable rate subordinated unsecured callable bonds	550	550	550	550
IV050 variable rate subordinated unsecured callable bonds	110	110	—	—
INLV06 variable rate subordinated unsecured callable bonds	273	273	273	273
INLV08 variable rate subordinated unsecured callable bonds	450	450	450	450
INLV09 variable rate subordinated unsecured callable bonds	777	777	777	777
INLV10 variable rate subordinated unsecured callable bonds	600	600	600	600
INLV13 variable rate subordinated unsecured callable bonds	500	500	500	500
INLV16 variable rate subordinated unsecured callable bonds	750	—	750	—
	4 010	3 260	3 900	3 150

INLV01 variable rate subordinated unsecured callable bonds

Investec Limited issued R550 million Other Additional Tier 1 floating rate notes on 12 August 2014. Interest is payable quarterly on 12 August, 12 November, 12 February and 12 May at a rate equal to the three-month JIBAR plus 4.25%. There is no maturity date but the issuer has the option to redeem on 12 August 2024 and on every interest payment date thereafter. Interest is payable at the option of the issuer.

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.

INLV06 variable rate subordinated unsecured callable bonds

Investec Limited issued R128 million, R45 million and R100 million Other Additional Tier 1 floating rate notes on 22 October 2020, 25 November 2020 and 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.

INLV08 variable rate subordinated unsecured callable bonds

Investec 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.

INLV09 variable rate subordinated unsecured callable bonds

Investec Limited issued R600 million and R177 million Other Additional Tier 1 floating rate notes on 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.

INLV10 variable rate subordinated unsecured callable bonds

Investec 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.

INLV13 variable rate subordinated unsecured callable bonds

Investec 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.

INLV16 variable rate subordinated unsecured callable bonds

Investec 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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**50. Non-controlling interests**

At 31 March R'million	Group	
	2024	2023
Non-controlling interests in partially held subsidiaries	(61)	9 872
	(61)	9 872

The following table summarises the information relating to the Group's partially held subsidiary Burstone Group Limited (previously Investec Property Fund Limited (IPF)) which has material non-controlling interests:

31 March	IPF Group	
	2024	2023
Non-controlling interests (NCI) (%)	—%	75.7%
Summarised financial information (R'million)		
Total assets	n/a	25 384
Total liabilities	n/a	12 371
Revenue*	424	1 847
Profit after taxation*	361	195
The net cash flows in this partially held subsidiary during the current and prior year predominantly arose from operating activities. Other than payments of dividends, there were no material cash flows arising from financing or investing activities.		
Carrying amount of NCI of IPF	—	9 936
Dividends paid to NCI of IPF	294	631
Profit after tax attributable to NCI of IPF	273	185

* Revenue and profit after taxation are for the period ending 6 July 2023.

During the year, the group deconsolidated its investment in IPF group and derecognised non-controlling interests to value of R9.9 billion on date of deconsolidation. Refer to note 37. The remaining non-controlling interests are considered immaterial and are within Specialist Banking.

51. Finance lease disclosures

At 31 March R'million	Group			
	2024		2023	
	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
CONTINUED

52. Notes to the cash flow statement

At 31 March R'million	Group		Company	
	2024	2023 [^]	2024	2023
Profit before taxation adjusted for non-cash, non-operating items and other required adjustments is derived as follows:				
Profit before taxation	9 347	9 056	5 255	9 782
Adjustment for non-cash, non-operating items and other required adjustments included in net income before taxation:				
Impairment of goodwill	—	2	—	—
Depreciation, amortisation and impairment of property, equipment and intangibles and revaluation of investment properties	234	218	—	—
Amortisation of acquired intangibles	13	51	—	—
Expected credit loss impairment charges	(169)	294	—	—
Share of post-taxation profit of associates and joint ventures	(4)	(321)	—	(340)
Loss on sale of IPF asset management function	902	—	669	—
Dividends received from associates	—	144	—	144
Share-based payment charges	575	491	—	—
Dividends from subsidiaries	—	—	(6 345)	(12 891)
Impairment of subsidiaries	—	—	250	3 010
Implementation costs on distribution of investment to shareholders	—	62	—	—
Profit before taxation adjusted for non-cash, non-operating items and other required adjustments is derived as follows:	10 898	9 997	(171)	(295)
Increase in operating assets				
Loans and advances to banks	93	1 132	—	—
Non-sovereign and non-bank cash placements	(1 113)	(1 247)	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	(18 987)	10 321	—	—
Sovereign debt securities	(1 893)	(19 200)	—	—
Bank debt securities*	7 267	12 051	—	—
Other debt securities	1 487	5 104	—	—
Derivative financial instruments	6 001	1 530	—	—
Securities arising from trading activities	3 018	(15 379)	—	—
Investment portfolio	61	(1 645)	372	938
Loans and advances to customers	(16 803)	(20 184)	—	—
Own originated loans and advances to customers securitised	(458)	1 240	—	—
Other loans and advances	1	107	—	—
Other securitised assets	—	—	—	—
Other assets	(150)	(115)	(1)	10
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	(1 275)	(1 288)	—	—
	(22 751)	(27 573)	371	948
Increase in operating liabilities				
Deposits by banks	5 243	9 372	—	—
Derivative financial instruments	(4 147)	2 327	—	—
Other trading liabilities	4 934	(2 753)	—	—
Repurchase agreements and cash collateral on securities lent	1 858	3 986	—	—
Customer accounts (deposits)	(1 110)	24 815	—	—
Debt securities in issue	3 957	137	—	—
Liabilities arising on securitisation of own originated loans and advances	1 403	(991)	—	—
Other liabilities*	(3 448)	(2 279)	(68)	(190)
Liabilities to customers under investment contracts	1 278	1 288	—	—
	9 968	35 902	(68)	(190)

[^] Restated as detailed in note 59.^{*} In the Company, 'Cash flow on acquisition of debt securities from Group companies' has been reclassified from operating activities to investing activities. In addition, increase in other liabilities, has been restated in the prior year to reflect a non-cash item. As result, the notes to the cash flow have been amended to reflect this change.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**53. Commitments**

At 31 March R'million	Group	
	2024	2023
Undrawn facilities	79 852	75 917
	79 852	75 917

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				
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.

54. 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	27 294	28 236	—	—*
	27 294	28 236	—	—

* Restated. The prior year included R780 million, related to an executory contract, which was previously disclosed as 'guarantees and irrevocable letters of credit' in the table above.

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 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
CONTINUED**55. Related party transactions and balances**

At 31 March R'million	Group	
	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	352	278
Increase in loans	74	147
Decrease in loans	(103)	(73)
Exchange adjustments	—	—
At the end of the year	323	352
Guarantees		
At the beginning of the year	3	2
Additional guarantees granted	—	1
Decrease in guarantees	(2)	—
Exchange adjustments	(1)	—
At the end of the year	—	3
Deposits		
At the beginning of the year	(240)	(248)
Increase in deposits	(50)	(53)
Decrease in deposits	96	62
Exchange adjustments	1	(1)
At the end of the year	(193)	(240)

The above transactions were made in the ordinary course of business and substantially on 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.

Where related parties have investment products (that may be included in funds under management) offered to clients on terms and conditions in the ordinary course of business, these have not been included above as the Group does not carry any exposure relating to these transactions (they are at client risk).

For information on overall compensation to directors (including key management personnel), refer to note 61.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**55. Related party transactions and balances (continued)**

At 31 March R'million	Group	
	2024	2023
Amounts with Investec plc and its subsidiaries		
Assets		
Loans and advances to banks	576	74
Reverse repurchase agreements and cash collateral on securities borrowed	—	443
Bank debt securities	1 234	732
Other debt securities	—	—
Derivative financial instruments	2	78
Loans and advances to customers	164	140
Other assets	12	7
Liabilities		
Deposits from banks	13	94
Derivative financial instruments	—	10
Other liabilities	85	134
Income statement		
Interest income	9	12
Interest expense	4	17
In the normal course of business, services are rendered between Investec plc and Investec Limited 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).		
Amounts relating to associates and joint venture holdings		
Amounts due from associates and joint venture holdings and their subsidiaries	253	9 470
Amounts due to associates and joint venture holdings and their subsidiaries	161	—
Interest income from loans to associates	5	364
Derivatives entered into with associates and joint venture holdings and their subsidiaries	250	—

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 back-to-back Other additional Tier 1 bonds to Investec Limited, which have been issued externally of the Group to the market, on the same terms. These bonds are in addition to IV051U, IV052U, IV053U (combined Investec Limited's INLV06), IV055U (Investec Limited's ILV08), IV056U (Investec Limited's INLV09), IV057U (Investec Limited's INLV10) and IV061U (Investec Limited's INLV13) issued as at 31 March 2023. The value of these bonds at 31 March 2024 are R3.4 billion (2023: R2.6 billion). For the year ended 31 March 2024, there were no redemptions of Other Additional Tier 1 bonds. Refer to note 49 for terms related to these bonds.

Similarly, IBL issued back-to-back subordinated liability bonds to Investec Limited which have been issued externally of the Group to the market, on the same terms. For the year ended 31 March 2024, IBL issued IV062U (Investec Limited's INLV14) and IVO63U (Investec Limited's INLV15) subordinated liability bonds to Investec Limited. These bonds are in addition to IV054U (Investec Limited's INLV07), IV058U (Investec Limited's INLV11), IV059U (Investec Limited's INLV12) and IV060U (Investec Limited's INLV13) issued to Investec Limited as at 31 March 2023. The value of these bonds at 31 March 2024 are R7.3 billion (2023: R5.8 billion). Refer to note 44 for terms related to these bonds.

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.

During the year ending 31 March 2024, Investec Limited issued R2.0 billion of redeemable preference shares to Grayston Prefco Proprietary Limited, a subsidiary of Investec Limited. For additional related party transactions within the Company, refer to note 39 and 43.

Investec Limited holds Investec plc shares totalling R6.4 billion (2023: R4.2 billion). For further detail refer to note 29.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**56. Hedges**

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 62.

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.

