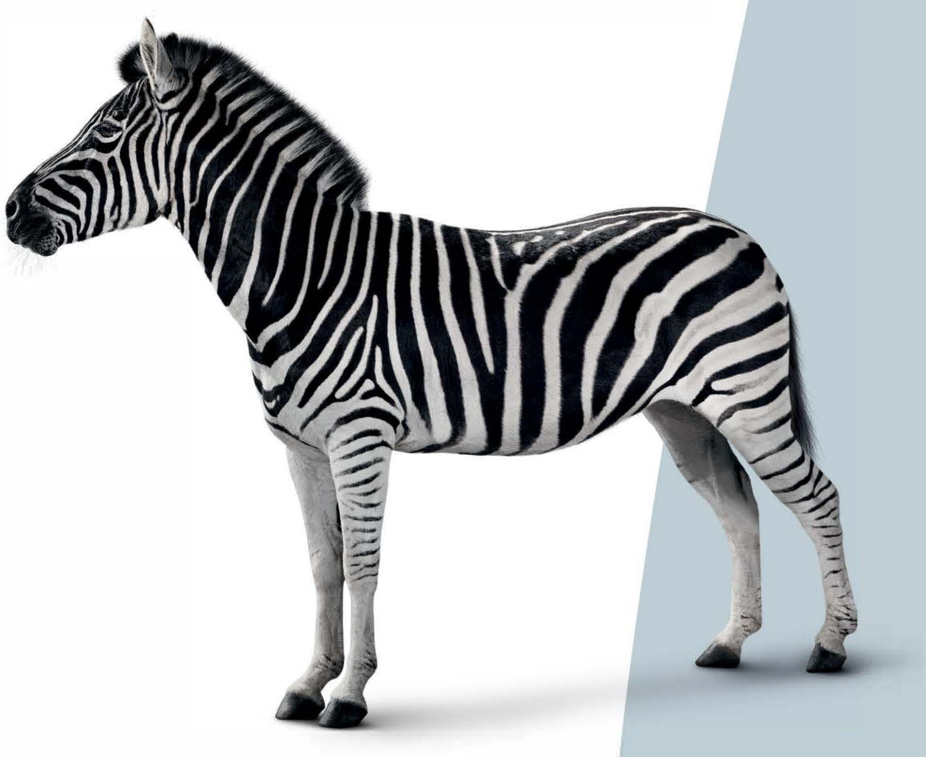
Investec

OUT OF THE ORDINARY

Possibilities and opportunities

Investec annual report 2022

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 2022 sustainability report which will be available on our website at the end of June 2022: www.investec.com

Reporting standard
Denotes our consideration of a reporting standard

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

For queries regarding information in this document:

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

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01

Operational and strategic overview

IN THIS SECTION

OVERVIEW OF THE INVESTEC GROUP 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).

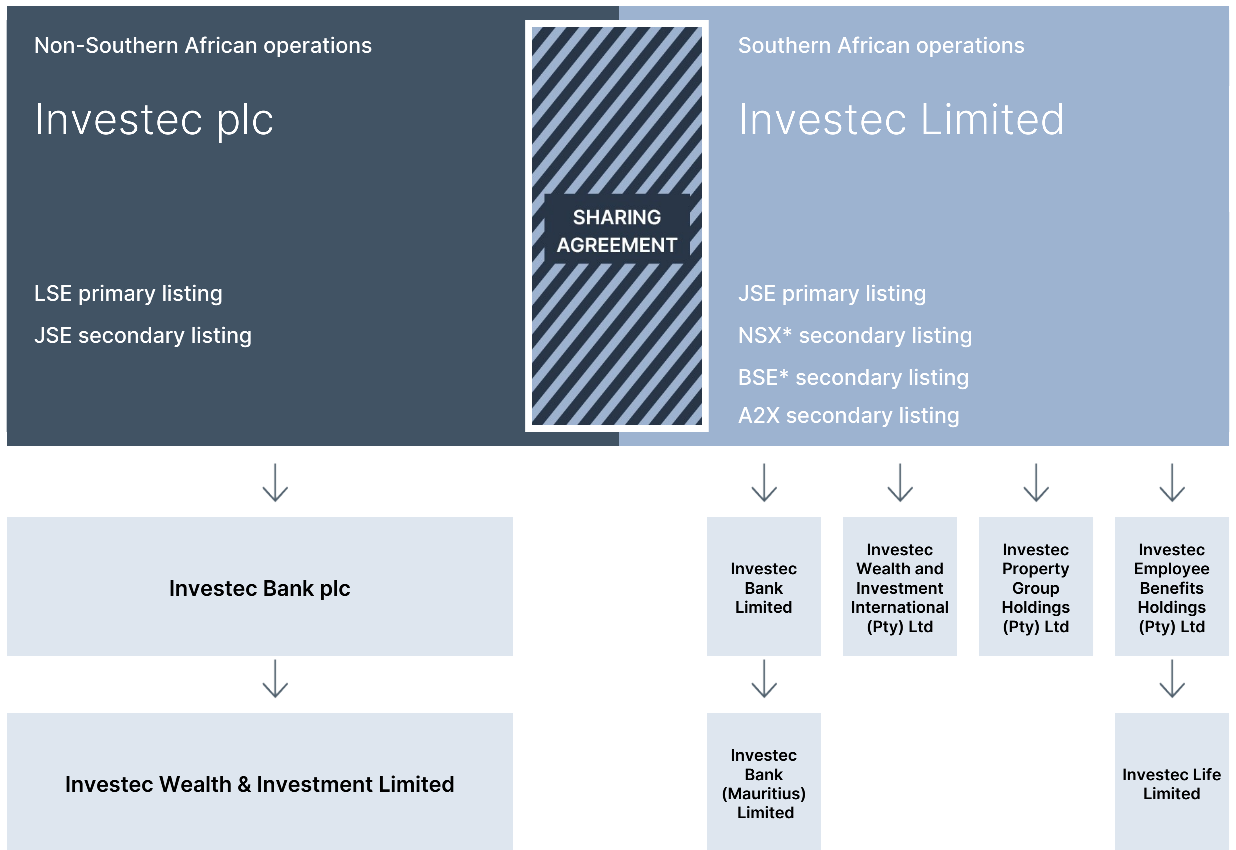
In March 2020, the Asset Management business was demerged and separately listed as Ninety One plc on the LSE and Ninety One Limited on the JSE.

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 - nine years in a row (2013 to 2021) and by Euromoney for 10 consecutive years (2013 - 2022)
- High-quality specialist banking solutions to private and corporate clients with leading positions in selected areas
- Provision of high-touch personalised service with the ability to execute quickly
- Ability to leverage international, cross-border platforms
- Well positioned to capture opportunities between the developed and the emerging world
- Strong ability to originate, manufacture and distribute
- Balanced business model with good business depth and breadth.

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

Private client banking activities

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

Corporate, investment banking and other activities

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

Investec for Business
- Import and trade finance lending
- Cash flow lending
- Asset finance.

Investment Banking and Principal Investments
- Principal investments
- Advisory
- Debt and Equity Capital Markets.

Natural linkages between the private client and corporate business

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 c.10% holding in Ninety One at 31 March 2022, 47.4% stake in the Investec Equity Partners (IEP) Group, 24.3% held in the Investec Property Fund (IPF) and unlisted equity investments. Post year end, Investec Limited's entire holding in Ninety One was distributed to shareholders.

OVERVIEW OF THE ACTIVITIES OF INVESTEC LIMITED
CONTINUED

Wealth & Investment

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

Our international investment management capabilities have sustainability at their core and extend across asset classes and funds. This, together with 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.

We manage approximately R1.2 trillion assets globally. IW&I South Africa manages approximately R364.6 billion of assets.

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

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.

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?

- Internationally recognised for excellence in wealth management by London's Financial Times nine years in a row (2013 - 2021) and by Euromoney 10 years in a row (2013 - 2022)
- 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
- 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
- Deep personal relationships and consistent engagement with our clients
- Purpose aligned to creating enduring worth, living in, not off society and extending this to our clients through our Philanthropy offering.

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, charities, pension funds and trusts.

02

INL Audit committee report

IN THIS SECTION

INVESTEC LIMITED AUDIT COMMITTEE REPORT

Zarina Bassa
Chair of the Investec Limited Audit Committee

Members	Member since	Meetings attended	Eligible to attend
Zarina Bassa (Chair)	1 Nov 2014	7	7
Philip Hourquebie[1]	14 Aug 2017	5	5
Philisiwe Sibiya	9 Aug 2019	7	7
David Friedland	5 Aug 2021	2	2

1. Philip Hourquebie stepped down as member of the Committee on 5 August 2021.

Four DLC Audit Committee meetings and three combined Investec Limited and Investec plc Audit Committee meetings were held during the year.Three audit quality meetings were held in April 2022, in respect of Ernst & Young, KPMG Inc and internal audit. Formal meetings were held to consider, discuss and conclude on internal and external audit quality.

Introduction
I am pleased to present the Investec Limited Audit Committee report for the financial year ended 31 March 2022 which provides details on how we accomplished our various statutory obligations, as well as on the Key Audit Matters (KAMs) we considered during the period. The Committee has further discharged its responsibilities and provided assurance on the integrity of the 2021/22 annual report and financial statements.

This report has been compiled in accordance with the requirements of the South African Companies Act of 71 of 2008 (South African Companies Act) (as amended), the King Report on Governance for South Africa 2016 (King IV™), the JSE Listings Requirements and any other applicable regulatory requirements.

