

# Creating enduring worth

Investec Limited Group and  
Investec Bank Limited Group

Pillar III quarterly disclosure report – December  
2023



## CONTENTS

---

# 1

OV1: OVERVIEW OF RWA	3
KM1: KEY METRICS	5
LR1: SUMMARY COMPARISON OF ACCOUNTING ASSETS VS LEVERAGE MEASURE	8
LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE	9
LIQ1: LIQUIDITY COVERAGE RATIO (LCR)	11
CR8: RWA FLOW STATEMENT OF CREDIT RISK EXPOSURES UNDER IRB	14
MR2: RWA FLOW STATEMENTS OF MARKET RISK EXPOSURES UNDER IMA	16

---

01

# Overview of risk management, key prudential metrics And RWA



## OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA

### SCOPE OF PILLAR III 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	Investec Limited Group			Investec Bank Limited Group			
	a	c	b	a	c	b	
	RWA <sup>(2)</sup>	MC <sup>(1)</sup>	RWA	RWA	MC	RWA	
	31 December 2023	31 December 2023	31 March 2023	31 December 2023	31 December 2023	31 March 2023	
<b>1</b>	<b>Credit risk (excluding counterparty credit risk)</b>	<b>205 170</b>	<b>24 708</b>	<b>199 630</b>	<b>209 188</b>	<b>25 192</b>	<b>200 914</b>
2	Of which: Standardised Approach (SA)	76 496	9 211	76 485	80 515	9 696	77 769
3	Of which: foundation internal ratings-based (FIRB) approach	18 558	2 235	18 079	18 558	2 235	18 079
4	Of which: supervisory slotting approach	24 265	2 923	24 599	24 265	2 922	24 599
5	Of which: internal ratings-based (AIRB) approach	85 851	10 339	80 467	85 850	10 339	80 467
<b>6</b>	<b>Counterparty credit risk (CCR)</b>	<b>7 568</b>	<b>911</b>	<b>7 930</b>	<b>7 568</b>	<b>911</b>	<b>7 930</b>
7	Of which: Standardised Approach for counterparty credit risk	7 568	911	7 930	7 568	911	7 930
8	Of which: IMM	—	—	—	—	—	—
9	Of which: other CCR	—	—	—	—	—	—
<b>10</b>	<b>Credit valuation adjustment (CVA)</b>	<b>3 550</b>	<b>427</b>	<b>3 477</b>	<b>3 550</b>	<b>427</b>	<b>3 477</b>
<b>11</b>	<b>Equity positions under the simple risk weight approach and the Internal Model Method during the five-year linear phase-in period</b>	<b>14 135</b>	<b>1 702</b>	<b>14 283</b>	<b>11 039</b>	<b>1 329</b>	<b>10 437</b>
12	Equity investments in funds - look-through approach	—	—	—	—	—	—
13	Equity investments in funds - mandate-based approach	—	—	—	—	—	—
14	Equity investments in funds - fall-back approach	—	—	—	—	—	—
15	Settlement risk	—	—	—	—	—	—
<b>16</b>	<b>Securitisation exposures in banking book</b>	<b>1 289</b>	<b>156</b>	<b>1 668</b>	<b>1 289</b>	<b>156</b>	<b>1 668</b>
17	Of which: securitisation IRB approach (SEC-IRBA)	769	93	1 016	769	93	1 016
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	—	—	—	—	—	—
19	Of which: Securitisation Standardised approach (SEC-SA)	520	63	652	520	63	652
<b>20</b>	<b>Market risk<sup>(6)</sup></b>	<b>8 420</b>	<b>1 014</b>	<b>6 875</b>	<b>7 327</b>	<b>882</b>	<b>5 784</b>
21	Of which Standardised Approach (SA)	1 750	211	1 811	657	79	720
22	Of which internal model approach (IMA)	6 670	803	5 064	6 670	803	5 064
<b>23</b>	<b>Capital charge for switch between trading book and banking book</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>24</b>	<b>Operational risk<sup>(3)</sup></b>	<b>34 198</b>	<b>4 118</b>	<b>32 152</b>	<b>29 337</b>	<b>3 533</b>	<b>26 942</b>
<b>25</b>	<b>Amounts below the thresholds for deduction (subject to 250% risk weight)<sup>(4)</sup></b>	<b>17 239</b>	<b>2 076</b>	<b>17 585</b>	<b>3 279</b>	<b>395</b>	<b>4 111</b>
26	Aggregate capital floor applied <sup>(5)</sup>	—	—	—	—	—	—
27	Floor adjustment (before application of transitional cap)	—	—	—	—	—	—
<b>28</b>	<b>Floor adjustment (after application of transitional cap)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>29</b>	<b>Total</b>	<b>291 569</b>	<b>35 112</b>	<b>283 600</b>	<b>272 577</b>	<b>32 825</b>	<b>261 263</b>