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*
Group				
2024				
Hedge of debt securities	32 741	1 212	(39)	192
Hedge of subordinated liabilities	2 845	20	(168)	(66)
Interest rate swaps[^]	35 586	1 232	(207)	126
2023				
Hedge of debt securities	47 078	1 092	(160)	1 157
Hedge of subordinated liabilities	—	—	—	—
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							
Hedge of debt securities	—	—	100	227	15 600	16 814	32 741
Hedge of subordinated liabilities	—	—	—	—	2 845	—	2 845
Interest rate swaps - notionals	—	—	100	227	18 445	16 814	35 586
2023							
Hedge of debt securities	—	—	9 810	3 592	18 125	15 551	47 078
Interest rate swaps - notionals	—	—	9 810	3 592	18 125	15 551	47 078

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**56. Hedges (continued)****Hedged items**

At 31 March R'million	2024			2023		
	Carrying value	Cumulative fair value adjustments	Change in fair value used to measure ineffectiveness for the year*	Carrying value	Cumulative fair value adjustments	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)
Liabilities						
Subordinated liabilities	2 973	76	76	—	—	—

* 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 R44 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 – notional							
Sovereign debt securities	—	—	—	—	12 615	19 952	32 567
Bank debt securities	—	—	200	199	—	—	399
Other debt securities	—	45	—	—	1 492	—	1 537
Liabilities – notional							
Subordinated liabilities	—	—	—	—	3 628	—	3 628
2023							
Assets – notional							
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		2023	
	Average ZAR rate interest rate risk	Average foreign currency rate interest rate risk	Average ZAR rate interest rate risk	Average foreign currency rate interest rate risk
Interest rate swaps - Assets	8%	2%	8%	2%
Interest rate swaps - Liabilities	n/a	3%	n/a	n/a

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**57. 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 consolidated 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 164.

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	14 049	—	—	—	39	235	(8)	14 315
– held for trading	14 049	—	—	—	—	—	—	14 049
– held for hedging risk	—	—	—	—	39	235	(8)	266
Other trading liabilities	32 368	—	—	—	—	—	—	32 368
Repurchase agreements and cash collateral on securities lent	7 384	4 511	1 077	45	2 642	4 957	—	20 616
Customer accounts (deposits)	223 716	40 840	57 124	33 663	40 170	66 409	3 993	465 915
Debt securities in issue	—	424	23	800	696	5 996	—	7 939
Liabilities arising on securitisation of own originated loans and advances	—	8	153	159	310	2 089	4 066	6 785
Other liabilities	10 879	142	601	364	163	522	138	12 809
Liabilities to customers under investment contracts	556	4	23	—	131	2 983	14	3 711
Subordinated liabilities	—	13	116	116	233	8 447	—	8 925
Total on-balance sheet liabilities	289 158	46 243	59 483	35 147	46 187	124 530	8 203	608 951
Contingent liabilities	4 641	457	704	1 732	7 602	17 651	352	33 139
Commitments	8 351	991	10 957	3 072	5 795	17 975	32 711	79 852
Total liabilities	302 150	47 691	71 144	39 951	59 584	160 156	41 266	721 942

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**57. 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
Group								
2023[^]								
Liabilities								
Deposits by banks	613	1 442	1 025	581	427	30 198	566	34 852
Derivative financial instruments	18 145	(60)	—	1	29	216	(24)	18 307
– held for trading	18 145	—	—	—	—	—	—	18 145
– held for hedging risk	—	(60)	—	1	29	216	(24)	162
Other trading liabilities	27 434	—	—	—	—	—	—	27 434
Repurchase agreements and cash collateral on securities lent	3 744	18	5 581	1 272	1 061	7 534	57	19 267
Customer accounts (deposits)	214 145	34 667	50 928	35 041	47 675	81 745	7 927	472 128
Debt securities in issue	—	239	708	349	1 821	5 774	325	9 216
Liabilities arising on securitisation of own originated loans and advances	—	46	112	113	221	1 574	2 556	4 622
Other liabilities	14 220	159	966	803	174	595	1 108	18 025
Liabilities to customers under investment contracts	150	—	—	—	2	2 278	3	2 433
Subordinated liabilities	—	667	74	74	1 477	6 969	—	9 261
Total on-balance sheet liabilities	278 451	37 178	59 394	38 234	52 887	136 883	12 518	615 545
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	289 767	38 068	71 995	41 613	61 765	173 431	43 960	720 599

[^] Restated as detailed in note 59.

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								
Debt securities in issue	—	6	—	3 750	94	2 587	—	6 437
Other liabilities	3 278	2	—	—	—	—	—	3 280
Subordinated liabilities	—	13	116	116	233	8 447	—	8 925
Total liabilities	3 278	21	116	3 866	327	11 034	—	18 642

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								
Debt securities in issue	—	6	—	227	12	4 004	—	4 249
Other liabilities	4 860	—	4	—	—	—	—	4 864
Subordinated liabilities	—	—	74	74	148	6 534	—	6 830
Total liabilities	4 860	6	78	301	160	10 538	—	15 943

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

58. Offsetting

At 31 March R'million	Amounts subject to enforceable netting arrangements		Net amounts reported on the balance sheet	Related amounts not offset [#]	Financial instruments (including non-cash collateral)	Net amount
	Gross amounts	Amounts offset				
Group						
2024						
Assets						
Cash and balances at central banks	14 795	—	14 795	—	—	14 795
Loans and advances to banks	11 022	(1 805)	9 217	—	—	9 217
Non-sovereign and non-bank cash placements	10 818	—	10 818	—	—	10 818
Reverse repurchase agreements and cash collateral on securities borrowed	78 660	(995)	77 665	(2 098)	—	75 567
Sovereign debt securities	72 241	—	72 241	(11 044)	—	61 197
Bank debt securities	8 301	—	8 301	(998)	—	7 303
Other debt securities	10 539	—	10 539	(987)	—	9 552
Derivative financial instruments	17 209	(7 225)	9 984	—	—	9 984
Securities arising from trading activities	34 477	—	34 477	(2 263)	—	32 214
Loans and advances to customers	337 232	—	337 232	—	—	337 232
Own originated loans and advances to customers securitised	6 446	—	6 446	—	—	6 446
Investment portfolio	16 053	—	16 053	—	—	16 053
Other assets	23 078	—	23 078	—	—	23 078
	640 871	(10 025)	630 846	(17 390)		613 456
Liabilities						
Deposits by banks	37 562	(6 497)	31 065	—	—	31 065
Derivative financial instruments	16 826	(2 533)	14 293	—	—	14 293
Other trading liabilities	32 368	—	32 368	—	—	32 368
Repurchase agreements and cash collateral on securities lent	20 885	(995)	19 890	(15 844)	—	4 046
Customer accounts (deposits)	448 458	—	448 458	—	—	448 458
Debt securities in issue	6 715	—	6 715	—	—	6 715
Liabilities arising on securitisation of own originated loans and advances	4 997	—	4 997	—	—	4 997
Other liabilities	18 942	—	18 942	—	—	18 942
Subordinated liabilities	7 283	—	7 283	—	—	7 283
	594 036	(10 025)	584 011	(15 844)		568 167

[#] 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

58. Offsetting (continued)

At 31 March R'million	Amounts subject to enforceable netting arrangements		Net amounts reported on the balance sheet	Related amounts not offset [#]	Net amount
	Gross amounts	Amounts offset			
Group					
2023[^]					
Assets					
Cash and balances at central banks	22 761	—	22 761	—	22 761
Loans and advances to banks	16 593	(4 270)	12 323	(266)	12 057
Non-sovereign and non-bank cash placements	9 705	—	9 705	—	9 705
Reverse repurchase agreements and cash collateral on securities borrowed	59 283	(992)	58 291	(69)	58 222
Sovereign debt securities	69 833	—	69 833	(11 823)	58 010
Bank debt securities	15 499	—	15 499	(1 106)	14 393
Other debt securities	11 676	—	11 676	(1 760)	9 916
Derivative financial instruments	22 883	(6 858)	16 025	(3 301)	12 724
Securities arising from trading activities	37 495	—	37 495	(3 608)	33 887
Loans and advances to customers	319 151	—	319 151	—	319 151
Own originated loans and advances to customers securitised	5 988	—	5 988	—	5 988
Other loans and advances	1	—	1	—	1
Other securitised assets	—	—	—	—	—
Investment portfolio	22 675	—	22 675	—	22 675
Other assets	23 999	—	23 999	—	23 999
	637 542	(12 120)	625 422	(21 933)	603 489
Liabilities					
Deposits by banks	35 317	(3 528)	31 789	—	31 789
Derivative financial instruments	26 073	(7 600)	18 473	(3 301)	15 172
Other trading liabilities	27 434	—	27 434	—	27 434
Repurchase agreements and cash collateral on securities lent	18 959	(992)	17 967	(15 749)	2 218
Customer accounts (deposits)	447 864	—	447 864	—	447 864
Debt securities in issue	7 747	—	7 747	—	7 747
Liabilities arising on securitisation of own originated loans and advances	3 594	—	3 594	—	3 594
Other liabilities	23 727	—	23 727	—	23 727
Subordinated liabilities	7 748	—	7 748	—	7 748
	598 463	(12 120)	586 343	(19 050)	567 293

[^] Restated as detailed in note 59.

[#] 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**59. Restatements****Group****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. The restatement further resulted in the release of 'other liabilities' in the prior year of R250 million (2022: R250 million) in the Company and Group. 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.

Gross-up and gross-down of balance sheet lines**Gross-ups within the trading portfolio of equity securities and client trading accounts**

Certain client and exchange settlement balances and equity positions (long and short equity positions) held were previously incorrectly offset (in terms of IAS 32) and presented on a net basis. These have been grossed up to appropriately reflect both the settlement receivables and payables as well as the correct asset and liability positions. The gross up resulted in a R9.8 billion (March 2022: R4.6 billion) increase in 'other assets' and 'other liabilities' and a R5.2 billion (March 2022: R9.4 billion) increase in 'securities arising from trading activities' and 'other trading liabilities'. The comparative balance sheets have been restated. 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.

Gross-down of capital guarantee products

Investec Bank Limited traded a capital guarantee product with clients. The traded positions were incorrectly duplicated and booked on a gross basis to 'securities arising from trading activities' 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 R684.6 million (2022: R661.3 million) was accordingly adjusted downwards in 'securities arising from trading activities' 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 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.