Role of the Committee
We provide independent challenge and oversight across the Group's financial reporting and internal control procedures. The Board has delegated the following key functions to the Committee:

- Overseeing the Group's financial reporting process, ensuring the integrity thereof and satisfying itself that any significant judgements made by management are sound
- Reviewing the Group's internal controls and assurance processes
- Managing and overseeing the performance, conduct, quality and effectiveness of the Group's internal audit functions
- Reviewing of the annual work plan, capacity, scope and staffing 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 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
- Dealing with concerns, if any, from outside Investec regarding the application of accounting principles and external reporting.

Further detailed responsibilities are in the terms of reference of the Committee as available on the website www.investec.com.

Committee composition, skills, experience and operation
The Committee is comprised entirely of independent non-executive directors who meet predetermined skill, competency and experience requirements as determined by the DLC Nomdac.

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

Philip Hourquebie stepped down as a member of the Committee in August 2022, following his appointment as Chair of the Group. The DLC Nomdac and the Board reviewed and confirmed that it is satisfied that David Friedland possesses recent and relevant financial experience and is independent and subsequently appointed him as a member of the Committee. David will step down from the Board at the AGM in August 2022. In May 2022 Vanessa Olver was appointed to the Investec Limited Audit Committee on her appointment as a Non-Executive Director of Investec Limited. The DLC Nomdac and the Board have commenced a process to appoint an additional member of the Committee. The DLC Nomdac assessed the independence, skill, competency and experience of the Committee and concluded that it had the appropriate balance of knowledge and skills to discharge its duties.

Further details of the experience of the members can be found in their biographies on pages 109 to 111 of the Investec Group's 2022 integrated and strategic report.

The Group Chief Executive (Group CEO), the Group Finance Director (Group FD), the Group Chief Operating Officer (Group COO), the Group Chief Risk Officer (Group CRO), Heads of Internal Audit, the Chief Compliance Officers and representatives from the joint external auditors are invited to attend all meetings. Other members of management, including 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 get broader insight on relevant matters directly.

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

INVESTEC LIMITED AUDIT COMMITTEE REPORT
CONTINUED

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 and has responsibility for audit-related matters that are common to Investec plc and Investec Limited and works in conjunction with these two Committees to address all Group reporting.

The Investec plc Board, The Investec Limited Board, Investec Wealth & Investments Boards, 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 Investec Limited Audit Committee Chair is also the Chair of the following Audit Committees:

- Investec DLC
- Investec plc
- Investec Bank Limited
- Investec Bank Mauritius (IBM).

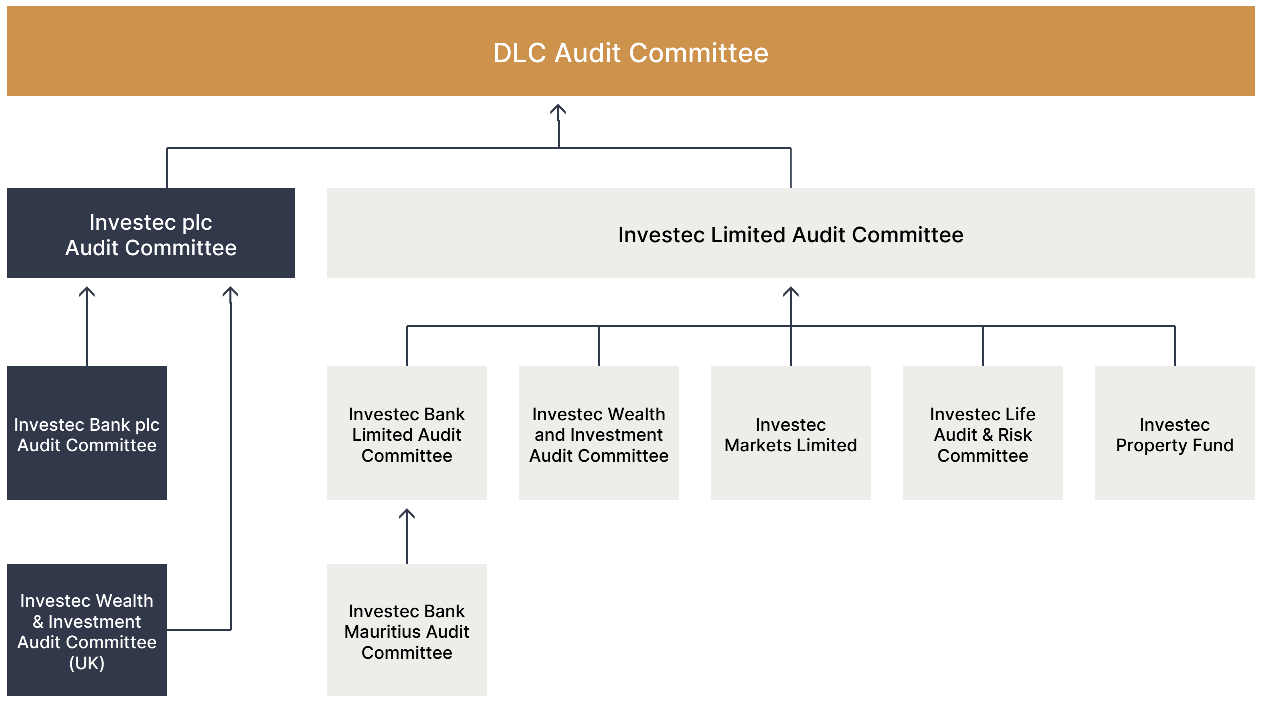
The Chair is also a member of the following Audit Committees:

- Investec Bank plc
- Investec Life
- Investec Wealth and Investments UK

The Investec Limited Audit Committee Chair attends the following Committee meetings:

- Operational Risk Committee
- DLC IT Risk and Governance Committee
- Investec Limited Customer Market and Conduct Committee
- Investec Wealth and Investments South Africa Audit Committee

Investec Limited Customer Market and Conduct Committee (Investec Limited CMCC)
The Investec Limited CMCC ensures that the best standards of market conduct, in its broadest form, are applied and monitors reports thereon. The Committee is chaired by the Head of Compliance of Investec Limited and Investec Bank Limited. The Committee reports to both the DLC BRCC and the Investec Limited Audit Committee. The Investec Limited CMCC is attended by the Investec Limited Audit Committee and the DLC BRCC Chairs.



INVESTEC LIMITED AUDIT COMMITTEE REPORT
CONTINUED

Areas covered by the Investec Limited Audit Committee

Key audit matters
Key audit matters 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 key audit matters 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
Impact of COVID-19 • COVID-19 impacted the global economy and businesses across all industries.	• Considered the known accounting and operational impact of COVID-19 on the economy and business, mitigating actions by management together with the resulting impact on the macro-economic scenarios and the judgements and estimates used by management to prepare the annual financial statements. • The areas most impacted by COVID-19 include: – Going concern, including liquidity – Expected Credit Losses (ECL) assessment (International Financial Reporting Standards (IFRS) 9 macro-economic scenarios, probabilities and staging, impact on specific sectors such as aviation, hospitality and retail) – Quality of earnings – Impact of work from home on the overall control environment and operational risk and resilience – The financial control environment.
Expected Credit Losses (ECL) assessment • The appropriateness of the allowance for ECL is highly subjective and judgemental. The impact of COVID-19 and the resultant economic impacts have resulted in additional key judgements and assumptions being made during the current year.	• Challenged the level of ECL, model methodology and assumptions applied to calculate the ECL provisions held by the Group • Evaluated the impact of ECL on the interim results and annual results • 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 • Assessed the appropriateness of the ECL model overlays raised for emerging risks for which there was insufficient data available to model the existing credit risk. Specific consideration was given to the methodology and assumptions applied to calculate the overlay. We further evaluated the appropriateness of the releases of the ECL model overlays • Assessed ECL experienced against forecasts and considered whether the level of ECL was appropriate • Evaluated the IFRS 9 disclosures for relevance and compliance with IFRS • Assessed the appropriateness of the ECL provision raised by the Group for large exposures in entities publicly perceived to be in financial distress • Reviewed the appropriateness of the ECL models and the forward-looking macro-economic scenarios applied in South Africa • Reviewed for reasonableness the benchmarking of macro-economic scenarios, ECLs, Credit Loss Ratio (CLR) and coverage ratios against relevant South African peers • Considered the impact of easing of restrictions and levels of lockdown on impacted sectors and the consequent impact on ECL and overlays.

INVESTEC LIMITED AUDIT COMMITTEE REPORT
CONTINUED

Key audit matters	What we did
Fair value of level 3 instruments and the resulting IFRS 13 Fair Value Measurement (IFRS 13) disclosure • For level 3 instruments such as unlisted investments in private equity businesses, investment properties, fair value loans and large bespoke derivative structures, there is a large degree of subjectivity surrounding the inputs to the valuations. With the lack of observable liquid market inputs, determining appropriate valuations continues to be highly judgemental.	• Received presentations on the material investments across the Group, including an analysis of the key judgements and assumptions applied, and approved the valuation adjustments proposed by management for the year ended 31 March 2022 • Challenged and debated significant subjective exposures and assumptions including: – The valuation principles applied for the valuation of level 3 investments (unlisted and private equity investments) and fair value loans. Particular focus was given to the impact of COVID-19 on these valuation principles – Fair value of instruments with higher characteristics and associated income – The appropriateness of the IFRS 13 disclosures regarding fair value.
Uncertain tax and other legal matters • Considered potential legal and uncertain tax matters with a view to ensuring appropriate accounting treatment in the financial statements.	• Received regular updates from the Group Executive, Group Tax, Group Finance and Group legal on uncertain tax and legal matters to enable the Audit 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 • Considered Post Balance Sheet Events (PBSE) considerations, including external developments on disclosures of uncertain tax matters.
Investments in associates • Evaluated the appropriateness of the carrying amount of investments in associates	• Reviewed the technical accounting memorandum prepared by Investec Group Finance regarding the accounting treatment of material investments of the Investec Group. The memorandum addressed the carrying value of the investments and management's impairment assessment. This included an analysis of the key judgements and assumptions applied • Evaluated the appropriateness of the accounting and disclosure relating to significant judgements and estimates, valuation methods and assumptions applied • Evaluated the appropriateness of the valuation and accounting treatment of the investment in Ninety One at Investec Limited level • Assessed the appropriateness of the overall accounting treatment of investments transferred between entities within the Group.
Going concern	• Considered reports on Investec 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 Investec Limited to continue as a going concern • Recommended the approval of the going concern assumption underlying the annual financial statements to the Investec Limited and DLC Board for approval.
Cyber, IT Security, IT systems and controls impacting financial reporting	• Received and reviewed reports in respect of IT security, cyber security, IT systems 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, IT strategy and operations through the Audit Committee Chair's attendance of the DLC IT Risk and Governance Committee.