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

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

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

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

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

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

## 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 2023, the CET1 ratio decreased to 13.0% from 14.7% at 31 March 2023. CET1 capital decreased by R3.8 billion to R38.0 billion, largely affected by:

- A reduction of R2.6 billion due to the share buy back plan announced in November 2022, of this amount R413 million related to the purchase of additional Investec Limited treasury shares and R2.2 billion due to the deduction of Investec Limited's investment in Investec plc shares at market value
- Positive attributable earnings post-taxation and minorities of R4.7 billion
- Total ordinary dividends paid to Investec Limited shareholders of R4.7 billion
- During the period to 31 December 2023, it was identified that some fair value hedges were incorrectly accounted in equity as a cash flow hedge. As a result, the cash flow hedging reserve was corrected with a debit to retained earnings of R1.3 billion
- Foreign currency translation reserve increase by R324 million
- The PA approved 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. This resulted in a CET1 deduction of R1.1 billion at 31 December 2023
- The regulatory expected loss deduction increased by R456 million to R474 million at 31 December 2023
- FVOCI reserve increased by R1.0 billion to R1.1 billion at 31 December 2023
- Decrease in deduction for investment in financial entities (investment in The Bud Group) of R233 million to R224 million at 31 December 2023.

Risk-weighted assets (RWAs) increased by 2.8% from R283.6 billion (March 2023) to R291.6 billion (December 2023), predominantly within credit risk RWAs.

Credit risk RWAs increased by R4.5 billion or 2.0% from 31 March 2023 to 31 December 2023. The increase was mainly driven by book growth, certain exposures migrating to Stage 3, off set by repayments and deconsolidation of Burstone Group Limited.

Equity risk RWAs decreased by R149 million or -1.0% largely due to the sale and write-down of unlisted equity investments.

Market risk RWAs increased by R1.5 billion or 22.5%. The increase in IBL Group 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 to the increase primarily due to increased activity. Additional institutional positions taken in Investec Markets Limited, accounts for the balance of the increase seen at an Investec Limited level, in the period under review.

Operational risk RWAs increased by R2.0 billion or 6.4%. This follows the bi-annual update of the three-year rolling gross income before impairments average balance, which forms the basis of the calculation.

The Group's leverage ratio decreased to 6.1% (31 December 2023) from 6.5% (31 March 2023). The decrease is primarily driven by a decrease in total Tier 1 capital of R3.0 billion, (R3.5bn decrease in CET1 as detailed above less the redemption of R0.8bn AT1 instruments) and a decrease of R11.4 billion in the leverage exposure measure.