Gross down of intercompany transactions

Investec Bank limited traded debt securities with an Investec Group company. The positions were incorrectly booked on a gross basis in the Group within 'bank debt securities' and 'customer accounts(deposits)'. An amount of R101.7 million (March 2022: Rnil) was adjusted downwards on each line. The comparative balance sheet has been restated. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**59. Restatements (continued)****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 (2022: R7.3 billion) were reclassified to 'reverse repurchase agreements and cash collateral on securities borrowed' to more accurately reflect a collateralised lending transaction. The comparative balance sheets have been restated. 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.

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. R18.5 billion (2022: 16.3 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 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.

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-up and gross-down of balance sheet line items	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	50 336	—	—	34	7 921	58 291
Sovereign debt securities	77 456	—	—	—	(7 623)	69 833
Bank debt securities	16 124	—	(523)	(102)	—	15 499
Derivative financial instruments	16 512	—	—	—	(487)	16 025
Securities arising from trading activities	33 021	—	—	4 474	—	37 495
Loans and advances to customers	314 723	4 428	—	—	—	319 151
Other securitised assets	547	—	—	(547)	—	—
Deferred taxation assets	2 749	—	(529)	—	—	2 220
Other assets	14 152	—	—	9 847	—	23 999
Total assets	638 051	—	(1 052)	13 706	(189)	650 516
Liabilities						
Derivative financial instruments	37 802	—	—	(685)	(18 644)	18 473
Other trading liabilities	3 820	—	—	5 159	18 455	27 434
Repurchase agreements and cash collateral on securities lent	17 933	—	—	34	—	17 967
Customer accounts (deposits)	448 513	—	—	(649)	—	447 864
Current taxation liabilities	941	—	(294)	—	—	647
Other liabilities	14 130	—	(250)	9 847	—	23 727
Total liabilities	576 545	—	(544)	13 706	(189)	589 518
Equity						
Other reserves	3 066	—	1 429	—	—	4 495
Retained income	41 831	—	(1 937)	—	—	39 894
Total equity	61 506	—	(508)	—	—	60 998

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

59. 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-up and gross-down of balance sheet line items	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	60 827	—	—	—	7 284	68 111
Sovereign debt securities	57 380	—	—	—	(7 161)	50 219
Bank debt securities	27 958	—	89	—	—	28 047
Derivative financial instruments	17 264	—	—	—	(134)	17 130
Securities arising from trading activities	10 005	—	—	12 111	—	22 116
Loans and advances to customers	291 183	4 718	—	—	—	295 901
Other securitised assets	592	—	—	(592)	—	—
Deferred taxation assets	2 866	—	(684)	—	—	2 182
Other assets	19 873	—	—	4 633	—	24 506
Total assets	599 981	—	(595)	16 152	(11)	615 527
Liabilities						
Derivative financial instruments	33 112	—	—	(661)	(16 306)	16 145
Other trading liabilities	4 475	—	—	9 417	16 295	30 187
Customer accounts (deposits)	419 948	—	—	(592)	—	419 356
Current taxation liabilities	753	—	(284)	—	—	469
Other liabilities	18 214	—	(250)	7 988	—	25 952
Total liabilities	537 452	—	(534)	16 152	(11)	553 059
Equity						
Other reserves	2 489	—	1 850	—	—	4 339
Retained income	41 173	—	(1 911)	—	—	39 262
Total equity	62 529	—	(61)	—	—	62 468

The impact of the above changes on the 31 March 2023 statement of total comprehensive income is:

R'million	Year to 31 March 2023 As previously reported	Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments	Year to 31 March 2023 restated
Fair value movements on cash flow hedges taken directly to other comprehensive income	271	(359)	(88)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	121	(88)	33
Total comprehensive income	8 858	(447)	8 411

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**Cash flow statement****Reclassification of activities related to investment properties and non-current assets held for sale**

Cash flows related to acquisition and disposal of investment properties and non-current assets held for sale were classified as “Cash flow from operating activities” on the Group’s cash flow statement. In the current year the related cash flows have been reclassified to the “Cash flow from investing activities” section of the cash flow statement. This results in the prior year “Cash outflow of acquisition of property, equipment, intangible assets and investment properties” increasing by R294 million and Cash inflow on disposal of property, equipment, intangible assets and investment properties increasing by R1 052 million. This has no impact on the income statement or balance sheet.

The impact of the above changes on the 31 March 2023 cash flow statement is:

R'million	Year to 31 March 2023 As previously reported	Change in classification from non- sovereign and non-bank cash placements to loans and advances to customers	Reclassification of activities related to investment properties and non-current assets held for sale	Year to 31 March 2023 restated
Net cash inflow from operating activities	18 093	(974)	(758)	16 361
Net cash inflow/outflow from investing activities	(4 746)	—	758	(3 988)
Cash and cash equivalents at the beginning of the year	43 430	(13 209)	—	30 221
Cash and cash equivalents at the end of the year	47 299	(14 183)	—	33 116

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**59. Restatements (continued)****Income statement restatements****Discontinued operations**

The completion date of the sale of the Investec Property Fund (IPF) asset management function was 6 July 2023 and at which point the Group deconsolidated its existing c.24.3% investment in IPF. IPF has been disclosed as a discontinued operation the income statement for the prior periods have been appropriately re-presented.

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. 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'.

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 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).

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'.

These reclassifications in the income statements for the prior periods are shown in the tables that follow.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

R'million	Year to 31 March 2023 as previously reported	Re- presentation as a discontinued operation	Fee and commission expense and operating costs	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	Year to 31 March 2023 restated
Interest income	37 431	(89)	—	880	(587)	37 635
Interest expense	(25 999)	521	—	(844)	—	(26 322)
Net interest income	11 432	432	—	36	(587)	11 313
Fee and commission income	7 714	(1 094)	—	—	—	6 620
Fee and commission expense	(800)	74	(146)	—	—	(872)
Investment income	(808)	1 009	—	—	—	201
Share of post taxation profit of associates and joint venture holdings	321	18	—	—	—	339
Trading income/(loss) arising from						
– customer flow	893	235	—	(36)	587	1 679
– balance sheet management and other trading activities	913	(886)	—	—	—	27
Other operating loss	(44)	—	—	—	—	(44)
Total operating income before expected credit loss impairment charges	19 621	(212)	(146)	—	—	19 263
Expected credit loss impairment charges	(294)	5	—	—	—	(289)
Operating income	19 327	(207)	(146)	—	—	18 974
Operating costs	(10 212)	38	146	—	—	(10 028)
Operating profit before goodwill, acquired intangibles and strategic actions	9 115	(169)	—	—	—	8 946
Impairment of goodwill	(2)	—	—	—	—	(2)
Amortisation of acquired intangibles	(51)	—	—	—	—	(51)
Operating profit	9 062	(169)	—	—	—	8 893
Net gain on distribution of associate to shareholders	(6)	—	—	—	—	(6)
Profit before taxation	9 056	(169)	—	—	—	8 887
Taxation on operating profit before acquired intangibles	(2 101)	(20)	—	—	—	(2 121)
Taxation on acquired intangibles and strategic actions	301	—	—	—	—	301
Profit after taxation from continuing operations	7 256	(189)	—	—	—	7 067
Profit after taxation from discontinued operations	—	189	—	—	—	189
Profit after taxation	7 256	—	—	—	—	7 256
Profit attributable to other non- controlling interests	(202)	185	—	—	—	(17)
Profit attributable to non-controlling interests of discontinued operations	—	(185)	—	—	—	(185)
Earnings attributable to shareholders	7 054	—	—	—	—	7 054

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**59. Restatements (continued)****Company**

Management identified that R319 million (2022: Rnil) of loan and advances from group companies had been netted against "Investment in subsidiaries" instead of being recognised as "Other liabilities" on the balance sheet. The current and prior year balance sheets have been corrected to gross up these balances.

The impact of the above change (including 'Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments') on the 31 March 2023 and 31 March 2022 balance sheets are:

R'million	At 31 March 2023 as previously reported	Restatement	At 31 March 2023 restated
Assets			
Investment in subsidiaries	19 433	(319)	19 114
Total assets	36 780	(319)	36 461
Liabilities			
Other liabilities	5 513	(569)	4 944
Total liabilities	15 002	(569)	14 433
Equity			
Retained income	11 894	250	12 144
Total equity	21 778	250	22 028

R'million	At 31 March 2022 as previously reported	Restatement	At 31 March 2022 restated
Liabilities			
Other liabilities	2 798	(250)	2 548
Total liabilities	11 277	(250)	11 027
Equity			
Retained income	10 247	250	10 497
Total equity	21 755	250	22 005

The above restatement in the company had no impact on the income statement, statement of total comprehensive income and cash flow statement

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**60. 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**61. Directors' remuneration****Single total figure of remuneration**

Executive Directors and Prescribed officers	Year	Fixed remuneration cash R'000	Taxable benefits R'000	Retirement benefits R'000	Total fixed remuneration R'000	Short-term incentive ¹ R'000	Long-term incentive vested ^{1,2} R'000	Value of long-term incentive vested due to share price appreciation ³ R'000	Total variable remuneration R'000	Total remuneration R'000
Fani Titi	2024	11 919	1 351	700	13 970	16 958	31 341	15 451	48 299	62 269
	2023	9 652	2 098	700	12 450	16 038	49 125	32 559	65 163	77 613
Nishlan Samujh	2024	6 628	2 079	1 500	10 207	11 022	15 670	7 726	26 692	36 899
	2023	5 133	2 051	1 500	8 684	11 583	24 563	16 280	36 146	44 830
Richard Wainwright ^{4,5}	2024	5 364	729	241	6 334	7 370	13 722	6 765	21 092	27 426
	2023	12 628	1 921	700	15 249	20 104	—	—	20 104	35 353
Ciaran Whelan ^{4,5}	2024	1 130	23	8	1 161	1 380	2 573	1 269	3 953	5 114
	2023	2 278	—	—	2 278	3 775	—	—	3 775	6 053

The above disclosure includes all remuneration earned for work performed in Investec Limited and its subsidiaries. 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.

Executive Directors' service contract split

Executive Director and Prescribed officers	% Investec DLC	% Investec plc	% Investec Limited
Fani Titi		100	50
Nishlan Samujh		100	50
Richard Wainwright		100	20
Ciaran Whelan		100	85

- 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.
- This excludes any LTI granted prior to service as an Executive Director.
- The Ninety One plc shares that were distributed as a result of the demerger have been included within the share price appreciation calculation.
- Ciaran Whelan and Richard Wainwright stepped down from the board on 03 August 2023.
- The figures in the table are pro-rated for the period of time that Ciaran Whelan and Richard Wainwright were Executive Directors.