INVESTEC LIMITED AUDIT COMMITTEE REPORT
CONTINUED

Key audit matters	What we did
External Audit, Audit Quality and Mandatory Audit Firm Rotation (MAFR)	• Managed the relationship with the external auditors, Ernst & Young Inc. and KPMG Inc., including their re-appointment • Monitored the rotation in lead Ernst & Young audit partners at an Investec Limited, Investec Bank Limited, Investec Life and Private Bank level. Considered the credentials of and approved the KPMG Inc. partner to be rotated in during 2023 in respect of Investec Bank Limited and Investec Limited • Approved the External Audit plan, audit fee and the main areas of focus • Considered the external auditors report on the progress of the review engagement being performed on the interim results. Reviewed the results announcements for both interim and final results • Met with key members of Ernst & Young Inc. and KPMG Inc. prior to every Audit Committee meeting to discuss the 2021/22 audit plan, key areas of focus, findings, scope and conclusions • Pre-approved all non-audit services provided by External Audit and confirmed the services to be within the approved non-audit services policy • Met separately with the leadership of Ernst & Young Inc., and KPMG Inc. to discuss JSE auditor accreditation, independence, firm quality control, results of internal and external regulator inspections of the firm and individual partners • Discussed External Audit feedback on the Group's critical accounting estimates and judgements • Assessed the independence and objectivity of the external auditors • Noted the unqualified independent auditor's report in relation to the Group • 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 2022 • Recommended to the Board the re-appointment of Ernst & Young Inc. and KPMG Inc. as the External Auditors of Investec Limited for the year ending 31 March 2023 • Considered the commencement of the shadow audit process by PwC Inc. for the audit of Investec Limited starting during the 2023 financial year • Concluded the comprehensive competitive tender process for the rotation for the first joint audit firm for Investec Limited which will take place on 1 April 2023 by PwC Inc. The second audit firm will be appointed to commence the audit for the financial year starting 1 April 2025, in accordance with the MAFR rules as published by the Independent Regulatory Board for Auditors (IRBA). The tender process to appoint the second firm for the audit starting 1 April 2025 will commence during the 2023 financial year. The first rotation will commence on 1 April 2023 by PwC Inc. after the one-year shadow period commencing 1 April 2022 • Obtained feedback from the cross-reviews performed between the joint firms at an Investec Limited level. Furthermore KPMG International conducted a cross-review of KPMG South Africa • Monitored audit quality and audit partner accreditation as specified by the JSE. In line with the conditions set out in Section 94(8) of the Companies Act and based on its assessment using the criteria set out by the King IV™ Code and the JSE Listings Requirements, the Investec Limited Audit Committee confirms its satisfaction with the performance and quality of external audit, the external auditors and lead partners.

INVESTEC LIMITED AUDIT COMMITTEE REPORT
CONTINUED

Other matters considered by the Committee:

The Committee considered the following matters during the year:

Other matters	What we did
Regulatory compliance and reporting	• Received regular reports from the Group Regulatory Compliance function 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 regulatory compliance universe, 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.
Post balance sheet disclosure	• Considered any post balance sheet disclosures that may require the AFS to be adjusted or require additional disclosure including in respect of the distribution of Ninety One shares • Reviewed and approved the publication of a no-change statement.
Environmental, Social and Governance (ESG)	• Reviewed ESG reporting and disclosures • Considered the level of external assurance obtained on ESG reporting and disclosures • Considered the Task Force for Climate Related Disclosures (TFCD) reporting requirements.
Internal controls • The effectiveness of the overall control environment, the status of any material control issues with emphasis on the progress of specific remediation plans.	• Attended regular meetings of the DLC BRCC. Based on reports presented at the DLC BRCC, 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 • Evaluated the impact of work 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 • 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 • Attended and reviewed the reports of the Investec Limited Customer Market and Conduct Committee • Evaluated reports on cyber security within the Group • Reviewed the work performed by Group Finance to support the control attestation made by the Chief Executive and CFO as required by the JSE Listings Requirements 3.84(k) that supports the effectiveness of the internal control environment and the combined assurance matrix.

INVESTEC LIMITED AUDIT COMMITTEE REPORT
CONTINUED

Other matters	What we did
Fair, balanced and understandable reporting • 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.	• 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 • 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 Audit Committee by the JSE through its Pro-active Monitoring Process of the AFS of listed companies. Ensured these were appropriately considered in the AFS • Considered feedback from Group Finance in respect of a project launched to amend the annual integrated report 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 2022 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 below • Reviewed the process put in place to provide assurance on the Chief Executive and Chief Financial Officer attestation.
Combined assurance matrix	• Confirmed our satisfaction with the appropriateness of the design and effectiveness of the combined assurance model applied which incorporates the various disciplines of Risk Management, Operational Risk, Legal, Regulatory Compliance, Internal Audit, External Audit and other assurance providers • Confirmed our satisfaction with the levels of assurance and mitigants so that, taken as a whole, there is sufficient and appropriate assurance regarding mitigants for the key risks • Reviewed the results of the Combined Assurance Matrix (CAM) coverage plan at the year-end to assess the results of actual coverage and conclusions relative to planned coverage for the year. Concluded that the CAM formed an appropriate basis for assurance coverage and outcomes • 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 • Reviewed the work performed by Group Finance to support the control attestation made by the Chief Executive and CFO as required by the JSE Listings Requirements 3.84(k) that supports the effectiveness of the internal control environment and the combined assurance matrix.

INVESTEC LIMITED AUDIT COMMITTEE REPORT
CONTINUED

Other matters	What we did
Business control environment • The effectiveness of the control environment in each individual business, including the status of any material control issues and the progress of specific remediation plans.	• Received regular reports from the subsidiary audit committees • Attended the audit committees 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 Investec Limited Audit Committee by key subsidiaries and associates and considered regular reports from such entities, for example Investec Life, Investec Bank Mauritius, IEP and Investec Property Fund.
Finance function	• Considered a report from Group Finance on the interim results for the period ended 30 September 2021 and final results for the 31 March 2022 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 • Reviewed the work performed by Group Finance to support the control attestation made by the Chief Executive and the FD as required by the JSE Listings Requirements 3.84(k). Considered the reports from internal audit on the effectiveness of the internal control environment and the combined assurance matrix in concluding on the attestation.
IFRS	• Reviewed various accounting papers prepared by Group Finance addressing subjective accounting treatment and significant accounting judgements • The Audit 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 • Concluded on the reasonableness of the significant accounting judgements • 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.
Related party disclosures	• Considered and reviewed related party disclosures for the Group • DLC Nomdac reviewed key related party transactions during the year and ensured Investec related party policies are being complied with. This was supported by a governance audit carried out by internal audit.

INVESTEC LIMITED AUDIT COMMITTEE REPORT
CONTINUED

Other matters	What we did
Internal audit • The performance of Internal Audit and delivery of the Internal Audit plan, including scope of work performed, the level of resources, the risk assessment methodology and coverage of the Internal Audit plan • The Committee is responsible for assessing audit quality and the effectiveness of the Internal Audit function.	• Scrutinised and reviewed Internal Audit plans, risk assessments, methodology and staffing, and approved the annual plan • Deliberated on and approved the revised Group Internal Audit charter • Monitored delivery of the agreed audit plans, including assessing Internal Audit resources, Continued Professional Development (CPD), succession, core skills developments 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 heads of Internal Audit prior to each Audit Committee meeting, without management being present, to discuss the remit 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 separate convened Audit Committee to consider audit quality • Confirmed our satisfaction with the performance of the Internal Audit function • 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 • 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) • Discussed and considered the engagement quality assurance programme. 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 inform any training interventions required within the team. The results are consolidated and presented to the Audit Committee on an annual basis • Internal Audit developed automated test scripts, allowing for more frequent testing of controls covering the full population. This full population testing will provide greater coverage than the current traditional audit methodology which calls for a sample testing approach. Reviewed and considered the implications of this approach on the audit for the Group • Held a closed session with Internal Audit where the capacity, appropriate skill, independence and quality of the internal audit function was assessed • Considered succession and the skills matrix for Internal Audit.

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 audit fees paid for the year ended 31 March 2022 amounted to R128 million (2021: R117 million), of which R9 million (2021: R4million) related to the provision of non-audit services. The non-audit services related to services required to be provided by the external auditor, for example, regulatory audits. Non-audit fees were pre-approved by the Chair of the Committee prior to every assignment. The Committee further required the policy to be applied to any external services provided by PwC Inc. to ensure the independence of the firm prior to its appointment as external auditor for the financial year starting 1 April 2023.

Based on the above-mentioned policy and reviews, 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., KPMG Inc. and PwC Inc.

Audit quality, interdependencies and partner accreditation
The Committee held a closed meeting with the external auditors to discuss auditor accreditation, independence, firm quality control and results of internal and external regulator inspections of the firms and individual partners.

The closed meetings in respect of audit quality took place between the Committee and Ernst & Young Inc. and the Committee and KPMG Inc. for the current year.

