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INVESTEC LIMITED GROUP AND
INVESTEC BANK LIMITED GROUP

Pillar 3 quarterly disclosure report - December 2024



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01

Overview of risk management, key prudential metrics And RWA



OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA

SCOPE OF PILLAR 3 DISCLOSURES

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

OV1: OVERVIEW OF RWA

The following section provides an overview of the total RWA forming the denominator of the risk-based capital requirements.

R'million		a	c	b	a	c	b
		Investec Limited Group			Investec Bank Limited Group		
		RWA ⁽²⁾	MC ⁽¹⁾	RWA	RWA	MC	RWA
		31 December 2024	31 December 2024	31 March 2024	31 December 2024	31 December 2024	31 March 2024
1	Credit risk (excluding counterparty credit risk)	193 005	23 505	203 396	196 227	23 885	208 070
2	Of which: Standardised Approach (SA)	62 936	7 664	78 143	66 157	8 053	82 817
3	Of which: foundation internal ratings-based (FIRB) approach	17 134	2 087	14 463	17 134	2 086	14 463
4	Of which: supervisory slotting approach	26 426	3 218	23 384	26 426	3 217	23 384
5	Of which: internal ratings-based (AIRB) approach	86 509	10 536	87 406	86 510	10 529	87 406
6	Counterparty credit risk (CCR)	7 063	860	6 723	6 584	802	6 705
7	Of which: Standardised Approach for counterparty credit risk	7 063	860	6 723	6 584	802	6 705
8	Of which: IMM	—	—	—	—	—	—
9	Of which: other CCR	—	—	—	—	—	—
10	Credit valuation adjustment (CVA)	2 782	339	2 637	2 733	333	2 637
11	Equity positions under the simple risk weight approach and the Internal Model Method during the five-year linear phase-in period	8 958	1 091	14 627	7 349	895	13 041
12	Equity investments in funds - look-through approach	—	—	381	—	—	381
13	Equity investments in funds - mandate-based approach	4 742	577	—	4 742	577	—
14	Equity investments in funds - fall-back approach	—	—	—	—	—	—
15	Settlement risk	—	—	—	—	—	—
16	Securitisation exposures in banking book	1 510	184	1 278	1 510	184	1 278
17	Of which: securitisation IRB approach (SEC-IRBA)	1 020	124	779	1 020	124	779
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	—	—	—	—	—	—
19	Of which: Securitisation Standardised approach (SEC-SA)	490	60	499	490	60	499
20	Market risk⁽⁶⁾	9 672	1 178	7 934	8 716	1 061	6 255
21	Of which Standardised Approach (SA)	2 180	265	2 269	1 224	149	590
22	Of which internal model approach (IMA)	7 492	913	5 665	7 492	912	5 665
23	Capital charge for switch between trading book and banking book	—	—	—	—	—	—
24	Operational risk⁽³⁾	38 641	4 706	37 179	33 111	4 031	31 022
25	Amounts below the thresholds for deduction (subject to 250% risk weight)⁽⁴⁾	16 060	1 956	18 024	3 628	442	3 796
26	Aggregate capital floor applied ⁽⁵⁾	—	—	—	—	—	—
27	Floor adjustment (before application of transitional cap)	—	—	—	—	—	—
28	Floor adjustment (after application of transitional cap)	—	—	—	—	—	—
29	Total	282 433	34 396	292 179	264 600	32 210	273 185

(1) MC – The minimum capital requirements in column (c) are based on the SARB minimum total capital requirements for Investec of 12.0425%; however, excludes Investec's Pillar 2B add-on in line with the Banks Act Directive 5 of 2021.

(2) RWA – Risk-weighted assets are calculated according to the Basel framework, including the 1.06 scaling factor for credit exposures subject to the IRB approach, and as reported in accordance with the subsequent parts of this standard.

(3) Operational risk is calculated using the SA and is driven by the levels of income over a three-year average period, applying specific factors applicable to the nature of the business generating the income.

(4) The RWA in this line item relates to investments in significant financial entities and deferred tax assets below the 10% of the specified CET1 threshold.

(5) The floor adjustment is calculated in line with the Banks Act Directive 3 of 2013.

(6) Market risk RWAs for internal models approach (IMA) are calculated using the historical Value at Risk (VaR) approach.

OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA CONTINUED

Period under review- Investec Limited group

Investec Limited remains well capitalised with capital ratios exceeding both regulatory minimums and internal targets. At 31 December 2024, the CET1 ratio increased to 14.8% from 13.6% at 31 March 2024. CET1 capital increased by R1.9 billion to R45.7 billion, largely affected by:

- Positive attributable earnings post taxation and minorities of R6.4 billion
- Following the sale of Assupol Holdings Limited and the resultant decrease in the investment in the Bud Group:
 - The 10% deduction (March 2024: R0.2bn) fell away due to the value of the investment in the Bud Group being less than 10% of CET1.
 - The 15% threshold deduction (March 2024: R1.0bn) fell away due to the aggregate of relevant investments and the deferred tax asset being less than 15% of CET1
- An increase in FVOCI reserve of R0.2bn
- A decrease of R0.4 billion in treasury shares

These increases in CET1 are offset by:

- Dividends paid to ordinary shareholders and Additional Tier 1 security holders of R5.6 billion
- The deduction for goodwill increasing by R0.3bn.
- A R0.2 billion increase in the regulatory expected loss deduction.
- A decrease of R0.1 billion in the foreign currency translation reserve
- Increase of R0.1bn in prudent valuation adjustment

RWAs decreased by 3.3% from R292.2 billion (March 2024) to R282.4 billion (December 2024).

Credit risk RWAs, including counterparty credit risk, decreased by R11.6 billion (5.0%). The decrease was mainly driven by the migration of the Fund Finance portfolio to AIRB, recalibration of the HIBJ PD model, repayments and improvement in asset quality.

Equity risk RWAs decreased by R1.3 billion (8.7%), largely due to decrease in investment values.

Market risk RWAs for INL increased by R1.7 billion.

Operational risk remains unchanged. This calculation is updated bi-annually in March and September and is based on a 3-year rolling average gross income before impairments balance.

The Group's leverage ratio increased to 6.3% (December 2024) from 6.2% (March 2024). The increase is primarily driven by a increase in total Tier 1 capital of R1.9 billion slightly set off by an increase of R21.9 billion in the leverage exposure measure owing to higher total assets.

OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA
CONTINUED

KM1: KEY METRICS

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

R'million	IRB Scope				
	a	b	c	d	e
	31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	41 761	41 441	42 067	39 850	38 022
2 Tier 1	45 711	45 391	45 967	43 814	41 989
3 Total capital	53 804	52 723	53 341	51 263	49 538
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA) ⁽¹⁾⁽⁴⁾	282 433	279 813	281 910	292 179	291 569
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 (%) ⁽²⁾	14.8	14.8	14.9	13.6	13.0
6 Tier 1 ratio (%) ⁽²⁾	16.2	16.2	16.3	15.0	14.4
7 Total capital ratio (%) ⁽²⁾	19.1	18.8	18.9	17.5	17.0
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	2.5	2.5
9 Countercyclical buffer requirement (%)	0.2	0.2	0.0	0.0	0.0
10 Bank G-SIB and/or D-SIB additional requirements (%)	0.5	0.5	0.5	0.5	0.5
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.2	3.2	3.0	3.0	3.0
12 CET1 available after meeting the bank's minimum capital requirements (%)	6.6	6.6	6.9	5.0	5.0
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	727 752	719 254	695 438	705 807	684 920
14 Basel III leverage ratio (%) (row 2/row 13) ⁽²⁾	6.3	6.3	6.6	6.2	6.1
Liquidity Coverage Ratio					
15 Total HQLA	117 887	109 659	110 633	112 891	111 129
16 Total net cash outflow	63 401	62 396	64 494	70 859	63 203
17 LCR ratio (%) ⁽³⁾	186.6	176.3	175.3	159.4	177.4
Net Stable Funding Ratio					
18 Total available stable funding	421 765	407 858	414 646	401 442	390 696
19 Total required stable funding	332 510	333 390	329 894	348 902	336 497
20 NSFR ratio	126.8	122.3	125.7	115.1	116.1

(1) Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 31 December 2024, 57% (31 March 2024: 54%) of the portfolio applies the AIRB approach, 26% (31 March 2024: 26%) applies the FIRB approach and the remaining 17% (31 March 2024: 20%) of the portfolio is subject to the standardised approach.

(2) Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET 1 ratio would be 57bps lower (31 March 2024: 111bps lower). The leverage ratio would be 22bps lower (31 March 2024: 48bps).

(3) The LCR ratio in row 17 is reported as the simple average of the daily LCR ratios over the quarter and is not derived as row 15 divided by row 16.

OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA
CONTINUED

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

	IRB Scope				
	a	b	c	d	e
R'million	31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023
Available capital (amounts)					
1 Common Equity Tier 1 (CET1)	44 614	44 931	46 766	45 124	43 558
2 Tier 1	48 564	48 881	50 116	48 584	47 018
3 Total capital	56 664	56 212	57 489	56 031	54 567
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA) ⁽¹⁾⁽⁴⁾	264 600	261 455	263 122	273 185	272 577
Risk-based capital ratios as a percentage of RWA					
5 Common Equity Tier 1 (%) ⁽²⁾	16.9	17.2	17.8	16.5	16.0
6 Tier 1 ratio (%) ⁽²⁾	18.4	18.7	19.0	17.8	17.2
7 Total capital ratio (%) ⁽²⁾	21.4	21.5	21.8	20.5	20.0
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	2.5	2.5
9 Countercyclical buffer requirement (%)	0.2	0.2	0.0	0.0	0.0
10 Bank G-SIB and/or D-SIB additional requirements (%)	0.5	0.5	0.5	0.5	0.5
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.2	3.2	3.0	3.0	3.0
12 CET1 available after meeting the bank's minimum capital requirements (%)	8.7	9.0	9.7	7.9	7.9
Basel III leverage ratio					
13 Total Basel III leverage ratio exposure measure	705 194	686 196	664 825	684 313	670 421
14 Basel III leverage ratio (%) (row 2/row 13) ⁽²⁾	6.9	7.1	7.5	7.1	7.0
Liquidity coverage ratio					
15 Total HQLA	117 887	109 659	110 633	112 891	111 129
16 Total net cash outflow	63 401	62 396	64 494	70 859	63 203
17 LCR ratio (%) ⁽³⁾	186.6	176.3	175.3	159.4	177.4
Net stable funding ratio					
18 Total available stable funding	421 765	407 858	414 646	401 442	390 696
19 Total required stable funding	332 510	333 390	329 894	348 902	336 497
20 NSFR ratio	126.8	122.3	125.7	115.1	116.1

(1) Investec Bank Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWAs. As at 30 June 2024, 56% (31 March 2024: 52%) of the portfolio applies the AIRB approach, 25% (31 March 2024: 25%) applies the FIRB approach, with the remaining balance of 19% (31 March 2024: 23%) remaining on the standardised approach.

(2) Investec Bank Limited's capital information included unappropriated profits at 31 December 2024. If unappropriated profits had been excluded from capital information, Investec Bank Limited's CET 1 ratio would have been 68bps lower (31 March 2024: 118bps lower). The leverage ratio would be 25bps lower (31 March 2024: 47bps).

(3) The LCR ratio in row 17 is reported as the simple average of the daily LCR ratios over the quarter and is not derived as row 15 divided by row 16.

02

Leverage ratio



LEVERAGE RATIO

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

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

		a	a	a	a
		Investec Limited Group		Investec Bank Limited Group	
R'million		31 December 2024	31 March 2024	31 December 2024	31 March 2024
1	Total consolidated assets as per published financial statements ⁽¹⁾⁽²⁾	662 516	645 931	627 716	611 818
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(5 399)	(5 024)	—	—
3	Adjustments for derivative financial instruments	3 934	1 751	3 922	1 747
4	Adjustments for securities financing transactions (i.e. repos and similar secured lending)	3 365	6 754	3 274	6 728
5	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	73 092	64 978	73 086	64 978
6	Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(2 092)	(2 156)	(2 025)	(2 100)
7	Other adjustments	(7 664)	(6 427)	(779)	1 142
8	Leverage ratio exposure measure	727 752	705 807	705 194	684 313

(1) Adjusted for impairments.

LEVERAGE RATIO
CONTINUED

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

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

R'million	a	a	a	a	
	Investec Limited Group		Investec Bank Limited Group		
	31 December 2024	31 March 2024	31 December 2024	31 March 2024	
On-balance sheet exposures					
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	582 303	553 289	553 704	524 330
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(9 756)	(8 616)	(2 803)	(812)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)	572 547	544 673	550 901	523 518
Derivative exposures					
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	3 487	3 239	3 487	3 239
5	Add-on amounts for potential future exposure (PFE) associated with all derivatives transactions	11 284	9 905	11 284	9 905
6	Gross-up for derivative collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	—	—	—	—
7	Deductions of receivable assets for cash variation margin provided in derivative transactions	—	—	—	—
8	(Exempted CCP leg of client-cleared trade exposures)	(80)	(1 416)	(80)	(1 416)
9	Adjusted effective notional amount of written credit derivatives	260	7	260	7
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	—	—	—	—
11	Total derivative exposures (sum of rows 4 to 10)	14 951	11 735	14 951	11 735
Securities financing transaction exposures					
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	63 797	77 667	62 983	77 354
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	—	—	—	—
14	CCR exposure for SFT assets	3 365	6 754	3 274	6 728
15	Agent transaction exposures	—	—	—	—
16	Total securities financing transaction exposures (sum of rows 12 to 15)	67 162	84 421	66 257	84 082
Other off-balance sheet exposures					
17	Off-balance sheet exposure at gross notional amount	148 018	133 398	147 951	133 397
18	(Adjustments for conversion to credit equivalent amounts)	(74 926)	(68 420)	(74 866)	(68 419)
19	Off-balance sheet items (sum of rows 17 and 18)	73 092	64 978	73 085	64 978
Capital and total exposures					
20	Tier 1 capital ⁽¹⁾	45 711	43 814	48 564	48 584
21	Total exposures (sum of rows 3, 11, 16 and 19)	727 752	705 807	705 194	684 313
Leverage ratio					
22	Basel III leverage ratio⁽¹⁾	6.3	6.2	6.9	7.1