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	a	b	c	d	e
	31 December 2023	30 September 2023	30 June 2023	31 March 2023	31 December 2022
<b>Available capital (amounts)</b>					
1 Common Equity Tier 1 (CET1)	38 022	38 276	43 506	41 810	46 077
1a Fully loaded ECL accounting model <sup>(9)</sup>	38 022	38 276	43 506	41 810	46 077
2 Tier 1	41 989	41 493	46 719	45 022	49 146
2a Fully loaded ECL accounting model Tier 1	41 989	41 493	46 719	45 022	49 146
3 Total capital	49 538	49 015	54 183	51 985	56 046
3a Fully loaded ECL accounting model total capital	49 538	49 015	54 183	51 985	56 046
<b>Risk-weighted assets (amounts)</b>					
4 Total risk-weighted assets (RWA)	291 569	289 148	298 788	283 600	329 436
4a Total risk-weighted assets (pre-floor)	291 569	289 148	298 788	283 600	329 436
<b>Risk-based capital ratios as a percentage of RWA</b>					
5 Common Equity Tier 1 (%) <sup>(1)</sup>	13.0	13.2	14.6	14.7	14.0
5a Fully loaded ECL accounting model Common Equity Tier 1	13.0	13.2	14.6	14.7	14.0
5b Common Equity Tier 1 (%) (pre-floor ratio)	13.0	13.2	14.6	14.7	14.0
6 Tier 1 ratio (%)	14.4	14.3	15.6	15.9	14.9
6a Fully loaded ECL accounting model Tier 1 (%)	14.4	14.3	15.6	15.9	14.9
6b Tier 1 ratio (5) (pre-floor ratio)	14.4	14.3	15.6	15.9	14.9
7 Total capital ratio (%) <sup>(1)</sup>	17.0	17.0	18.1	18.3	17.0
7a Fully loaded ECL accounting model total capital ratio (%)	17.0	17.0	18.1	18.3	17.0
7b Total capital ratio (%) (pre-floor ratio)	17.0	17.0	18.1	18.3	17.0
<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	2.5	2.5
9 Countercyclical buffer requirement (%)	0.0	0.0	0.0	0.0	0.0
10 Bank G-SIB and/or D-SIB additional requirements (%)	0.5	0.5	0.5	0.5	0.5
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.0	3.0	3.0	3.0	3.0
12 CET1 available after meeting the bank's minimum capital requirements (%)	5.0	5.2	6.5	6.7	6.0
<b>Basel III leverage ratio</b>					
13 Total Basel III leverage ratio exposure measure	684 920	701 096	721 362	696 319	674 891
14 Basel III leverage ratio (%) (row 2/row 13)	6.1	5.9	6.5	6.5	7.3
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	6.1	5.9	6.5	6.5	7.3
14b Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	6.1	5.9	6.5	6.5	7.3
<b>Liquidity Coverage Ratio</b>					
15 Total HQLA	111 129	108 756	113 453	116 421	116 145
16 Total net cash outflow	63 203	60 035	63 509	75 857	81 395
17 LCR ratio (%) <sup>(2)</sup>	177.4	182.9	179.8	153.6	143.6
<b>Net Stable Funding Ratio</b>					
18 Total available stable funding	390 696	393 968	392 978	381 822	375 796
19 Total required stable funding	336 497	347 512	338 831	328 530	323 221
20 NSFR ratio	116.1	113.4	116.0	116.2	116.3

(1) Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWAs. As at 31 December 2023, 53% (31 March 2023: 53%) of the portfolio applies the AIRB approach, 27% (31 March 2023: 28%) applies the FIRB approach, with the remaining balance of 20% (31 March 2023: 19%) remaining on the standardised approach.

(2) Investec Limited's capital information included unappropriated profits at 31 December 2023. If unappropriated profits are excluded from capital information, Investec Limited's CET 1 ratio would be 34bps lower (31 March 2023: 117bps lower) and the leverage ratio would be 15bps lower (31 March 2023: 49bps).