The following matters were covered during these discussions:

- Transparency reports and reviews by each of the firms covering their client base, client acceptance and continuance processes, and the approach to clients, if any, that did not meet the client continuance criteria
- Any reputational, legal or impending legal issues impacting the firm, including the implications of publicly observable information from regulatory investigations or the media
- The independence processes of the firm, including partner reward and remuneration criteria
- Interrogation of international and local firm audit quality control processes
- Detailed profiles of the partners, managers and technical support staff, including their relevant audit experience and specific Investec experience, especially where partner rotation were envisaged
- Details in relation to each firm's respective succession plans in order to provide assurance as to the partner rotation, transition and continuity process
- The results of the last firm-wide reviews carried out by the regulatory body, the IRBA in South Africa
- The results of the latest individual partner quality reviews carried out by the regulator and internal firm-wide quality control reviews carried out in respect of each partner.

Auditor independence and objectivity

- The Committee considers the independence of the external auditors on an ongoing basis
- The external auditors have 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 external auditors and 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
- Gail Moshoeshoe stepped down as lead Ernst & Young Inc. engagement partner for Investec Limited. Ranesh Hariparsad replaced Gail from 1 April 2021
- Tracy Middlemiss will step down as lead KPMG Inc. engagement partner for Investec Limited after the March 2022 audit. A new designated lead audit partner has been appointed for the financial year ending 31 March 2023 pending PA approval.

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 extent of audit cross-reviews, both between the joint auditors of Investec Limited and the additional reviews by KPMG International
- The additional cross-reviews by the Investec Limited auditors across the Group supported by partner rotation
- Limitations on delivering non-audit services, including pre-approval on non-audit work
- The confirmation of the independence of the firms and auditors involved
- Formal audit quality process undertaken by the Committee.

Audit quality and independence
The Committee treated audit quality and independence as a Key Audit Matter (KAM) and accordingly critically evaluated audit quality, effectiveness, independence and audit rotation requirements. 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 reports were received and evaluated.

Mandatory Audit Firm Rotation (MAFR)

In terms of the South African Banks Act, Investec Limited is required to appoint joint auditors. The rule on MAFR as issued by the IRBA requires that an audit firm shall not serve as the appointed auditor of a public interest entity for more than 10 consecutive financial years. Thereafter, the audit firm will only be eligible for re-appointment as the auditor after the expiry of at least five financial years. The requirement is effective for financial years commencing on or after 1 April 2023. If, at the effective date, the entity has appointed joint auditors and both have had audit tenure of 10 years or more, then only one audit firm is required to rotate at the effective date and the remaining audit firm will be granted an additional two years before rotation is required.

The Investec Limited Audit Committee considered the implications of the MAFR rule as issued by IRBA, the requirements of the South African Companies Act and the state of the audit profession in South Africa including reputational or apparent audit failure perceptions. The views expressed by shareholders have been a key consideration balanced with the implications of having joint auditors and the risks inherent in an audit transition. Based on this assessment, following a comprehensive tender process PwC Inc. was nominated as one of the new joint external auditors for the financial year starting 1 April 2023.

The appointment of PwC Inc. in a shadow capacity for the 2022 financial year will be recommended to ordinary shareholders at the AGM to be held in August 2022. A formal transition process will commence during 2022, whereby PwC Inc. will shadow the full audit cycle performed by the incumbent joint external auditors. The purpose of the shadow period is for PwC Inc. to obtain sufficient information about the Group, the financial control environment and the audit process to ensure a smooth

INVESTEC LIMITED AUDIT COMMITTEE REPORT
CONTINUED

transition as external auditor in the following year i.e for the audit commencing 1 April 2023. Non-audit services provided by PwC Inc. will be reviewed and considered in advance of their appointment as External Auditors to ensure their continued independence.

A competitive tender process for the second rotation will commence during 2022, with the second incoming audit firm to perform the first audit for the financial year starting 1 April 2025, in accordance with the MAFR rules as published by the IRBA. The timing of the tender process was extended from 2021 to 2022 to provide the Committee with additional time to consider developments in respect of matters raised during the initial tender process and to give the Audit Committee time to assess how potential firms deal with actual or perceived audit quality challenges reflected in the media or IRBA rankings. The Committee believe that the new timing will still allow for sufficient opportunity to facilitate a comprehensive shadow audit process.

Re-election of auditors
The Committee has considered the following in proposing the appointment of 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
- 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.

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™ Code and the JSE, and considering the guidance provided in the FRC guide on audit committees, the Investec Limited Audit Committee confirms its satisfaction with the performance and quality of External Audit, the external auditors and lead partners.

In making the recommendation for the re-election of Investec Limited's auditors, the Board and the Investec Limited Audit Committee have taken into consideration the South African Companies Act and the South African PA requirements with respect to joint auditors and MAFR 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 re-election of KPMG Inc. and Ernst & Young Inc. as joint auditors of Investec Limited at the AGM in August 2022 for the financial year ending 2023. The Board and the Committee will be recommending PwC Inc. to replace KPMG Inc. as joint auditor for the financial year ending 31 March 2024. A second firm to replace Ernst & Young Inc for the year ending 31 March 2025 will be considered during 2022/2023 in line with IRBA MAFR requirements.

Looking ahead
The role of the Committee will remain focused on:

- Ensuring 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, legislation and other regulations impacting disclosure requirements
- The appointment of the second external audit firm as part of MAFR in South Africa
- The appointment of an external audit firm in the UK as part of the audit rotation cycle
- The implications of ESG risk in measuring the sustainability and societal impact of an investment in a company or business together with ESG accounting disclosures and assurance processes
- Monitoring the impact of COVID-19, on the economy and the consequent impact on financial systems and reporting, including viability, results of operations and financial position of Investec Limited
- Continuing to exercise oversight over subsidiary audit committees, including in remote locations
- Monitoring the implementation of the amended JSE Listings Requirements, including the effectiveness of internal financial controls.

Zarina Bassa
Chair, Investec Limited Audit Committee
22 June 2022

03

Annual financial statements

IN THIS SECTION

DIRECTORS' REPORT

The directors' report for the year ended 31 March 2022 comprises pages 19 to 24 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 1 to 105 of the Investec Group's 2022 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 4 to 92 of the Investec Group's 2022 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 28 to 35 of the Investec Group's 2022 integrated and strategic report.

For information on the corporate governance to the Investec Group, refer to our corporate governance sections of the Investec Group's 2022 integrated and strategic report and the Investec Group's 2022 risk and governance report.

Directors

The director's biographies are provided on pages 109 to 111 of the Investec Group's 2022 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		
Charles Jacobs	Non-Executive Director	30 June 2021
Lord Malloch-Brown	Non-Executive Director	5 August 2021
Perry Crosthwaite	Chair	5 August 2021
Appointments		
Nicky Newton-King	Non-Executive Director	21 May 2021
Jasandra Nyker	Non-Executive Director	21 May 2021
Brian Stevenson	Non-Executive Director	22 June 2021
Vanessa Olver	Non-Executive Director	18 May 2022

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™ Code, 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 113 of the Investec Group's 2022 integrated and strategic report.

Debt Officer

Laurence Adams currently serves as the Debt Officer of Investec Limited with effect from 27 November 2020.
In compliance with the JSE 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 2022 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 in writing 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 legal action brought against its directors.

Directors remuneration

Details of directors remuneration are detailed in the Investec Group's 2022 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 the other 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 the 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 2021 AGM. Shareholders will be asked to renew this authority at the 2022 AGM.

Contracts

Details of contracts with directors can be found on pages 18 to 19 of the Investec Group's 2022 remuneration report.

Authorised and issued share capital

Details of the share capital are set out on page 102 of the Investec Limited 2022 annual financial statements in note 43.

Investec Limited repurchased 8 496 839 of its ordinary shares during the financial year ended 31 March 2022 representing 2.66% of the issued share capital. The ordinary shares remaining in issue following these repurchases amounts to 310 407 870.

Investec Limited repurchased 1 537 823 non-redeemable non-cumulative non-participating preference shares, representing 5% of the issued share capital. Repurchases of the preference shares were pursuant to, and in accordance with, the general authority granted to Investec Limited by its shareholders at the AGM held on 5 August 2021 and approved by the South African Prudential Authority. The preference shares remaining in issue following these repurchases amounts to 29 218 638 shares.

At 31 March 2022, Investec Limited held 52 277 446 shares in treasury (2021: 48 832 795). The maximum number of shares held in treasury by Investec Limited during the period under review was 54 427 984 shares.

Ordinary dividends

An interim dividend of 230 cents per ordinary share (2020: 112 cents) was declared to shareholders registered on 10 December 2021 and was paid on 22 December 2021.

The directors have proposed a final dividend to shareholders registered on 22 July 2022, of 279 cents (2021: 150 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 4 August 2022, if approved, this will be paid on 8 August 2022.

Preference dividends

Non-redeemable, non-cumulative, non-participating preference shares
Preference dividend number 34 for the period 1 April 2021 to 30 September 2021, amounting to 272.94074 cents per share, was declared to shareholders holding preference shares registered on 10 December 2021 and paid on 13 December 2021.

Preference dividend number 35 for the period 1 October 2021 to 31 March 2022, amounting to 282.26249 cents per share, was declared to shareholders holding preference shares registered on 10 June 2022 and paid on 13 June 2022.

Redeemable cumulative preference shares
Dividends amounting to R15 388 595 (2021: R17 448 522) were paid on the redeemable cumulative preference shares.

Going concern

In adopting the going concern basis for preparing the consolidated 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 5 to 14, pages 17 to 21, pages 24 to 42 and pages 79 to 91 of the Investec Group's 2022 integrated and strategic annual report. The directors have performed a robust assessment of the 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, have adequate resources to continue in operational existence for the 12 months from the date the financial statements are authorised for issue. Therefore, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the accompanying consolidated 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 Banks Act, to the DLC SEC.