(1) Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's leverage would be 22bps (31 March 2024: 48bps) and 25bps (31 March 2024: 47bps) lower respectively.

Liquidity risk



LIQUIDITY RISK

LIQUIDITY COVERAGE RATIO (LCR)

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

LIQ1: LIQUIDITY COVERAGE RATIO (LCR)

R'million	a	b	a	b
	31 December 2024		31 March 2024	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets (HQLAs)				
1 Total HQLAs		117 887		112 891
Cash outflows				
2 Retail deposits and deposits from small business customers, of which:	147 971	12 314	134 101	12 155
3 Stable deposits	20 602	1 030	—	—
4 Less stable deposits	127 369	11 284	134 101	12 155
5 Unsecured wholesale funding, of which:	119 231	87 442	139 312	100 087
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	—	—	—	—
7 Non-operational deposits (all counterparties)	118 135	86 346	138 113	98 888
8 Unsecured debt	1 096	1 096	1 199	1 199
9 Secured wholesale funding	—	4 936	—	26
10 Additional requirements, of which:	94 541	19 271	90 200	15 281
11 Outflows related to derivative exposures and other collateral requirements	13 564	9 911	11 904	6 548
12 Outflows related to loss of funding on debt products	—	—	—	—
13 Credit and liquidity facilities	80 977	9 360	78 296	8 733
14 Other contractual funding obligations	182	182	152	152
15 Other contingent funding obligations	105 332	6 551	112 864	8 847
16 Total cash outflows		130 696		136 548
Cash inflows				
17 Secured lending	35 238	21 333	56 457	27 962
18 Inflows from fully performing exposures	48 740	41 927	43 250	35 415
19 Other cash inflows	6 344	4 035	4 561	2 312
20 Total cash inflow	90 322	67 295	104 268	65 689
	Total adjusted value		Total adjusted value	
21 Total HQLAs		117 887		112 891
22 Total net cash outflows		63 401		70 859
23 Liquidity coverage ratio (%)⁽¹⁾		186.6		159.4

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

LIQUIDITY RISK CONTINUED

LIQUIDITY COVERAGE RATIO (LCR)

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

Key LCR principles:

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

The composition of HQLAs:

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

Credit risk



CREDIT RISK
 CONTINUED

CR8: RWA FLOW STATEMENTS OF CREDIT RISK EXPOSURES UNDER IRB

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

	a	a	a	a	a
R'million	31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023
1 RWA as at end of previous reporting period⁽¹⁾	125 177	121 585	125 253	128 674	131 937
2 Asset size	5 679	316	(3 818)	(3 415)	(2 659)
3 Asset quality	(846)	(357)	(724)	(305)	(1 173)
4 Model updates	—	3 625	793	328	—
5 Methodology and policy	—	—	—	—	—
6 Acquisitions and disposals	—	—	—	—	—
7 Foreign exchange movements	887	(615)	(286)	71	(63)
8 Other ⁽²⁾	(828)	623	367	(100)	632
9 RWA as at end of reporting period	130 069	125 177	121 585	125 253	128 674

(1) The table above excludes risk-weighted asset movements related to CCR exposures.

(2) Other represents movements not related to any of the specified rows above, such changes in RWAs due to changes in LGD percentages or maturity factor changes.

Market Risk



MARKET RISK
 CONTINUED

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

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

R'million	a	b	f
	VaR	Stressed VaR	Total RWA ⁽¹⁾⁽²⁾
At 31 December 2024			
1 RWA at previous quarter end	3 631	4 001	7 632
2 Movement in risk levels	(388)	248	(140)
8 RWA at end of reporting period	3 243	4 249	7 492
At 30 September 2024			
1 RWA at previous quarter end	3 671	4 412	8 083
2 Movement in risk levels	(40)	(411)	(451)
8 RWA at end of reporting period	3 631	4 001	7 632

(1) Total RWAs in this table are derived by multiplying the capital required by 12.5.

(2) There were no incremental and comprehensive risk capital charges under IMA and columns (c) to (e) are therefore excluded from the table above.