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

OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA  
CONTINUED

**KM1: KEY METRICS 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:

	a	b	c	d	e
R'million	31 December 2023	30 September 2023	30 June 2023	31 March 2023	31 December 2022
<b>Available capital (amounts)</b>					
1 Common Equity Tier 1 (CET1)	43 558	44 304	47 126	44 798	45 876
1a Fully loaded ECL accounting model <sup>(3)</sup>	43 558	44 304	47 126	44 798	45 876
2 Tier 1	47 018	47 014	49 836	47 508	48 436
2a Fully loaded ECL accounting model Tier 1	47 018	47 014	49 836	47 508	48 436
3 Total capital	54 567	55 104	57 880	55 436	56 343
3a Fully loaded ECL accounting model total capital	54 567	55 104	57 880	55 436	56 343
<b>Risk-weighted assets (amounts)</b>					
4 Total risk-weighted assets (RWA)	272 577	271 727	276 300	261 263	300 401
4a Total risk-weighted assets (pre-floor)	272 577	271 727	276 300	261 263	300 401
<b>Risk-based capital ratios as a percentage of RWA</b>					
5 Common Equity Tier 1 (%) <sup>(1)</sup>	16.0	16.3	17.1	17.1	15.3
5a Fully loaded ECL accounting model Common Equity Tier 1	16.0	16.3	17.1	17.1	15.3
5b Common Equity Tier 1 (%) (pre-floor ratio)	16.0	16.3	17.1	17.1	15.3
6 Tier 1 ratio (%)	17.2	17.3	18.0	18.2	16.1
6a Fully loaded ECL accounting model Tier 1 (%)	17.2	17.3	18.0	18.2	16.1
6b Tier 1 ratio (5) (pre-floor ratio)	17.2	17.3	18.0	18.2	16.1
7 Total capital ratio (%) <sup>(1)</sup>	20.0	20.3	20.9	21.2	18.8
7a Fully loaded ECL accounting model total capital ratio (%)	20.0	20.3	20.9	21.2	18.8
7b Total capital ratio (%) (pre-floor ratio)	20.0	20.3	20.9	21.2	18.8
<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	2.5	2.5
9 Countercyclical buffer requirement (%)	0.0	0.0	0.0	0.0	0.0
Bank G-SIB and/or D-SIB additional requirements (%)	0.5	0.5	0.5	0.5	0.5
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.0	3.0	3.0	3.0	3.0
12 CET1 available after meeting the bank's minimum capital requirements (%)	7.9	8.3	9.0	9.1	7.3
<b>Basel III leverage ratio</b>					
13 Total Basel III leverage ratio exposure measure	670 421	690 221	684 728	662 702	632 262
14 Basel III leverage ratio (%) (row 2/row 13)	7.0	6.8	7.3	7.2	7.7
14a Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	7.0	6.8	7.3	7.2	7.7
14b Basel III leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	7.0	6.8	7.3	7.2	7.7
<b>Liquidity coverage ratio</b>					
15 Total HQLA	111 129	108 756	113 453	116 421	116 145
16 Total net cash outflow	63 203	60 035	63 509	75 857	81 395
17 LCR ratio (%) <sup>(2)</sup>	177.4	182.9	179.8	153.6	143.6
<b>Net stable funding ratio</b>					
18 Total available stable funding	390 696	393 968	392 978	381 822	375 796
19 Total required stable funding	336 497	347 512	338 831	328 530	323 221
20 NSFR ratio	116.1	113.4	116.0	116.2	116.3

(1) Investec Bank Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWAs. As at 31 December 2023, 52% (31 March 2023: 51%) of the portfolio applies the AIRB approach, 26% (31 March 2023: 27%) applies the FIRB approach, with the remaining balance of 22% (31 March 2023: 22%) remaining on the standardised approach.

(2) Investec Bank Limited's capital information included unappropriated profits at 31 December 2023. If unappropriated profits had been excluded from capital information, Investec Bank Limited's CET 1 ratio would have been 43bps lower (March 2023: 164bps lower) and the leverage ratio would be 17bps lower (31 March 2023: 65bps).

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

# 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 2023	31 March 2023	31 December 2023	31 March 2023
1	Total consolidated assets as per published financial statements <sup>(1)</sup>	629 277	638 050	602 449	597 174
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(4 422)	(2 433)	—	—
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	—	—	—	—
4	Adjustments for temporary exemption of central bank reserves (if applicable)	—	—	—	—
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	—	—	—	—
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	—	—	—	—
7	Adjustment for eligible cash pooling transactions	—	—	—	—
8	Adjustments for derivative financial instruments	7 560	4 686	7 682	4 748
9	Adjustments for securities financing transactions (i.e. repos and similar secured lending)	3 159	2 495	3 159	2 495
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	58 045	58 845	58 037	58 836
11	Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(201)	(280)	(162)	(223)
12	Other adjustments	(8 498)	(5 044)	(744)	(328)
13	<b>Leverage ratio exposure measure</b>	<b>684 920</b>	<b>696 319</b>	<b>670 421</b>	<b>662 702</b>