Further details of the role, responsibilities, membership and activities of the DLC SEC are set out on pages 97 and 98 of the Investec Group's 2022 risk and governance report.

Sustainability report

For information on our approach to social, environmental and ethical matters, refer to the Investec Group's 2022 sustainability report.

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 95 and 96 of the Investec Group's 2022 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 pages 4 to 6 of the Investec Group's 2022 remuneration report.

DIRECTORS' REPORT
CONTINUED

Audit Committee

The Audit Committee, comprising of independent Non-Executive Directors, meet regularly with senior management, the external auditors, operational 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 7 to 17 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 auditor is 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 auditor is aware of that information.

Ernst & Young Inc., and KPMG Inc. have indicated their willingness to continue in office as joint auditors of Investec Limited.

The Board having satisfied itself as to their independence and effectiveness, has proposed a resolution to re-appoint them as auditors at the AGM scheduled to take place on 4 August 2022.

Following a comprehensive tender process, PricewaterhouseCoopers (PwC) Inc. was nominated as one of the new joint external auditors for Investec Limited for the financial year starting 1 April 2023. A formal transition process will commence during 2022, whereby PwC Inc. will observe the full audit cycle performed by the incumbent joint external auditors. The formal shadow period will commence from 1 April 2022 for the year ending 31 March 2023.

Major shareholders

The largest shareholders of Investec Limited are reflected on page 147.

Special resolutions

At the AGM held on 5 August 2021, 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

At the AGM on 5 August 2021, resolution 15 (approval of the DLC directors' remuneration report for the year ended 31 March 2021), resolution 23 (re-appointment of Ernst & Young Inc. as joint auditors of Investec Limited), resolution 24 (re-appointment of KPMG Inc. as joint auditors of Investec Limited) and resolution 38 (political donations), passed with a less than 80% majority.

The Board recognises that effective communication is integral to building stakeholder value and is committed to providing meaningful, transparent, timely and accurate financial and non-financial information to our stakeholders.
In addition to formal, written communication, executive management and Non-Executive Board members continue to engage with our shareholders on a regular basis.

Commenting on the less than 80% vote received for the Group's remuneration report
We consulted with shareholders in early 2021 to obtain their input on our new three year remuneration policy. We further engaged with shareholders during July 2021 to discuss the Investec Group's final remuneration policy and the 2021 remuneration outcomes. The Board was pleased to receive strong support for the new Investec Group's remuneration policy, at 86.17%. We anticipate that the material increase in support for our new remuneration policy at the AGM will translate into an increased level of votes in favour of our future remuneration reports.

We will continue with the annual programme of engagement with our shareholders with a view to ensuring that future remuneration policies and resultant outcomes are reflective of business performance and the experience of our stakeholders while balancing this with an increasingly competitive labour market.

Refer to pages 12 to 20 of the Investec Group's 2022 remuneration report for a summary of the revised remuneration policy.

Commenting on the less than 80% vote received for the re-appointments of Ernst & Young Inc. and KPMG Inc. as joint auditors of Investec Limited
As required by the South African Prudential Authority, Investec Limited has to appoint joint external auditors. Ernst & Young Inc. and KPMG Inc. are the current joint auditors of Investec Limited.

The Investec Limited Audit Committee considered the implications of the MAFR rule as issued by the IRBA, the requirements of the South African Companies Act No. 71 of 2008, as amended, and the state of the audit profession in South Africa including reputational or apparent audit failure perceptions. The views expressed by shareholders have been a key consideration balanced with the implications of having joint auditors and the risks inherent to an audit transition.

Based on this assessment, following a comprehensive tender process PwC Inc. was nominated as one of the new joint external auditors of Investec Limited for the financial year starting 1 April 2023. It is intended that PwC Inc. will replace KPMG Inc. as one of the joint external auditors of Investec Limited.

The appointment of PwC Inc. in a shadow capacity, for the 2022 financial year, will be recommended to shareholders at the AGM to be held in August 2022. A formal transition process will commence during 2022, whereby PwC Inc. will shadow the full audit cycle performed by the incumbent joint external auditors.

A competitive tender process for the second rotation will commence during the 2023 financial year, to appoint the second incoming audit firm to perform the audit for the financial year starting 1 April 2025, in accordance with the MAFR rules as published by the IRBA. It is intended that the second incoming joint audit firm will replace Ernst & Young Inc. as one of the joint external auditors of Investec Limited.

DIRECTORS' REPORT
CONTINUED

Refer to pages 16 and 17 of this report for further details with regard to the Investec Limited Audit Committee's review of the external auditors, and the MAFR process.

Commenting on the less than 80% vote received for authority to make political donations and to incur political expenditure

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 2006 (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.

Diversity and employees

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

Further information is provided in the Investec Group's 2022 sustainability report.

Empowerment and transformation

Investec Limited endeavours to prevent and/or eliminate any form of discrimination based on gender, race, ethnicity, religion, age, disability, nationality or sexual preferences. People with disabilities are an essential part of a diverse talent pool and are always considered, with every effort made to accommodate and facilitate an accessible environment. In the event of employees becoming disabled while in our employ, we are committed to ensuring their continued employment to the extent that this is possible. We have various processes to encourage debate and dialogue around valuing diversity and differences. Emerging and established leaders are invited to participate in discussions with the executive leadership around all issues related to talent management and diversity.

Political donations and expenditure

Investec Limited did not make any political donations in the financial year ended 31 March 2022 (2021: Nil).

Subsidiary and associated companies

Details of principal subsidiary and associated companies are reflected on pages 137 to 142 of the Investec Group's 2022 annual financial statements.

Significant transactions

On 31 August 2021, Investec Limited acquired Investec Bank Limited's 47.4% stake in Investec Equity Partners (IEP) for R5.2 billion, and its 21.87% holding in Investec Property Fund (IPF) for R2.7 billion. R1.5 billion of the IPF purchase price was funded by Investec Bank Limited providing interest bearing debt to Investec Limited while R3.4 billion of the IEP purchase price was funded by Investec Limited issuing redeemable preference shares to Investec Bank Limited. Investec Limited pledged the IPF shares to Investec Bank Limited as security for the debt, and its investment in Investec Investments (Pty) Limited as security for the preference shares. This was in line with Section 46 of the Income Tax Act, Investec Limited's capital optimisation strategy and to ensure Investec Limited's balance sheet only reflects non-banking assets. Refer to note 27 and 30.

Events after the reporting date

On 31 May 2022, Investec Limited distributed its entire shareholding of 91.8 million Ninety One shares. The total value of the distribution was R4.1 billion. Investec Limited will have no shareholding in Ninety One post the distribution.

The distribution was classified as a non-adjusting event after the reporting date as defined by IAS 10 Events after the Reporting Period.

Signed on behalf of the Board of Investec Limited

Philip Hourquebie
Chair
22 June 2022

Fani Titi
Chief Executive
22 June 2022

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Group and Company annual financial statements 2022

DIRECTORS' REPORT
CONTINUED

Directors' responsibilities

The following statement, which should be read in conjunction with the auditor's report set out on pages 25 to 32, 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).

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, 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; and
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company and/or Investec Limited 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 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 that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Investec website.

Directors' responsibility statement

The directors, whose names and functions are set out on pages 109 to 111 of the Investec Group's 2022 integrated and strategic annual report confirm to the best of their knowledge that:

- That the consolidated financial statements, prepared in accordance with IFRS, 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;
- That the annual report, including the strategic report (as contained in the Investec Group's 2022 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; and
- That 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 and Group Finance Director responsibility statement

The directors, whose names are stated below, hereby confirm that:

- The annual financial statements set out on pages 33 to 145, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of International Financial Reporting Standards (IFRS)
- 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; and
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements. We have fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the Audit Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors and have taken the necessary remedial action.

Fani Titi
Chief Executive
22 June 2022

Nishlan Samujh
Group Finance Director
22 June 2022

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 2022.

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 125 to 133 of the Investec Group's 2022 integrated and strategic annual report and pages 33 to 145 of this report, were approved by the Board of Directors on 22 June 2022.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the companies' website.

Signed on behalf of the Board of Investec Limited

Philip Hourquebie
Chair
22 June 2022

Fani Titi
Chief Executive
22 June 2022

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 2022, 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
22 June 2022

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INVESTEC LIMITED

To the Shareholders of Investec Limited

Report on the Audit of the Consolidated Financial Statements
Opinion
We have audited the consolidated financial statements of Investec Limited and its subsidiaries (the Group), which comprise the balance sheet at 31 March 2022, and the income statement, statement of total comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, accounting policies and the notes to the financial statements as set out on pages 33 to 138.

In our opinion the consolidated financial statements of Investec Limited and its subsidiaries for the year ended 31 March 2022 are prepared, in all material respects, in accordance with the basis of preparation described in the accounting policies to the consolidated financial statements.

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

Emphasis of Matter – Basis of Accounting
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. For each matter below, our description of how our audit addressed the matter is provided in that context.