Non-Executive Directors' single total remuneration figure

The table below provides a single total remuneration figure for each Non-Executive Director over the financial period.

Name	Total remuneration 2024 R'000	Total remuneration 2023 R'000	Date of appointment to the Board as Non-executive Director
Philip Hourquebie (Chair) ¹	6 548	4 792	14 August 2017
Henrietta Baldock	1 937	1 518	9 August 2019
Zarina Bassa ^{2,7}	4 804	3 749	1 November 2014
Stephen Koseff ⁷	1 550	884	17 September 2020
Nicky Newton-King	1 658	1 100	21 May 2021
Jasandra Nyker	1 222	1 010	21 May 2021
Vanessa Olver ³	2 551	1 910	18 May 2022
Diane Radley ⁴	146	—	6 March 2024
Khumo Shuenyane ^{5,6}	1 799	5 155	8 August 2014
Philisiwe Sibiyi ⁷	1 841	1 125	9 August 2019
Brian Stevenson	1 217	1 007	22 June 2021
Total in Rand	25 273	22 250	

Non-Executive Directors do not receive any additional taxable benefits. On the recommendation of the Nominations and Directors' Affairs Committee (Nomdac), Independent Non-executive Directors will be appointed for an expected term of nine years (three times three year terms) from the date of their first appointment to the Board. The table above relates to fees paid for services provided to the Investec Limited and related subsidiary Boards and Committees. Non-Executive Directors also receive remuneration for work performed in the plc Group. The Investec Group remuneration report includes the full remuneration disclosures.

- Philip Hourquebie was appointed IBL Chair on 3 August 2023, resulting in an increase in fees.
- Zarina Bassa's remuneration includes fees for Non-Executive Directorships in Investec Bank Mauritius and Investec Life.
- Vanessa Olver was appointed Independent Non-Executive Director on 18 May 2022.
- Diane Radley was appointed Non-Executive Director on 6 March 2023.
- Khumo Shuenyane's remuneration includes fees for Non-Executive Directorship in Investec Property Fund and Investec Life.
- Khumo Shuenyane stepped down from the board 3 August 2023.
- The 2024 fees for Philisiwe Sibiyi, Stephen Koseff and Zarina Bassa include backdated fees for Non-Executive directorship in IW&I SA for services rendered in 2023.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**61. Directors' remuneration (continued)****Statement of directors' shareholding and share interests****Executive Directors**

Name	Beneficial and non-beneficial interest Investec plc		% of shares in issue Investec plc	Beneficial and non-beneficial interest Investec Limited		% of shares in issue Investec Limited	Share-holdings requirements met? ¹
	31 March 2024	31 March 2023	31 March 2024	31 March 2024	31 March 2023	31 March 2024	
Fani Titi	295 428	171 399	0.04 %	—	—	—	Yes ²
Nishlan Samujh	232 686	163 359	0.03 %	223 790	214 355	0.08%	Yes
Richard Wainwright	113 012	191 891	0.02 %	1 298 968	1 160 129	0.44%	Yes
Ciaran Whelan	229 672	1 038 420	0.03 %	—	—	—	Yes ²
Total	870 798	1 565 069	0.12%	1 522 758	1 374 484	0.52%	
Non-executive Directors							
Philip Hourquebie (Chair)	—	—	—	—	—	—	n/a
Henrietta Baldock	—	—	—	—	—	—	n/a
Zarina Bassa	—	—	—	—	—	—	n/a
Stephen Koseff	1 488 782	1 809 488	0.21%	226 811	221 235	0.08%	n/a
Nicky Newton-King	—	—	—	—	—	—	n/a
Jasandra Nyker	—	—	—	—	—	—	n/a
Vanessa Olver	—	—	—	—	—	—	n/a
Diane Radley	—	—	—	—	—	—	n/a
Khumo Shuenyane ³	19 900	19 900	0.00%	—	—	—	n/a
Philisiwe Sibiyana	—	—	—	—	—	—	n/a
Brian Stevenson	—	—	—	—	—	—	n/a
Total	1 508 682	1 829 388	0.21%	226 811	221 235	0.08%	
Total	2 379 480	3 394 457	0.33%	1 749 569	1 595 719	0.60%	

Number of shares reflected on this table are vested shares and not subject to performance condition.

- The Executive Directors have a shareholding requirement of 200% of fixed remuneration during employment. Post-termination shareholding requirements are also the lower of 200% of fixed remuneration, or the holding on termination for two years post termination. The calculation is based on fully vested shares detailed in the table above and all other share awards that are no longer subject to performance conditions, as at 31 March 2024.
- Fani Titi and Ciaran Whelan met the shareholding requirements based on the inclusion of beneficial shares, and unvested shares not subject to performance conditions valued on a post-tax basis.
- 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

Nishlan Samujh's Investec Plc shareholding changed from 232 686 to 380 191

Nishlan Samujh's Investec Ltd shareholding changed from 223 790 to 233 312

The number of shares in issue and share prices for Investec plc and Investec Limited

	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		

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**61. Directors' remuneration (continued)****Key Management Personnel**

IAS 24 Related Party Disclosures requires the following additional information for key management personnel compensation:

Compensation of key management personnel	2024 R'000¹	2023 R'000 ¹
Short-term employee benefits	477 502	476 398
Other long-term employee benefits	108 091	65 902
Share-based payments	86 460	65 648
Total	672 053	607 948

Shareholdings, options and other securities of key management personnel

	2024 '000	2023 '000
Number of options held over Investec plc or Investec Limited ordinary shares under employee share schemes	9 461	8 264
	2024 '000	2023 '000
Number of Investec plc or Investec Limited ordinary shares held beneficially and non-beneficially	3 830	4 648

We have defined key management personnel as the Executive Directors² 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), Iain Hooley³ (Chief Executive – IW&I UK), Lesley-Anne Gatter (Group Head of People & Organisation), Joubert Hay (Chief Executive – IW&I SA), Marc Kahn (Group Chief Strategy Officer), Ruth Leas (Chief Executive – Investec Bank Plc), Abey Mokgwatsane (Group Chief Marketing Officer), Cumesh Moodliar⁴ (Head of Private Clients), Stuart Spencer (Group Chief Operations Officer) and Lyndon Subroyen (Global Head of Digital & Technology).

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 and Richard Wainwright stepped down as DLC Executive directors on 3 August 2023, and they are now classified as persons discharging managerial responsibility.
3. Iain Hooley stepped down from the Group Executive Team, following the completion of the Rathbones combination on 21 September 2023.
4. Cumesh Moodliar was appointed a Prescribed Officer of Investec DLC on 21 August 2023.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. Risk management****Principal and Emerging Risks**

Principal risk and emerging risk that may impact the Group are outlined in Investec Group's 2024 risk and governance report page 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 Group's portfolio is not rated by external rating agencies. We place reliance upon internal consideration of clients, counterparties and borrowers and use ratings prepared externally where available to support our decision-making process.

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

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

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. Risk management (continued)****Credit risk mitigation**

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

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

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

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

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

Other common forms of collateral in the retail asset class are motor vehicles, cash and share portfolios. Primary collateral in private client lending transactions can also include a high net worth individual's share/investment portfolio. This is typically in the form of a diversified pool of equity, fixed income, managed funds and cash. Often these portfolios are managed by IW&I. 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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. Risk management (continued)**

All risk tables that follow are at an Investec 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 5.5% 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 Group 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 Stage 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 3.5% 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: 21.3%).

R'million	31 March 2024	31 March 2023**
Loans and advances to customers per the balance sheet	337 232	319 151
Add: Own originated loans and advances to customers per the balance sheet	6 446	5 988
Net core loans	343 678	325 139
of which subject to ECL*	342 138	323 498
Net core loans at amortised cost	327 509	309 463
Net fixed rate loans designated at FVPL (on which ECL is calculated for management purposes)*	14 629	14 035
of which FVPL (excluding fixed rate loans above)	1 540	1 641
Add: ECL	2 774	3 277
Gross core loans	346 452	328 416
of which subject to ECL*	344 912	326 775
of which FVPL (excluding fixed rate loans above)	1 540	1 641

R'million	31 March 2024	31 March 2023**
Gross core loans subject to ECL	344 912	326 775
Stage 1	324 489	301 573
Stage 2	8 220	16 328
of which past due greater than 30 days	671	747
Stage 3 [^]	12 203	8 874
ECL	(2 774)	(3 277)
Stage 1	(645)	(761)
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%	21.3%
Credit loss ratio	(0.04)%	0.09 %
ECL impairment charges on core loans	123	(271)
Average gross core loans subject to ECL	335 844	313 176
An analysis of Stage 3 gross core loans subject to ECL		
Stage 3 net of ECL	10 325	6 981
Aggregate collateral and other credit enhancements on Stage 3	12 873	8 340
Stage 3 as a % of gross core loans subject to ECL	3.5%	2.7%
Stage 3 net of ECL as a % of net core loans subject to ECL	3.0%	2.2%

* 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 26 for additional information.

** 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 134.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. 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.

R'million	Stage 1		Stage 2		Stage 3		Total	
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
At 31 March 2023**	301 573	(761)	16 328	(623)	8 874	(1 893)	326 775	(3 277)
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	157 465	(296)	5 333	(288)	2 688	(531)	165 486	(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)	10 275	32	(93)	—	(522)	197	9 660	229
Changes to risk parameters and models	—	25	—	12	—	(16)	—	22
Foreign exchange and other	190	—	—	—	—	—	190	—
HNW and other private client lending at 31 March 2024	168 323	(247)	4 215	(209)	2 798	(427)	175 336	(883)
Corporate and other lending at 31 March 2023	95 345	(308)	4 465	(195)	2 829	(833)	102 639	(1 336)
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)	8 664	(30)	(954)	122	(748)	328	6 962	420
Changes to risk parameters and models	—	76	—	1	—	(123)	—	(46)
Foreign exchange and other	872	(3)	—	—	96	(4)	968	(7)
Corporate and other lending at 31 March 2024	105 270	(277)	2 784	(33)	2 515	(651)	110 569	(961)
At 31 March 2024	324 489	(645)	8 220	(250)	12 203	(1 879)	344 912	(2 774)

** 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 134.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. Risk management (continued)****An analysis of credit quality by internal rating grade**

The Group 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	145 924	177 193	9 592	12 203	344 912
Stage 1	145 273	172 540	6 676	—	324 489
Stage 2	651	4 653	2 916	—	8 220
Stage 3	—	—	—	12 203	12 203
ECL	(69)	(514)	(312)	(1 879)	(2 774)
Stage 1	(55)	(470)	(120)	—	(645)
Stage 2	(14)	(44)	(192)	—	(250)
Stage 3	—	—	—	(1 879)	(1 879)
Coverage ratio	0.0%	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	156 268	12 241	8 874	326 775
Stage 1	147 911	148 414	5 248	—	301 573
Stage 2	1 481	7 854	6 993	—	16 328
Stage 3	—	—	—	8 874	8 874
ECL	(132)	(840)	(412)	(1 893)	(3 277)
Stage 1	(130)	(532)	(99)	—	(761)
Stage 2	(2)	(308)	(313)	—	(623)
Stage 3	—	—	—	(1 893)	(1 893)
Coverage ratio	0.1%	0.5%	3.4%	21.3%	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 134.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. 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.