(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		
	Investec Limited Group		Investec Bank Limited Group		
	31 December 2023	31 March 2023	31 December 2023	31 March 2023	
<b>On-balance sheet exposures</b>					
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	544 569	568 768	522 686	530 728
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	—	—	—	—
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	—	—	—	—
4	(Adjustment for securities received for cash variation margin provided in derivative transactions)	—	—	—	—
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Basel III Tier 1 capital)	—	—	—	—
6	(Asset amounts deducted in determining Basel III Tier 1 capital)	(8 699)	(5 323)	(907)	(551)
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)</b>	<b>535 870</b>	<b>563 445</b>	<b>521 779</b>	<b>530 177</b>
<b>Derivative exposures</b>					
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	7 024	9 168	7 025	9 168
9	Add-on amounts for potential future exposure (PFE) associated with all derivatives transactions	12 948	15 658	12 948	15 658
10	(Exempted CCP leg of client-cleared trade exposures)	(4 115)	(9 082)	(4 115)	(9 082)
11	Adjusted effective notional amount of written credit derivatives	4 901	5 454	4 901	5 454
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	—	—	—	—
13	<b>Total derivative exposures (sum of rows 8 to 12)</b>	<b>20 758</b>	<b>21 198</b>	<b>20 759</b>	<b>21 198</b>
<b>Securities financing transaction exposures</b>					
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	67 088	50 337	66 687	49 996
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	—	—	—	—
16	CCR exposure for SFT assets	3 159	2 495	3 159	2 495
17	Agent transaction exposures	—	—	—	—
18	<b>Total securities financing transaction exposures (sum of rows 14 to 17)</b>	<b>70 247</b>	<b>52 832</b>	<b>69 846</b>	<b>52 491</b>
<b>Other off-balance sheet exposures</b>					
19	Off-balance sheet exposure at gross notional amount	127 587	125 111	127 510	125 026
20	(Adjustments for conversion to credit equivalent amounts)	(69 542)	(66 267)	(69 473)	(66 190)
21	(Specific and general provisions associated with off-balance sheet exposures that are deducted from Basel III Tier 1 capital)	—	—	—	—
22	<b>Off-balance sheet items (sum of rows 19 to 21)</b>	<b>58 045</b>	<b>58 844</b>	<b>58 037</b>	<b>58 836</b>
<b>Capital and total exposures</b>					
23	Tier 1 capital	41 989	45 022	47 018	47 508
24	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	<b>684 920</b>	<b>696 319</b>	<b>670 421</b>	<b>662 702</b>
<b>Leverage ratio</b>					
25	<b>Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)<sup>(1)</sup></b>	<b>6.1</b>	<b>6.5</b>	<b>7.0</b>	<b>7.2</b>
25a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) <sup>(1)</sup>	6.1	6.5	7.0	7.2
26	<b>National minimum ratio requirements</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>
27	<b>Applicable leverage buffers</b>	<b>2.1</b>	<b>2.5</b>	<b>3.0</b>	<b>3.2</b>