- Adequacy of the provision for expected credit losses on loans and advances to customers; and
- Valuation of fair value instruments with higher risk characteristics and associated income.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INVESTEC LIMITED
CONTINUED

KEY AUDIT MATTER	OUR AUDIT RESPONSE TO THE KEY AUDIT MATTER
Adequacy of the provision for expected credit losses on loans and advances to customers Refer to the accounting policy on Financial instruments (page 43); Note 28 (page 87) and Note 60 (page 119) of the Consolidated Financial Statements. The determination of the allowance for expected credit losses is highly subjective. The subjectivity related with the path to recovery from COVID-19 as well as the impact of increasing social and geopolitical factors were considered in our risk assessment. At the year-end the group reported total gross loans and advances to customers subject to expected credit losses ("ECL") of R292 321 million; expected credit losses on loans and advances to customers on amortised cost of R2 668 million; and expected credit loss impairment charges of R6 million. Given the subjective nature of the calculation of ECL there is a heightened risk that the provisions could be misstated. We focused on the following: • Staging/assessment of significant increase in credit risk: Allocation of assets recognised in stages 1, 2 and 3, including the triggers for an asset moving between stages; • Multiple economic scenarios: The appropriateness of the economic scenarios determined by management, the probability weights assigned to each, and the inputs and assumptions used to estimate their impact; • ECL models: The assumptions used in the models to calculate ECL, including: – the accounting interpretations, modelling assumptions and data used in the Probability of Default ('PD'), Loss Given Default ('LGD') and Exposure at Default ('EAD') models; – Key model assumptions and techniques, including in-model adjustments. • Post model adjustments: Adequacy and completeness of post model adjustments ('overlays'), including those in relation to the effect of COVID-19 and macro factors relating to the increasing social and geopolitical factors; • Individually assessed provisions: Individually assessed provisions where the measurement of the provision is dependent on the valuation of collateral, estimates of exit value, timing of cash flows, the recovery strategies and discount rates.	To address the risks, we performed the following key procedures: Staging/assessment of significant increase in credit risk We assessed the design and tested the operating effectiveness of key controls focusing on the following: • assessment and approval of a significant increase or reduction in credit risk and monitoring of assets in each stage; • assessment of manual overrides to staging outcomes; and • data accuracy and completeness. We also analysed a sample of the assets in stages 1, 2 and 3 to evaluate whether they were included in the appropriate stage. Multiple economic scenarios We assessed the design and tested operating effectiveness of key controls focusing on the following: • generation and approval of the base case scenario, the methodology and output of alternative scenarios, including the probability weights assigned; • production and approval of models used to calculate the ECL impact of the scenarios; and • governance processes that the group have put in place to review and approve the economic scenarios. We involved our economists to assist us to assess the base case and alternative scenarios generated, including the probability weights applied to each scenario. This included independent analysis on management's economic forecasts, which incorporated the use of third-party data. This assessment included developments related to COVID-19 and the social and geopolitical factors at 31 March 2022. We involved our modelling specialists to assess the correlation of the forecast macroeconomic factors to the ECL and to test the scalars applied to the ECL that were calculated based on the scenarios. ECL models We assessed the design and tested the operating effectiveness of key controls, focusing on model governance, including the design, build, testing, review, and approval of relevant models. As part of this we assessed the accounting interpretations made for compliance with IFRS 9, Financial Instruments. We involved modelling specialists to test assumptions used in the significant ECL models including in-model adjustments. This included performing an assessment of: • the model design documentation against accepted industry principles; • the appropriateness of the methodology, considering alternative techniques including the in-model adjustments; and • the programming code to review its consistency with the design documentation. We also tested a sample of the reporting date data used in the models by tracing back to the source systems.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INVESTEC LIMITED
CONTINUED

KEY AUDIT MATTER	OUR AUDIT RESPONSE TO THE KEY AUDIT MATTER
Adequacy of the provision for expected credit losses on loans and advances to customers (continued)	Post model adjustments We have assessed the reasonableness of management's assumptions against independent sources for the overlay in relation to emerging risks identified for certain categories of borrowers within the commercial real estate and mortgage portfolios. We further assessed the adjustment made by management by considering the data, judgements, methodology and quantification of these adjustments with our modelling specialists. Individually assessed provisions We selected a sample of loans to recalculate the ECL with the involvement of our valuation specialists, where appropriate. Our sample considered high-risk sectors including retail, hotel and leisure properties, and transport including aviation. For each sample selected we formed an independent view of collateral or exit values, cash flow assumptions and exit strategies. We also considered management's potential alternative scenarios and the probability weights assigned. We assessed the discount rate used, re-performed the discounted cash flow calculations and compared our measurement outcomes to those prepared by management, investigating any differences arising. Disclosures We evaluated the adequacy of disclosures in the financial statements including the assumptions and sensitivities disclosed. We tested the data and calculations supporting the disclosures. Overall stand-back assessment We performed a stand-back assessment of the ECL provisions 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 COVID-19 pandemic, climate change and geopolitical factors. 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	OUR AUDIT RESPONSE TO THE KEY AUDIT MATTER
Valuation of fair value instruments with higher risk characteristics and associated income Refer to the accounting policy on Fair value measurement (page 43); and Note 16 of the Consolidated Financial Statements (page 73). As at 31 March 2022, the group held financial instruments with higher risk characteristics whose values are dependent upon management's significant judgement. This included fair value level 3 assets of R11 735 million. There are also interests in associated undertakings and joint venture holdings with underlying investments held at fair value of R5 480 million that have the same higher risk characteristics and are valued using the same techniques as the group's unlisted investment portfolio. The valuation of those financial instruments with higher risk characteristics can include significant judgement and therefore the risk of inappropriate revenue recognition through incorrect valuation as outlined below exists. The judgement in estimating the fair value of these instruments can involve complex valuation models or techniques, or significant fair value adjustments, both of which may be reliant on inputs where there is limited market observability or liquidity. Management's estimates which required significant judgement include complex models and structured equity derivatives with exotic features; and valuation techniques of illiquid investments in, and fair valued loans to, unquoted private companies valued using different valuation techniques (e.g. price-earnings multiples, discounted cash flow, net asset valuations).	To address the risks, we performed the following key procedures: We obtained an understanding of management's processes and tested the design and operating effectiveness of controls relating to financial instrument valuation and related income statement measurement. We performed a detailed examination of management's valuation methodologies and assessed the appropriateness and consistency of model inputs, key assumptions, contractual obligations and exit values on a sample basis. In addition, we assessed whether there were any indicators of aggregate bias in financial instrument valuation pricing sources and methodology assumptions. We considered the impact of the recovery of the economy from COVID-19 as well as the impact of the increasing social and geopolitical factors on the valuations of the financial instruments. This included challenging the appropriateness of the valuation methodologies and assumptions applied focusing particularly on the higher risk characteristic financial instruments. Throughout our audit procedures, we considered the appropriateness of modelling changes in relation to IBOR reform. Complex models We involved specialists to assist in testing complex model-dependent valuations by performing an independent valuation, on a sample basis, to assess the appropriateness of models and the adequacy of assumptions and inputs used. This included derivatives, fair valued loans and debt securities. Valuation techniques We performed procedures on key judgements made by management in the calculation of fair value on illiquid unlisted investments and fair value loans, including: • assessing the suitability, applicability and completeness of the comparable companies used in the calculation of the earnings multiples in price-earnings multiple valuations, and obtained supporting evidence and explanation for any adjustments made to the multiples; • performing calculations to assess the appropriateness of discount rates used in discounted cash flow valuations, with reference to relevant industry and market data; • assessing external valuation reports received by management, where an external valuer has been engaged, and assessed their competence and objectivity in valuations which reference a net asset valuation; confirming the accuracy of information provided by management was free from manipulation or amendment, including management accounts and reporting, unaudited financial information, and market pricing sources; and • for investment properties which involve real estate valuations, we assessed capitalisation rates to derive rental income yields and involved our valuation specialists to independently assess the valuations for a sample of positions. For all positions, we compared our determined ranges and estimates to management's fair values.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INVESTEC LIMITED
CONTINUED

Other Matters
The Group has separately prepared a combined consolidated set of financial statements for the year ended 31 March 2022 incorporating Investec Plc and its subsidiaries in accordance with International Financial Reporting Standards 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 have been issued on 22 June 2022.

Other Information
The directors are responsible for the other information. The other information comprises the information included in the 153-page document titled "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. The other information does not include the consolidated financial statements and our auditors' report 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 controls 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and 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 KPMG Inc. have been the auditors of Investec Limited for 47 and 28 years, respectively.

Ernst & Young Inc

Ernst & Young Inc.
Registered Auditor
Per Ranesh P Hariparsad
Chartered Accountant (SA
Registered Auditor
Director
22 June 2022

KPMG Inc

KPMG Inc.
Registered Auditor
Per Tracy Middlemiss
Chartered Accountant (SA)
Registered Auditor
Director
22 June 2022

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

We have audited the separate financial statements of Investec Limited (the Company), which comprise the balance sheet at 31 March 2022, and the income statement, the statement of total comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, accounting policies and the notes to the financial statements, as set out on pages 33 to 138.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Investec Limited at 31 March 2022, and its separate financial performance and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

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

Key Audit Matters

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. We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 153-page document titled "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. The other information does not include the separate financial statements and our auditors' report 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 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.

Responsibilities of Directors for the Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INVESTEC LIMITED
CONTINUED

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.
- 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 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 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 related 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 KPMG Inc. have been the auditors of Investec Limited for 47 and 28 years, respectively.