R'million	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			
	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, 57% of other high net worth lending (31 March 2023: 57%) 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**62. 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&I.

R'million	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	
	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*	77 031	(165)	612	(28)	1 081	(217)	78 724	(410)	—	78 724
Total high net worth and other private client lending	168 323	(247)	4 215	(209)	2 798	(427)	175 336	(883)	—	175 336
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*	72 954	(197)	589	(32)	1 219	(287)	74 762	(516)	—	74 762
Total high net worth and other private client lending	157 465	(296)	5 333	(288)	2 688	(531)	165 486	(1 115)	—	165 486
Coverage ratio		0.19%		5.4%		19.8%		0.7%		

* 57% of other high net worth lending (31 March 2023: 57%) relates to lending collateralised by property which is supported by high net worth clients.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. 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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. Risk management (continued)**

R'million	Gross core loans at amortised cost and FVPL (subject to ECL)						Gross exposure	ECL	Gross core loans at FVPL (not subject to ECL)	Gross core loans		
	Stage 1		Stage 2		Stage 3						Total	
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL					Gross exposure	ECL
At 31 March 2024												
Corporate and acquisition finance	72 251	(196)	2 536	(30)	1 856	(511)	76 643	(737)	1 520	78 163		
Fund finance	13 208	(16)	—	—	—	—	13 208	(16)	—	13 208		
Financial institutions and governments	3 389	(9)	—	—	109	—	3 498	(9)	—	3 498		
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	105 270	(277)	2 784	(33)	2 515	(651)	110 569	(961)	1 540	112 109		
Coverage ratio	0.26%		1.2%		25.9%		0.9%					
At 31 March 2023**												
Corporate and acquisition finance	68 869	(231)	3 154	(189)	2 365	(720)	74 388	(1 140)	1 641	76 029		
Fund finance	13 097	(24)	—	—	—	—	13 097	(24)	—	13 097		
Financial institutions and governments	2 897	(6)	755	(4)	—	—	3 652	(10)	—	3 652		
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	95 345	(308)	4 465	(195)	2 829	(833)	102 639	(1 336)	1 641	104 280		
Coverage ratio	0.32%		4.4%		29.4%		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 134.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. 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	9 228	—	9 228	(11)	—	9 217
Non-sovereign and non-bank cash placements	10 835	289	10 546	(17)	—	10 818
Reverse repurchase agreements and cash collateral on securities borrowed	77 667	33 360	44 307	(2)	—	77 665
Sovereign debt securities	72 271	311	71 960	(55)	—	72 216
Bank debt securities	8 303	—	8 303	(4)	—	8 299
Other debt securities	10 550	749	9 801	(26)	—	10 524
Derivative financial instruments	7 893	7 893	—	—	2 091	9 984
Securities arising from trading activities	5 920	5 920	—	—	28 557	34 477
Loans and advances to customers	339 991	16 320	323 671	(2 759)	—	337 232
Own originated loans and advances to customers securitised	6 461	—	6 461	(15)	—	6 446
Other loans and advances	—	—	—	—	—	—
Investment portfolio	—	—	—	—	16 053*	16 053
Interest in associated undertakings	—	—	—	—	28	28
Current taxation assets	—	—	—	—	106	106
Deferred taxation assets	—	—	—	—	2 040	2 040
Other assets	2 840	2 832	8	—	20 238**	23 078
Property and equipment	—	—	—	—	3 956	3 956
Investment properties	—	—	—	—	2 539	2 539
Goodwill	—	—	—	—	171	171
Other acquired intangible assets	—	—	—	—	—	—
Software	—	—	—	—	123	123
Other financial instruments at FVPL in respect of liabilities to customers	—	—	—	—	3 708	3 708
Non-current assets classified as held for resale	—	—	—	—	534	534
Total on-balance sheet exposures	566 016	67 674	498 342	(2 889)	80 882	644 009
Guarantees ^{^^}	23 080	—	23 080	(4)	503	23 579
Committed facilities related to loans and advances to customers	79 852	2	79 850	(50)	2	79 804
Contingent liabilities, letter 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)	23 350	136 911
Total exposures	679 631	73 524	606 107	(2 943)	104 232	780 920

[^] 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 54.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. 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	12 327	—	12 327	(4)	—	12 323
Non-sovereign and non-bank cash placements	9 721	131	9 590	(16)	—	9 705
Reverse repurchase agreements and cash collateral on securities borrowed	58 292	13 515	44 777	(1)	—	58 291
Sovereign debt securities	69 862	8 247	61 615	(65)	—	69 797
Bank debt securities	15 502	1 652	13 850	(13)	—	15 489
Other debt securities	11 689	464	11 225	(27)	—	11 662
Derivative financial instruments	12 343	12 343	—	—	3 682	16 025
Securities arising from trading activities	11 193	11 193	—	—	26 302	37 495
Loans and advances to customers	322 408	15 963	306 445	(3 257)	—	319 151
Own originated loans and advances to customers securitised	6 008	—	6 008	(20)	—	5 988
Other loans and advances	1	—	1	—	—	1
Investment portfolio	—	—	—	—	22 675*	22 675
Interest in associated undertakings	—	—	—	—	30	30
Current taxation assets	—	—	—	—	1	1
Deferred taxation assets	—	—	—	—	2 220	2 220
Other assets	2 395	2 325	70	—	21 604 **	23 999
Property and equipment	—	—	—	—	3 457	3 457
Investment properties	—	—	—	—	15 853	15 853
Goodwill	—	—	—	—	171	171
Other acquired intangible assets	—	—	—	—	13	13
Software	—	—	—	—	131	131
Other financial instruments at FVPL in respect of liabilities to customers	—	—	—	—	2 433	2 433
Non-current assets classified as held for resale	—	—	—	—	785	785
Total on-balance sheet exposures	553 802	65 833	487 969	(3 403)	100 057	650 456
Guarantees ^{^^}	22 300	—	22 300	(7)	1 276	23 569
Committed facilities related to loans and advances to customers	75 917	—	75 917	(57)	1	75 861
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)	25 507	135 160
Total exposures	663 519	72 094	591 425	(3 467)	125 564	785 616

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.

^^^ Includes uncommitted undrawn facilities and credit derivative instruments that are not included in note 54.

^ Restated as detailed on pages 134 to 137.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. 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 Investec Limited, 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

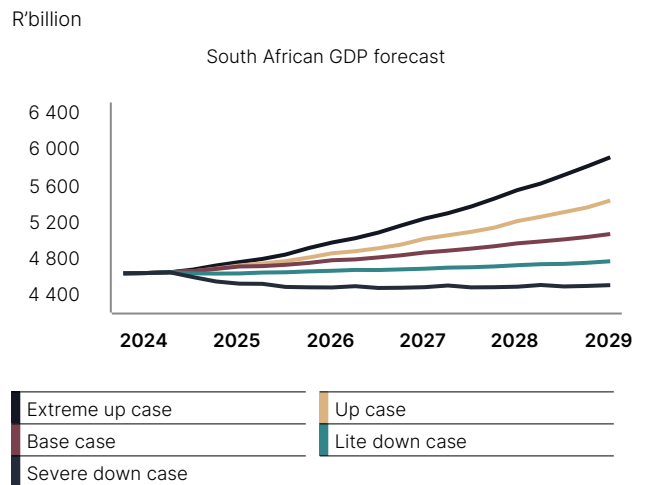
62. Risk management (continued)

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.



NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. 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.

Macro-economic scenarios	At 31 March 2024 average 2024 – 2029					At 31 March 2023 average 2023 – 2028				
	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.

Base case %	Financial years					
	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
CONTINUED**62. 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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. 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				31 March 2023			
	Year end	Average	High	Low	Year end	Average	High	Low
Commodities	0.5	0.5	0.8	0.3	0.4	0.3	1.9	0.1
Equities	3.0	3.9	9.6	1.7	5.1	4.9	9.7	2.6
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	44.1	4.1	10.1	8.6	14.1	4.1

* The consolidated VaR for each entity 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	8.0	6.7
Foreign exchange	0.8	0.5
Interest rates	8.5	12.9
Consolidated*	12.3	15.0

* The consolidated ES for each entity 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	45.0	28.8

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
CONTINUED**62. Risk management (continued)****Investment risk**

Investment risk in the banking book comprises 3.0% 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 Group.

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. Within Investec Property, we also source development, investment and trading opportunities to create value within agreed risk parameters.

Investec plc

Investec plc shares were acquired in the current year as part of the process to return excess capital to shareholders. At 31 March 2024, INL executed R6.8 billion (INL: R1.5 billion and PLC: R5.3 billion) of the planned R7 billion DLC share buy-back programme.

Burstone Group Limited (previously Investec Property Fund (IPF))

Investec Limited has a 24.3% shareholding in Burstone Group Limited (previously Investec Property Fund (IPF)). Investec has deconsolidated its c.24.3% investment in IPF as from 6 July 2023 following the internalisation of the IPF Manco. This resulted in a decrease in unlisted investments and investments and trading properties.