(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 CET1 ratio would be 34bps (31 March 2023: 117bps) and 43bps (31 March 2023: 164bps) lower respectively. The leverage ratio would be 15bps (31 March 2023: 49bps) and 17bps (31 March 2023: 65bps) 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 2023		31 March 2023	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
<b>High-quality liquid assets (HQLAs)</b>				
1 Total HQLAs		112 226		116 421
<b>Cash outflows</b>				
2 <b>Retail deposits and deposits from small business customers, of which:</b>	<b>132 603</b>	<b>12 038</b>	<b>118 936</b>	<b>11 034</b>
3 Stable deposits	—	—	—	—
4 Less stable deposits	132 603	12 038	118 936	11 034
5 <b>Unsecured wholesale funding, of which:</b>	<b>131 026</b>	<b>94 578</b>	<b>130 672</b>	<b>96 993</b>
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	—	—	—	—
7 Non-operational deposits (all counterparties)	129 536	93 088	128 728	95 049
8 Unsecured debt	1 490	1 490	1 944	1 944
9 <b>Secured wholesale funding</b>	<b>—</b>	<b>215</b>	<b>—</b>	<b>412</b>
10 <b>Additional requirements, of which:</b>	<b>89 693</b>	<b>16 271</b>	<b>87 831</b>	<b>16 012</b>
11 Outflows related to derivative exposures and other collateral requirements	13 177	7 689	14 704	8 076
12 Outflows related to loss of funding on debt products	—	—	163	163
13 Credit and liquidity facilities	76 516	8 582	72 964	7 773
14 <b>Other contractual funding obligations</b>	<b>146</b>	<b>146</b>	<b>301</b>	<b>301</b>
15 <b>Other contingent funding obligations</b>	<b>121 585</b>	<b>10 703</b>	<b>115 651</b>	<b>7 341</b>
16 <b>Total cash outflows</b>		<b>133 951</b>		<b>132 093</b>
<b>Cash inflows</b>				
17 Secured lending	46 702	24 305	43 957	15 968
18 Inflows from fully performing exposures	50 903	42 155	43 397	35 788
19 Other cash inflows	6 248	3 571	4 084	4 482
20 <b>Total cash inflow</b>	<b>103 853</b>	<b>70 031</b>	<b>91 438</b>	<b>56 238</b>
	<b>Total adjusted value</b>		<b>Total adjusted value</b>	
21 Total HQLAs		112 226		116 421
22 Total net cash outflows <sup>(1)</sup>		63 920		75 857
23 <b>Liquidity coverage ratio (%)<sup>(2)</sup></b>		<b>176.1</b>		<b>153.6</b>

(1) In the calculation of consolidated net cash flows, for each entity cash inflows are capped at 75% of their cash outflows.

(2) 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 92 calendar daily values over the period 1 October 2023 to 31 December 2023.

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 1.4% 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 2023	30 September 2023	30 June 2023	31 March 2023	31 December 2022
1 <b>RWA as at end of previous reporting period<sup>(1)</sup></b>	<b>131 937</b>	<b>135 953</b>	<b>123 145</b>	<b>153 068</b>	<b>150 358</b>
2 Asset size	(2 659)	(3 241)	875	(2 802)	(634)
3 Asset quality	(1 173)	(627)	11 450	(422)	2 525
4 Model updates <sup>(3)</sup>	—	(166)	155	(26 501)	1 113
5 Methodology and policy	—	—	—	—	21
6 Acquisitions and disposals	—	—	—	—	(159)
7 Foreign exchange movements	(63)	(298)	970	622	(481)
8 Other <sup>(2)</sup>	632	316	(642)	(820)	325
9 <b>RWA as at end of reporting period</b>	<b>128 674</b>	<b>131 937</b>	<b>135 953</b>	<b>123 145</b>	<b>153 068</b>

(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.

(3) December 2023 relates to the net impact of the benefit of migrating IPRE to AIRB and the migration of HVCRE from STD to FIRB: Slotting.

# Market Risk





MARKET RISK  
 CONTINUED

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

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

R'million	a	b	f
	VaR	Stressed VaR	Total RWA <sup>(1)(2)</sup>
<b>At 31 December 2023</b>			
1 <b>RWA at previous quarter end</b>	<b>2 224</b>	<b>4 081</b>	<b>6 305</b>
2 Movement in risk levels	10	355	365
8 <b>RWA at end of reporting period</b>	<b>2 234</b>	<b>4 436</b>	<b>6 670</b>
<b>At 30 September 2023</b>			
1 <b>RWA at previous quarter end</b>	<b>2 336</b>	<b>3 972</b>	<b>6 308</b>
2 Movement in risk levels	(112)	109	(3)
8 <b>RWA at end of reporting period</b>	<b>2 224</b>	<b>4 081</b>	<b>6 305</b>

(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.