Ernst & Young Inc

KPMG Inc

Ernst & Young Inc.
Registered Auditor
Per Ranesh P Hariparsad
Chartered Accountant (SA)
Registered Auditor
Director
22 June 2022

KPMG Inc.
Registered Auditor
Per Tracy Middlemiss
Chartered Accountant (SA)
Registered Auditor
Director
22 June 2022

INCOME STATEMENTS

		Group		Company	
For the year to 31 March R'million	Notes	**2022**	2021	**2022**	2021
Interest income	2	26 087	26 400	481	295
Interest income calculated using the effective interest method		23 266	23 978	481	295
Other interest income		2 821	2 422	—	—
Interest expense	2	(16 709)	(18 362)	(609)	(477)
Net interest income/(expense)		**9 378**	**8 038**	**(128)**	**(182)**
Fee and commission income	3	7 166	6 127	—	—
Fee and commission expense	3	(624)	(603)	—	—
Investment income	4	590	284	7 510	1 006
Share of post-taxation profit/(loss) of associates and joint venture holdings		287	(145)	238	—
Trading income/(loss) arising from					
– customer flow		1 369	959	—	(4)
– balance sheet management and other trading income		(276)	(621)	(2)	19
Other operating income	5	17	149	—	—
Total operating income before expected credit loss impairment charges		**17 907**	**14 188**	**7 618**	**839**
Expected credit loss impairment charges	6	(63)	(621)	—	—
Operating income		**17 844**	**13 567**	**7 618**	**839**
Operating costs	7	(9 282)	(8 457)	(7)	(11)
Operating profit before goodwill and acquired intangibles		**8 562**	**5 110**	**7 611**	**828**
Impairment of goodwill	35	(39)	(7)	—	—
Amortisation of acquired intangibles	36	(51)	(51)	—	—
Impairment of associates and joint venture holdings	30	—	(348)	—	—
Operating profit		**8 472**	**4 704**	**7 611**	**828**
Implementation costs on distribution of investment to shareholders		(28)	—	(28)	—
Profit before taxation		**8 444**	**4 704**	**7 583**	**828**
Taxation on operating profit before acquired intangibles	10	(2 140)	(1 050)	(32)	(42)
Taxation on acquired intangibles	10	15	14	—	—
Profit after taxation		**6 319**	**3 668**	**7 551**	**786**
(Profit)/loss attributable to non-controlling interests	48	(812)	2	—	—
Loss attributable to other non-controlling interests relating to impairments in associates	48	—	189	—	—
Earnings attributable to shareholders		**5 507**	**3 859**	**7 551**	**786**
Earnings attributable to ordinary shareholders		5 030	3 443	7 192	490
Earnings attributable to perpetual preferred securities and other Additional Tier 1 securities		477	416	359	296

STATEMENTS OF TOTAL COMPREHENSIVE INCOME

For the year to 31 March R'million	Group		Company	
	2022	2021	**2022**	2021
Profit after taxation	6 319	3 668	7 551	786
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	(82)	11	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	49	2 051	—	—
Gain on realisation of debt instruments at FVOCI recycled to the income statement	(35)	(33)	—	—
Foreign currency adjustments on translating foreign operations	(92)	(1 278)	—	—
Items that will not be reclassified to the income statement:				
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	151	885	16	56
Net gain/(loss) attributable to own credit risk	1	(14)	—	—
Total comprehensive income	**6 311**	**5 290**	**7 567**	**842**
Total comprehensive income attributable to ordinary shareholders	5 022	5 065	7 208	546
Total comprehensive income/(loss) attributable to non-controlling interests	812	(191)	—	—
Total comprehensive income attributable to perpetual preferred securities and other Additional Tier 1 securities	477	416	359	296
Total comprehensive income	**6 311**	**5 290**	**7 567**	**842**

BALANCE SHEETS

At 31 March R'million	Notes	Group		Company	
		2022	2021^	**2022**	2021
Assets					
Cash and balances at central banks	19	11 893	9 653	—	—
Loans and advances to banks	20	21 014	25 723	21	20
Non-sovereign and non-bank cash placements		13 176	8 956	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	21	60 827	30 756	—	—
Sovereign debt securities	22	57 380	53 009	—	—
Bank debt securities	23	27 958	21 862	5 589	2 709
Other debt securities	24	15 417	14 148	—	—
Derivative financial instruments	25	17 778	19 186	—	—
Securities arising from trading activities	26	10 005	15 202	—	—
Investment portfolio	27	15 509	15 131	511	190
Loans and advances to customers	28	291 183	279 131	—	—
Own originated loans and advances to customers securitised	29	7 228	8 184	—	—
Other loans and advances	28	108	181	—	—
Other securitised assets	29	592	578	—	—
Interests in associated undertakings and joint venture holdings	30	5 480	5 215	5 437	—
Current taxation assets		4	44	—	—
Deferred taxation assets	31	2 866	2 767	—	25
Other assets	32	18 512	16 324	38	35
Property and equipment	33	3 469	2 942	—	—
Investment properties	34	15 783	16 942	—	—
Goodwill	35	173	212	—	—
Software	36	46	95	—	—
Other acquired intangible assets	36	64	118	—	—
Investment in subsidiaries	37	—	—	21 436	18 755
Non-current assets classified as held for sale		1 524	1 054	—	—
		597 989	**547 413**	**33 032**	**21 734**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	38	1 145	1 067	—	—
		599 134	**548 480**	**33 032**	**21 734**
Liabilities					
Deposits by banks		22 236	22 052	—	—
Derivative financial instruments	25	32 265	26 154	—	—
Other trading liabilities	39	4 475	5 643	—	—
Repurchase agreements and cash collateral on securities lent	21	13 941	17 598	—	—
Customer accounts (deposits)		419 948	374 228	—	—
Debt securities in issue	40	7 607	6 493	3 734	319
Liabilities arising on securitisation of own originated loans and advances	29	4 585	3 271	—	—
Current taxation liabilities		753	854	20	11
Deferred taxation liabilities	31	714	743	—	—
Other liabilities	41	18 214	15 304	2 798	1 837
		524 738	**472 340**	**6 552**	**2 167**
Liabilities to customers under investment contracts	38	1 086	1 014	—	—
Insurance liabilities, including unit-linked liabilities	38	59	53	—	—
		525 883	**473 407**	**6 552**	**2 167**
Subordinated liabilities	42	10 722	14 445	4 725	3 145
		536 605	**487 852**	**11 277**	**5 312**
Equity					
Ordinary share capital	43	1	1	1	1
Ordinary share premium	44	6 076	6 112	5 656	5 693
Treasury shares	45	(3 507)	(3 020)	—	—
Other reserves		2 489	2 543	(35)	(51)
Retained income		41 173	38 656	10 247	6 117
Ordinary shareholders' equity		**46 232**	**44 292**	**15 869**	**11 760**
Perpetual preference shares in issue	46	2 886	3 039	2 886	3 039
Shareholders' equity excluding non-controlling interests		**49 118**	**47 331**	**18 755**	**14 799**
Other Additional Tier 1 securities in issue	47	3 110	1 733	3 000	1 623
Non-controlling interests	48	10 301	11 564	—	—
– Perpetual preferred securities issued by subsidiaries		—	1 481	—	—
– Non-controlling interests in partially held subsidiaries		10 301	10 083	—	—
Total equity		**62 529**	**60 628**	**21 755**	**16 422**
Total liabilities and equity		**599 134**	**548 480**	**33 032**	**21 734**

^ Restated as detailed in note 57.

STATEMENTS OF CHANGES IN EQUITY

STATEMENTS OF CHANGES IN EQUITY
CONTINUED

R'million	Ordinary share capital	Share premium	Treasury shares	Other reserves: Capital reserve account	Fair value reserve	Regulatory general risk reserve	Cash flow hedge reserve	Own credit risk reserve	Foreign currency reserve	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**
Group																
At 1 April 2020	**1**	**6 112**	**(2 992)**	**61**	**(1 739)**	**690**	**(1 550)**	**26**	**3 415**	**35 878**	**39 902**	**3 184**	**43 086**	**1 010**	**12 579**	**56 675**
Movement in reserves 1 April 2020 – 31 March 2021																
Profit after taxation	—	—	—	—	—	—	—	—	—	3 859	3 859	—	3 859	—	(191)	3 668
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—	—	—	—	—	11	—	—	—	11	—	11	—	—	11
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—	—	2 051	—	—	—	—	—	2 051	—	2 051	—	—	2 051
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—	—	(33)	—	—	—	—	—	(33)	—	(33)	—	—	(33)
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—	—	885	—	—	—	—	—	885	—	885	—	—	885
Foreign currency adjustments on translating foreign operations	—	—	—	—	—	—	—	—	(1 278)	—	(1 278)	—	(1 278)	—	—	(1 278)
Net loss attributable to own credit risk	—	—	—	—	—	—	—	(14)	—	—	(14)		(14)	—	—	(14)
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**2 903**	**—**	**11**	**(14)**	**(1 278)**	**3 859**	**5 481**	**—**	**5 481**	**—**	**(191)**	**5 290**
Issue of other Additional Tier 1 security instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	723	—	723
Net equity movements in interests in associated undertakings	—	—	—	—	—	—	—	—	—	(406)	(406)	—	(406)	—	—	(406)
Movement of treasury shares	—	—	(50)	—	—	—	—	—	—	—	(50)	—	(50)	—	—	(50)
Share-based payments adjustments	—	—	—	—	—	—	—	—	—	436	436	—	436	—	—	436
Transfer from share-based payments reserve to treasury shares	—	—	22	—	—	—	—	—	—	(22)	—	—	—	—	—	—
Transfer to regulatory general risk reserve	—	—	—	—	—	18	—	—	—	(18)	—	—	—	—	—	—
Movement in non-controlling interests due to share issues in subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(80)	(80)
Repurchase of perpetual preference shares	—	—	—	—	—	—	—	—	—	71	71	(145)	(74)	—	(53)	(127)
Dividends declared to other equity holders including other Additional Tier 1 securities	—	—	—	—	—	—	—	—	—	(416)	(416)	212	(204)	94	110	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and other Additional Tier 1 securities	—	—	—	—	—	—	—	—	—	—	—	(212)	(212)	(94)	(110)	(416)
Dividends paid to ordinary shareholders	—	—	—	—	—	—	—	—	—	(726)	(726)	—	(726)	—	—	(726)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(691)	(691)
At 31 March 2021	**1**	**6 112**	**(3 020)**	**61**	**1 164**	**708**	**(1 539)**	**12**	**2 137**	**38 656**	**44 292**	**3 039**	**47 331**	**1 733**	**11 564**	**60 628**
Movement in reserves 1 April 2021 – 31 March 2022																
Profit after taxation	—	—	—	—	—	—	—	—	—	5 507	5 507	—	5 507	—	812	6 319
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—	—	—	—	—	(82)	—	—	—	(82)	—	(82)	—	—	(82)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—	—	49	—	—	—	—	—	49	—	49	—	—	49
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—	—	(35)	—	—	—	—	—	(35)	—	(35)	—	—	(35)
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—	—	151	—	—	—	—	—	151	—	151	—	—	151
Foreign currency adjustments on translating foreign operations	—	—	—	—	—	—	—	—	(92)	—	(92)	—	(92)	—	—	(92)
Net gain attributable to own credit risk	—	—	—	—	—	—	—	1	—	—	1	—	1	—	—	1
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**165**	**—**	**(82)**	**1**	**(92)**	**5 507**	**5 499**	**—**	**5 499**	**—**	**812**	**6 311**
Issue of other Additional Tier 1 security instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	1 377	—	1 377
Net equity movements in interests in associated undertakings	—	—	—	—	—	—	—	—	—	79	79	—	79	—	—	79
Movement of treasury shares	—	—	(487)	—	—	—	—	—	—	—	(487)	—	(487)	—	—	(487)
Share-based payments adjustments	—	—	—	—	—	—	—	—	—	415	415	—	415	—	—	415
Transfer from regulatory general risk reserve	—	—	—	—	—	(46)	—	—	—	46	—	—	—	—	—	—
Repurchase of perpetual preference shares	—	—	—	—	—	—	—	—	—	26	26	(153)	(127)	—	(1 481)	(1 608)
Share buyback of ordinary share capital	—	(36)	—	—	—	—	—	—	—	(684)	(720)	—	(720)	—	—	(720)
Dividends declared to other equity holders including other Additional Tier 1 securities	—	—	—	—	—	—	—	—	—	(477)	(477)	167	(310)	200	110	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and other Additional Tier 1 securities	—	—	—	—	—	—	—	—	—	—	—	(167)	(167)	(200)	(110)	(477)
Dividends paid to ordinary shareholders	—	—	—	—	—	—	—	—	—	(2 395)	(2 395)	—	(2 395)	—	—	(2 395)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(594)	(594)
At 31 March 2022	**1**	**6 076**	**(3 507)**	**61**	**1 329**	**662**	**(1 621)**	**13**	**2 045**	**41 173**	**46 232**	**2 886**	**49 118**	**3 110**	**10 301**	**62 529**