Bud Group Holdings Proprietary Limited (previously Investec Equity Partners (IEP))

Investec Limited held a 36.4% stake in the Bud Group (previously Investec Equity Partners (IEP)) at 31 March 2024. Bud Group has been restructured to facilitate the exit of Investec and certain other IEP Group shareholders over a period of time. This will be achieved through a realisation of certain assets with Investec receiving c.59% of these proceeds. A material portion of the Bud Group's assets (including Assupol) are subject to sales processes, some of which are well advanced. Assupol and Sanlam Life Insurance Limited (Sanlam) have announced the proposed disposal of Assupol to Sanlam, which transaction is subject to regulatory approval. Investec's share of Assupol proceeds is estimated to be c. R1.75 billion

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. Risk management (continued)****Management of investment risk**

As investment risk arises from a variety of activities conducted by the Group, 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 Group.

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 DLC 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 87 to 94 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*	3 274	5 974
Listed equities	573	581
Investment in Investec plc	6 430	4 205
Burstone Group Limited (previously Investec Property Fund Limited (IPF))	1 473	—
Bud Group Holdings (previously Investec Equity Partners (IEP))	4 303	4 683
Total investment portfolio	16 053	15 443
Investments and trading properties	3 617	6 758
Total	19 670	22 201

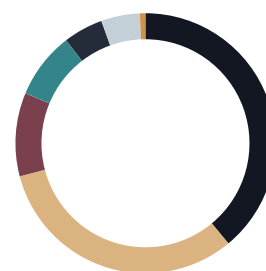
* Includes fair value loan investments of R503 million (31 March 2023: R2.8 billion including IPF which was previously consolidated at the level of our economic ownership, being 24.3%).

Capital requirements

Refer to the unaudited Pillar III annual disclosure report on our website.

An analysis of the investment portfolio and the Bud Group Holdings by industry of exposure (excluding investment and trading properties, Burstone Group Limited and Investec Bank plc)**31 March 2024**

R8 150 million



Finance and Insurance	39.0%
Manufacturing and Commerce	31.9%
Electricity, gas and water (utility services)	10.4%
Other	8.3%
Mining and resources	4.9%
Communication	4.8%
Real estate	0.7%

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. 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 Group 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 Group'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 Group activity, exposures and key measures against thresholds and limits and are distributed to management, ALCO, Treasury, IBL Review ERF, 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 Group 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 Group actively participates in global financial markets and our relationships are continuously enhanced through regular investor presentations internationally. Entities are only allowed to have funding exposure to wholesale markets where they can demonstrate that the market is sufficiently deep and liquid, and then only relative to the size and complexity of their business as part of a diversified funding mix.

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

Liquidity buffer

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

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. 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	53 875	22 729	3 479	—	—	—	—	80 083
Cash and short-term funds – non-banks	8 264	158	128	—	—	—	—	8 550
Investment/trading assets and statutory liquids	58 047	48 191	8 027	6 121	3 786	15 451	34 193	173 816
Securitised assets	—	95	196	288	495	3 071	2 301	6 446
Advances	8 377	8 012	11 711	16 151	23 212	129 641	144 336	341 440
Other assets ^	1 718	10 115	1 838	963	—	1 942	13 432	30 008
Assets	130 281	89 300	25 379	23 523	27 493	150 105	194 262	640 343
Deposits – banks	(197)	(417)	(364)	—	(1 643)	(28 444)	—	(31 065)
Deposits – non-banks	(226 694)	(28 225)	(62 886)	(32 513)	(38 197)	(56 651)	(3 292)	(448 458)
Negotiable paper	—	(412)	(2 543)	(270)	(647)	(2 843)	—	(6 715)
Securitised liabilities	—	—	—	—	—	—	(4 997)	(4 997)
Investment/trading liabilities	(6 491)	(16 656)	(2 968)	(1 357)	(7 156)	(27 763)	(4 160)	(66 551)
Subordinated liabilities	—	—	—	—	—	(7 283)	—	(7 283)
Other liabilities	(2 860)	(8 611)	(1 584)	(810)	(204)	(1 047)	(5 049)	(20 165)
Liabilities	(236 242)	(54 321)	(70 345)	(34 950)	(47 847)	(124 031)	(17 498)	(585 234)
Total equity	—	—	—	—	—	—	(55 109)	(55 109)
Contractual liquidity gap	(105 961)	34 979	(44 966)	(11 427)	(20 354)	26 074	121 655	—
Cumulative liquidity gap	(105 961)	(70 982)	(115 948)	(127 375)	(147 729)	(121 655)	—	—

^ Other assets include the "Liabilities to customers under investment contracts" and "Other financial instruments at fair value through profit or loss in respect of liabilities to customers" net, these are contractually linked and do not have an impact on the liquidity gap.

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	76 503	14 912	(2 097)	142	(8 407)	(235 100)	154 047	—
Cumulative	76 503	91 415	89 318	89 460	81 053	(154 047)	—	—

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**62. 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 Group 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

- 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 Group 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 Group 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 Group 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 Group has limited appetite for IRRBB.

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:

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 Investec Bank Limited's (Consolidated) 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 Investec Bank Limited's (Consolidated) 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
CONTINUED**62. 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))^	351.1	(31.6)	6.9	(4.0)	228.9	(33.4)	517.9
Sensitivity	10 %						
Impact on profit/(loss)	35.1	(3.2)	0.7	(0.4)	22.9	(3.3)	51.8

^ 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
CONTINUED**63. Capital management and allocation****Current regulatory framework**

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

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

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

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

A summary of capital adequacy and leverage ratios

R'million	IRB scope*	
	31 March 2024 [^]	31 March 2023 [^]
Common Equity Tier 1	13.6%	14.7%
Tier 1 ratio	15.0%	15.9%
Total capital ratio	17.5%	18.3%
Risk-weighted assets (R'million)	292 179	283 600
Leverage exposure measure (R'million)	705 807	696 319
Leverage ratio	6.2%	6.5%

* Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 31 March 2024, 54% (31 March 2023: 53%) of the portfolio applies the AIRB approach, 26% (31 March 2023: 28%) applies the FIRB approach and the remaining 20% (31 March 2023: 19%) of the portfolio is subject to the standardised approach.

[^] Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET 1 ratio would be 111bps lower (31 March 2023: 117bps lower). The leverage ratio would be 48bps lower (31 March 2023: 49bps).

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

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

These increases were offset by:

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

RWAs increased by 3.0% from R283.6 billion (March 2023) to R292.2 billion (March 2024).

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

63. Capital management and allocation (continued)

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

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

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

Minimum capital requirement

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

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 Limited continues to assess and monitor the impact of new regulations and regulatory reforms through participation in industry quantitative impact study submissions to the PA, contributing to industry consultations, discussions at the Banking Association of South Africa and quantifying the impact of the reforms and presenting the impact on Investec Limited at capital committees 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 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 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**63. 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 considered. The plan provides the Board with an input into strategy and the setting of risk appetite by considering business risks and potential vulnerabilities, capital usage and funding requirements given constraints where these exist.

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 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	48 709	45 929
Shareholders' equity per balance sheet	51 160	48 374
Perpetual preference share capital and share premium	(2 451)	(2 445)
Non-controlling interests	—	—
Non-controlling interests per balance sheet	(61)	9 872
Non-controlling interests excluded for regulatory purposes	61	(9 872)
Regulatory adjustments to the accounting basis	(333)	1 054
Prudent valuation adjustment	(276)	(280)
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	(8 526)	(5 173)
Goodwill and intangible assets net of deferred tax	(294)	(315)
Investment in financial entity	(237)	(456)
Shortfall of eligible provisions compared to expected loss	(306)	(18)
Amount of deductions exceeding 15% threshold ^{^^}	(1 004)	—
Other regulatory adjustments ^{^^^}	(6 685)	(4 384)
Common equity tier 1 capital	39 850	41 810
Additional Tier 1 capital	3 964	3 212
Additional tier 1 instruments ^{**}	4 010	3 260
Non-qualifying surplus capital attributable to non-controlling interest	(46)	(48)
Tier 1 capital	43 814	45 022
Tier 2 capital	7 449	6 963
Collective impairment allowances	166	365
Tier 2 instruments	7 283	7 563
Investment in capital of financial entities above 10% threshold	—	(114)
Non-qualifying surplus capital attributable to non-controlling interests	—	(851)
Total regulatory capital	51 263	51 985
Risk-weighted assets	292 179	283 600

* Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWAs. As at 31 March 2024, 54% (31 March 2023: 53%) of the portfolio applies the AIRB approach, 26% (31 March 2023: 28%) applies the FIRB approach, with the remaining balance of 20% (31 March 2023: 19%) remaining on the standardised approach.

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

[^] Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET1 ratio would be 111bps (31 March 2023: 117bps) lower. The leverage would be 48bps (31 March 2023: 49bps) lower.

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

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

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**63. Capital management and allocation (continued)****Capital requirements**

R'million	IRB Scope*	
	31 March 2024 [^]	31 March 2023 [^]
Capital requirements	35 186	34 067
Credit risk	26 818	26 292
Equity risk	1 807	1 716
Counterparty credit risk	810	953
Credit valuation adjustment risk	318	418
Market risk	956	826
Operational risk	4 477	3 862
Risk-weighted assets	292 179	283 600
Credit risk	222 698	218 883
Equity risk	15 008	14 283
Counterparty credit risk	6 723	7 930
Credit valuation adjustment risk	2 637	3 477
Market risk	7 934	6 875
Operational risk	37 179	32 152

Leverage

R'million	IRB Scope*	
	31 March 2024 [^]	31 March 2023 [^]
Tier 1 capital	43 814	45 022
Total exposure measure	705 807	696 319
Leverage ratio	6.2%	6.5%

* Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWAs. As at 31 March 2024, 54% (31 March 2023: 53%) of the portfolio applies the AIRB approach, 26% (31 March 2023: 28%) applies the FIRB approach, with the remaining balance of 20% (31 March 2023: 19%) remaining on the standardised approach.

[^] Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET1 ratio would be 111bps (31 March 2023: 117bps) lower. The leverage would be 48bps (31 March 2023: 49bps) lower.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**63. Capital management and allocation (continued)****Total regulatory capital flow statement**

R'million	IRB scope	
	31 March 2024	31 March 2023
Opening Common Equity Tier 1 capital	41 810	44 790
Ordinary share buy-back	(411)	(1 191)
Dividends paid to ordinary shareholders and Additional Tier 1 security holders	(5 393)	(7 765)
Profit after taxation	6 873	7 052
Reclassification of reserves*	(1 937)	—
Treasury shares	202	(347)
Share-based payment adjustments	378	424
Employee benefit liability recognised	—	(93)
Movement in other comprehensive income	1 684	1 600
Investment in financial entity	220	415
15% limit deduction	(1 004)	—
Shortfall of eligible provisions compared to expected loss	(288)	152
Goodwill and intangible assets (deduction net of related taxation liability)	21	(32)
Gains or losses on liabilities at fair value resulting from changes in own credit standing	—	2
Other, including regulatory adjustments and other transitional arrangements	(2 305)	—
Closing Common Equity Tier 1 capital	39 850	41 810
Opening Additional Tier 1 capital	3 212	3 064
Issued capital	750	500
Redeemed capital	—	(791)
Other, including regulatory adjustments and transitional arrangements	2	439
Closing Additional Tier 1 capital	3 964	3 212
Closing Tier 1 capital	43 814	45 022
Opening Tier 2 capital	6 963	8 091
Issued capital	1 250	2 570
Redeemed capital	(1 996)	(5 936)
Collective impairment allowances	(200)	(59)
Investment in capital of financial entities above 10% threshold	114	507
Other, including regulatory adjustments and other transitional arrangements	1 318	1 790
Closing Tier 2 capital	7 449	6 963
Closing total regulatory capital	51 263	51 985

* 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.

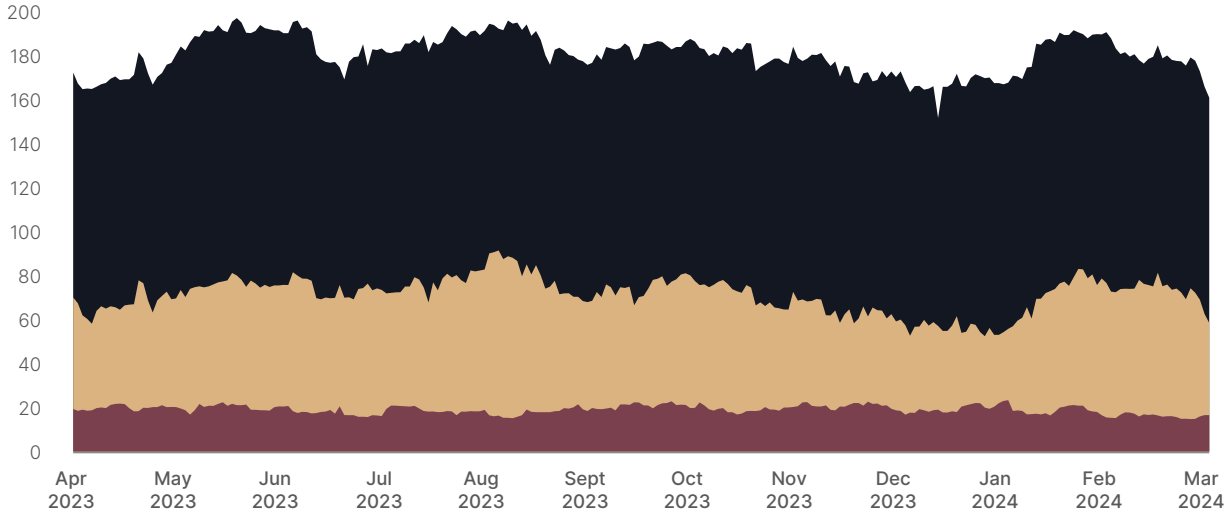
UNAUDITED RISK MANAGEMENT INFORMATION

62. Risk management (unaudited)

Balance sheet risk management

Cash and near cash trend

R'billion



Near cash (central bank guaranteed liquidity)

Cash

Near cash (other 'monetisable' assets)

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

R479.5 billion



Non-bank financials	43.2%
Individuals	25.8%
Non-financial corporates	16.7%
Banks	6.5%
Public sector	4.6%
Small business	3.2%

UNAUDITED RISK MANAGEMENT INFORMATION
CONTINUED

Ax Risk management (unaudited)

Market risk in the trading book

Backtesting

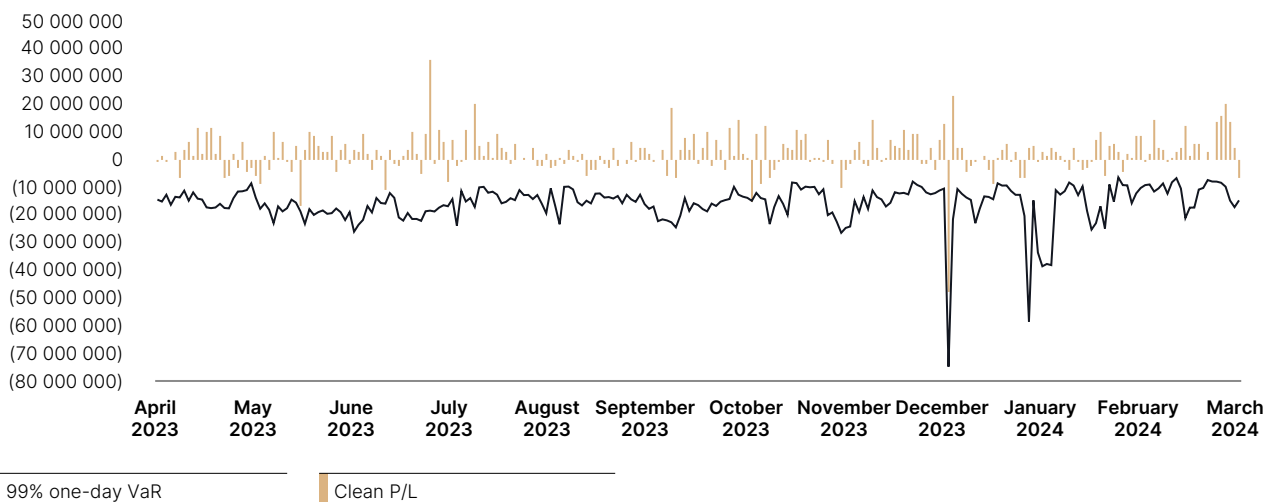
The performance of the VaR model is regularly monitored through backtesting. This is done by comparing daily clean profit and loss against one-day VaR based on a 99% confidence level. Clean profit and loss excludes items such as intra-day transactions, valuation adjustments, provisions, recoveries, commission, 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

Rand



Market risk – derivatives

The Group 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 page 100.

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.

Shareholder analysis



SHAREHOLDER ANALYSIS

Investec ordinary shares

As at 31 March 2024, Investec Limited had 295.1 million ordinary shares in issue.

Spread of ordinary shareholders as at 31 March 2024**Investec Limited ordinary shares in issue**

Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
8 820	1 – 500	65.3%	785 762	0.3%
1 199	501 – 1 000	8.9%	918 689	0.3%
1 859	1 001 – 5 000	13.7%	4 250 742	1.4%
459	5 001 – 10 000	3.4%	3 351 694	1.1%
693	10 001 – 50 000	5.1%	16 372 153	5.6%
172	50 001 – 100 000	1.3%	12 405 889	4.2%
311	100 001 and over	2.3%	257 040 877	87.1%
13 513		100.0%	295 125 806	100.0%

Geographical holding by beneficial ordinary shareholder as at 31 March 2024**Investec Limited**

South Africa	65.4%
UK	13.9%
USA and Canada	1.8%
Rest of Europe	2.6%
Asia	16.3%

Largest ordinary shareholders as at 31 March 2024

In accordance with the terms provided for in Section 56 of the South African Companies Act, 2008, the Group has conducted investigations into the registered holders of its ordinary shares (including nominee and asset management companies) and the results are as disclosed below.

Investec Limited

Shareholder analysis by manager Group	Number of shares	% holding
1. Public Investment Corporation (ZA)	45 858 653	15.5%
2. IGL Share Scheme (UK & ZA)	24 055 976	8.1%
3. Investec Staff Share Scheme (UK & ZA)	22 465 955	7.6%
4. Allan Gray (ZA)	20 823 668	7.0%
5. Sanlam Group (ZA)	13 479 346	4.6%
6. Truffle Asset Management (ZA)	11 677 087	4.0%
7. Old Mutual Investment Group (ZA)	10 976 597	3.7%
8. Vanguard Group Holdings (UK & USA)	10 509 105	3.6%
9. M&G Investments (UK & ZA)	7 848 178	2.7%
10. BrightSphere Investment Group (UK & UKSA)	6 556 866	2.2%
Cumulative total	174 251 431	59.0%

The top 10 shareholders account for 59.0% of the total shareholding in Investec Limited. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

SHAREHOLDER ANALYSIS
CONTINUED

Share statistics

For the year ended	31 March 2024	31 March 2023
Price earnings ratio ¹	6.8	6.5
Dividend payout ratio (%)	44.2	45.0
Dividend yield (%)	6.5	6.9
Earnings yield (%) ¹	14.7	15.3

Investec Limited

For the year ended	31 March 2024	31 March 2023
Daily average volumes of shares traded ('000)	631	895
Closing market price per share (Rands)	124.93	98.12
Number of ordinary shares in issue (million)	295.1	299.0
Market capitalisation (R'million) ²	111 828	87 787
Market capitalisation (£'million) ²	4 762	4 023

1. Calculations are based on the adjusted earnings per share from continuing operations and the closing share price.

2. This calculation of market capitalisation excludes the Group's treasury shares. For the market capitalisation of Investec Limited, the JSE has agreed to use the total number of shares in issue for the combined Group, comprising Investec plc and Investec Limited.

Investec preference shares

Investec Limited has issued preference shares.

Spread of preference shareholders as at 31 March 2024

Investec Limited perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
821	1 – 500	18.7%	171 961	0.7%
775	501 – 1 000	17.7%	650 388	2.6%
1 870	1 001 – 5 000	42.7%	4 584 898	18.5%
422	5 001 – 10 000	9.6%	3 034 895	12.2%
429	10 001 – 50 000	9.8%	8 538 863	34.4%
34	50 001 – 100 000	0.8%	2 405 742	9.7%
29	100 001 and over	0.7%	5 449 096	21.9%
4 380		100.0%	24 835 843	100.0%

Largest preference shareholders as at 31 March 2024

Shareholders holding beneficial interests in excess of 5.0% of the issued preference shares are as follows:

Investec Limited perpetual preference shares

There were no shareholders holding beneficial interests in excess of 5.0% of the issued preference shares in Investec Limited, as at 31 March 2024.

Additional information



ADDITIONAL INFORMATION

Annexure 1: Summary employment equity progress report at 31 March 2024

Every designated employer that is a public Company is required in terms of section 22 of the Employment Equity Act to publish a summary report of their employment equity progress in their integrated annual report. Investec Limited's progress in this regard is reported in the table below.

Occupational level*

	Male			
	African	Coloured	Indian	White/ Foreign
Top management	6	—	4	10
Senior management	26	16	25	265
Professionally qualified and experienced specialist and mid-management	240	55	145	439
Skilled, academic, junior management, supervisors, foremen and superintendents	352	72	121	224
Semi-skilled and discretionary decision-making	144	22	27	47
Unskilled and defined decision making	220	14	—	4
Total	988	179	322	989

	Female				Total
	African	Coloured	Indian	White/ Foreign	
Top management	—	—	1	1	22
Senior management	12	4	23	122	493
Professionally qualified and experienced specialist and mid management	191	48	152	472	1 742
Skilled, academic, junior management, supervisors, foremen and superintendents	505	194	247	412	2 127
Semi-skilled and discretionary decision-making	158	36	32	52	518
Unskilled and defined decision making	303	115	—	7	663
Total	1 169	397	455	1 066	5 565

* Where: Top management is Investec's South African management forum. The remaining occupational levels are defined as per the South African Employment Equity Act.

Annexure 2: Home loan mortgage disclosure at 31 December 2023

In terms of the Home Loan Mortgage Disclosure Act 63 of 2003, all financial institutions are required to disclose information regarding the provision of home loans. Investec offers home loans to individuals through its Private Banking division. The information required to be disclosed by the Act can be seen in the tables below.

	Number of applications	Rand amount
Applications received	15 874	45 072 499 813
Approved	13 985	39 542 331 239
Declined	216	531 741 502
Disbursed/paid out	7 299	20 374 123 828

Race groups

Analysis by race group	African		Coloured	
	Number of applications	Rand amount	Number of applications	Rand amount
Applications received	3 617	7 059 701 581	749	1 717 753 427
Approved	3 026	5 831 306 196	686	1 550 605 309
Declined	90	159 975 871	8	18 065 200
Disbursed/paid out	1 476	2 724 031 324	305	661 039 023

ADDITIONAL INFORMATION
CONTINUED**Annexure 2: Home loan mortgage disclosure at 31 December 2023 (continued)****Race groups (continued)**

	Indian		White		Other	
	Number of applications	Rand amount	Number of applications	Rand amount	Number of applications	Rand amount
Applications received	1 068	2 484 024 374	7 309	21 255 614 315	3 131	12 555 406 116
Approved	930	2 191 319 195	6 566	18 913 577 126	2 777	11 055 523 413
Declined	12	27 084 500	78	201 051 994	28	125 563 937
Disbursed/paid out	449	1 072 529 117	3 277	9 560 144 790	1 792	6 356 379 574

Province

Analysis by region	Eastern Cape		Free State	
	Number of applications	Rand amount	Number of applications	Rand amount
Applications received	808	1 813 065 333	258	646 241 710
Approved	758	1 688 425 796	227	562 706 010
Declined	8	11 880 587	2	4 506 500
Disbursed/paid out	388	861 375 904	115	230 294 299

	Gauteng		KwaZulu-Natal		Limpopo	
	Number of applications	Rand amount	Number of applications	Rand amount	Number of applications	Rand amount
Applications received	7 395	19 164 806 799	1 338	3 786 567 675	180	337 033 279
Approved	6 307	16 334 140 704	1 132	3 198 953 162	162	306 101 470
Declined	150	333 682 055	15	37 152 810	1	1 495 750
Disbursed/paid out	3 236	8 639 720 998	763	2 208 571 148	71	122 311 364

	Mpumalanga		North West	
	Number of applications	Rand amount	Number of applications	Rand amount
Applications received	317	642 264 706	207	469 961 619
Approved	273	531 592 195	172	378 192 318
Declined	7	13 300 250	3	4 117 250
Disbursed/paid out	133	264 445 746	84	177 154 602

	Northern Cape		Western Cape	
	Number of applications	Rand amount	Number of applications	Rand amount
Applications received	90	187 111 640	5 281	18 025 447 052
Approved	64	135 288 182	4 890	16 406 931 402
Declined	4	5 148 000	26	120 458 300
Disbursed/paid out	34	67 555 697	2 475	7 802 694 070

GLOSSARY

The following abbreviations have been used throughout this report:

AATE	The Academy of Accelerated Technology Education	GISD	UN Global Investment for Sustainable Development
ADR Forum	Arrears, Recovery and Default Forum	GRRRMF	Group Risk Review and Reserves Matters Forum
AGM	Annual general meeting	HLA	Higher loss-absorbency
AI	Artificial Intelligence	HNW	High net worth
AIRB	Advanced Internal Ratings-Based	HR	Human resources
AML	Anti-money laundering	HVCRE	High Volatility Commercial Real Estate
AUM	Assets under management	IAM	Investec Asset Management
BASA	Banking Association of South Africa	IASSs	International Accounting Standards
BCBS	Basel Committee of Banking Supervision	IBL	Investec Bank Limited
BSE	Botswana Stock Exchange	IBL BRCC	IBL Board Risk and Capital Committee
CA	Chartered Accountant	IBL ERC	IBL Executive Risk Committee
CAM	Combined Assurance Matrix	IBL Review ERRF	IBL Review Executive Risk Review Forum
CCB	Capital conservation buffer	IBM	Investec Bank of Mauritius
CCR	Counterparty credit risk	IBP	Investec Bank plc
CCyB	Countercyclical capital buffer	ICAAP	Internal Capital Adequacy Assessment Process
CDS	Credit default swap	ICR	Individual capital requirement
CEM	Current exposure method	IEP	IEP Group
CE	Chief executive	IFB	Investec for Business
CET1	Common Equity Tier 1	IFC	International Finance Corporation
CFT	Combating the financing of terrorism	IFRIC	International Financial Reporting Interpretations Committee
CFO	Chief Financial Officer	IFRS	International Financial Reporting Standard
CFP	Contingency Funding Plan	IIA	Institute of Internal Auditors
CFRP	Contingency Funding and Recovery Plan	ILAAP	Internal Liquidity Adequacy Assessment Process
CLR	Credit Loss Ratio	IP	Investec Property
CMCC	Customer Market and Conduct Committee	IPF	Investec Property Fund
COO	Chief Operating Officer	IPRE	Income Producing Real Estate
COVID	Corona Virus Disease	IRB	Internal Ratings-Based
CPD	Continuous Professional Development	IRBA	Independent Regulatory Board for Auditors
CRISA	Code for Responsible Investing in South Africa	IRRBB	Interest Rate Risk in the Banking Book
CRO	Chief Risk Officer	ITRG	Information Technology Risk and Governance
CRR IV	Capital Requirement Directive IV	IW&I	Investec Wealth & Investment
CVA	Credit valuation adjustment	JIBAR	Johannesburg Interbank Average Rate
DLC	Dual listed company	JSE	Johannesburg Stock Exchange
DLC BRCC	DLC Board Risk and Capital Committee	KAM	Key Audit Matters
DLC Nomdac	DLC Nominations and Directors Affairs Committee	LCR	Liquidity coverage ratio
DLC ITRG	DLC IT Risk and Governance Committee	LHS	Left hand side
DLC SEC	DLC Social and Ethics Committee	LSE	London Stock Exchange
D-SIB	Domestic systemically important bank	MAFR	Mandatory Audit Firm Rotation
EBITDA	Earnings before interest, taxes, depreciation and amortisation	MER	Mutual Evaluation Report
ECL	Expected credit loss	MES	Macro-economic Scenarios
EIR	Effective interest rate	NSFR	Net stable funding ratio
EP	Equator Principles	NACQ	Nominal annual compounded quarterly in arrears
EQAR	Engagement Quality Assessment Review	NSX	Namibian Stock Exchange
ESG	Environmental, social and governance	NPA	National Prosecuting Authority
EU	European Union	OCI	Other comprehensive income
FATF	Financial Action Task Force	PCAF	Partnership for Carbon Accounting Financials
FD	Financial Director	PRA	Prudential Regulation Authority
FIRB	Foundation Internal Ratings-Based	PwC Inc.	PricewaterhouseCoopers Incorporated
FRC	Financial Regulatory Council	RDARR	Risk Data Aggregation and Risk Reporting
FRTB	Fundamental Review of the Trading Book	RHS	Right hand side
FSLAA	Financial Sector Laws Amendment Act	ROU	Right of use asset
FSLAB	Financial Sector Laws Amendment Bill	RPA technologies	Robotic Process Automation technologies
FSR Act	Financial Sector Regulation Act 9 of 2017	RWA	Risk-weighted asset
FTA	Foreign Trade Agreement	SA	South Africa
FLAC	Financial Loss Absorbing Capacity	SA-CCR	Standardised Approach to Counterparty Credit Risk
FUM	Funds under management	SDGs	Sustainable Development Goals
FVOCI	Fair value through other comprehensive income	SIFI	Systemically important financial institution
FVPL	Fair value through profit and loss		
GDP	Gross domestic product		
GDPR	General Data Protection Regulation		
GFC	Global Financial Crisis		

GLOSSARY
CONTINUED

SME	Small and Medium-sized Enterprises
SMMEs	Small, Medium & Micro Enterprises
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	Tactical Attack Simulation
TCFD	Task Force on Climate-related Financial Disclosures
ToR	Terms of Reference
tCO ₂ e	Tonnes of CO ₂ emissions
UKLA	United Kingdom Listing Authority
UN	United Nations
UN GISD	United Nations Global Investment for Sustainable Development
VaR	Value at Risk
WACC	Weighted average cost of capital
YES	Youth Employment Service

CORPORATE INFORMATION

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Directorate as at 24 June 2024**Executive directors**

Fani Titi (Chief Executive)
Nishlan Samujh (Group Finance Director)

Non-executive Directors

Philip Hourquebie (Chair)
Zarina Bassa (Senior independent director)
Henrietta Baldock
Stephen Koseff
Nicky Newton-King
Vanessa Olver
Diane Radley
Philisiwe Sibiyi
Brian Stevenson

Contact details

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