STATEMENTS OF CHANGES IN EQUITY
CONTINUED

R'million	Ordinary share capital	Share premium	Capital reserve account	Fair value reserve	Retained income	**Ordinary share-holders' equity**	Perpetual preference shares in issue	**Shareholders' equity excluding non-controlling interests**	Other Additional Tier 1 securities in issue	**Total equity**
Company										
At 1 April 2020	1	5 693	62	(169)	6 331	11 918	3 184	15 102	900	16 002
Movement in reserves 1 April 2020 – 31 March 2021										
Profit after taxation	—	—	—	—	786	786	—	786	—	786
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—	56	—	56	—	56	—	56
Total comprehensive income for the year	**—**	**—**	**—**	**56**	**786**	**842**	**—**	**842**	**—**	**842**
Issue of other Additional Tier 1 securities in issue	—	—	—	—	—	—	—	—	723	723
Capital contribution to Group companies	—	—	—	—	4	4	—	4	—	4
Repurchase of perpetual preference shares	—	—	—	—	54	54	(145)	(91)	—	(91)
Share-based payments adjustments	—	—	—	—	(15)	(15)	—	(15)	—	(15)
Dividends paid to ordinary shareholders	—	—	—	—	(747)	(747)	—	(747)	—	(747)
Dividends declared to perpetual preference shareholders including other Additional Tier 1 security holders	—	—	—	—	(296)	(296)	211	(85)	85	—
Dividends paid to perpetual preference shareholders and other Additional Tier 1 security holders	—	—	—	—	—	—	(211)	(211)	(85)	(296)
At 31 March 2021	**1**	**5 693**	**62**	**(113)**	**6 117**	**11 760**	**3 039**	**14 799**	**1 623**	**16 422**
Movement in reserves 1 April 2021 –31 March 2022										
Profit after taxation	—	—	—	—	7 551	7 551	—	7 551	—	7 551
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—	16	—	16	—	16	—	16
Total comprehensive income for the year	**—**	**—**	**—**	**16**	**7 551**	**7 567**	**—**	**7 567**	**—**	**7 567**
Share buyback of ordinary share capital	—	(37)	—	—	(684)	(721)	—	(721)	—	(721)
Issue of other Additional Tier 1 securities in issue	—	—	—	—	—	—	—	—	1 377	1 377
Net equity movements in interests in associated undertakings	—	—	—	—	79	79	—	79	—	79
Repurchase of perpetual preference shares	—	—	—	—	7	7	(153)	(146)	—	(146)
Capital contribution to Group companies	—	—	—	—	5	5	—	5	—	5
Dividends paid to ordinary shareholders	—	—	—	—	(2 469)	(2 469)	—	(2 469)	—	(2 469)
Dividends declared to perpetual preference shareholders including other Additional Tier 1 security holders	—	—	—	—	(359)	(359)	167	(192)	192	—
Dividends paid to perpetual preference shareholders including other Additional Tier 1 security holders	—	—	—	—	—	—	(167)	(167)	(192)	(359)
At 31 March 2022	**1**	**5 656**	**62**	**(97)**	**10 247**	**15 869**	**2 886**	**18 755**	**3 000**	**21 755**

CASH FLOW STATEMENTS

For the year to 31 March R'million	Notes	**Group 2022**	Group 2021^	**Company 2022**	Company 2021
Cash flows from operating activities					
Profit before taxation adjusted for non-cash, non-operating items and other required adjustments	50	9 200	6 622*	(109)	(152)
Taxation paid		(2 102)	(1 305)	—	(3)
Dividends received from investments in subsidiaries**		—	—	7 547	980
Increase in operating assets	50	(50 964)	(745)*	(3 384)	(2 356)
Increase/(decrease) in operating liabilities	50	52 834	(28 790)	92	833
Net cash inflow/(outflow) from operating activities		**8 968**	**(24 218)**	**4 146**	**(698)**
Cash flows from investing activities					
Cash flow on disposal of associate		763	—	—	—
Cash flow on acquisition of associate		—	—	(1 752)	—
Cash flow on acquisition of property, equipment and intangible assets		(100)	(82)	—	—
Cash flow on disposal of property, equipment and intangible assets		3	—	—	—
Cash flow on investment in subsidiary		—	—	(1 183)	—
Cash flow on subsidiaries and loans to Group companies		—	—	(392)	98
Net cash inflow/(outflow) from investing activities		**666**	**(82)**	**(3 327)**	**98**
Cash flows from financing activities					
Dividends paid to ordinary shareholders	12	(2 395)	(726)	(2 469)	(747)
Dividends paid to other equity shareholders		(1 342)	(836)	(359)	(296)
Cash flow on net acquisition of treasury shares, net of related costs		(487)	(50)	—	—
Repurchase of perpetual preference shares		(1 608)	(127)	(147)	(91)
Share buyback of ordinary shares		(720)	—	(720)	—
Proceeds from subordinated debt raised	42	1 500	1 636	1 500	1 636
Repayment of subordinated debt	42	(5 596)	(885)	—	(625)
Proceeds on issue of other Additional Tier 1 securities in issue		1 377	723	1 377	723
Lease liabilities paid	41	(50)	(35)	—	—
Net cash (outflow)/inflow from financing activities		**(9 321)**	**(300)**	**(818)**	**600**
Effects of exchange rates on cash and cash equivalents		**(51)**	**(1 175)**	**—**	**—**
Net increase/(decrease) in cash and cash equivalents		**262**	**(25 775)**	**1**	**—**
Cash and cash equivalents at the beginning of the year		43 168	68 943	20	20
Cash and cash equivalents at the end of the year		**43 430**	**43 168**	**21**	**20**
Cash and cash equivalents is defined as including:					
Cash and balances at central banks		11 893	9 653	—	—
On demand loans and advances to banks		18 326	24 507	21	20
Non-sovereign and non-bank cash placements		13 176	8 956	—	—
Expected credit loss on cash and cash equivalents		35	52	—	—
Cash and cash equivalents at the end of the year		**43 430**	**43 168**	**21**	**20**

^ Restated as detailed in note 57.
* In the Group, fair value gains on investment properties were previously adjusted as a non-cash item under 'profit before taxation adjusted for non-cash,non-operating items and other required adjustments'. In the current year, the gains are accounted for in increase in operating assets line. Refer to note 50.
** In the Company, dividends from investment in subsidiaries has been separately shown as a cash flow from operating activity for the current and prior year. It was previously presented in the line operating profit adjusted for non-cash, non-operating items and other required adjustments.

Cash and cash equivalents are defined as including cash and balances at central banks, on demand loans and advances to banks and non-sovereign and non-bank cash placements (all of which 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 R9.4 billion (2021: R9.1 billion).

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) 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 issued on 22 June 2022.

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 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 IFRS 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 20, 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.

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 commences until the date that significant influence 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 designated 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.

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.

ACCOUNTING POLICIES
CONTINUED

Segmental reporting

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

The Group's segmental reporting is presented in the form of a business analysis. The business analysis is presented in terms of the Group's 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 4 and 5.

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 each acquisition date through the income statement.

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

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

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

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

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

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

Share-based payments to employees

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

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.

ACCOUNTING POLICIES
CONTINUED

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 translation reserve) upon consolidation and is reclassified to the income statement upon disposal of the net investment
- Non-monetary items that are measured at historical costs are translated using the exchange rates ruling at the date of the transaction. Non-monetary items that are measured at fair value are translated using the exchange rate at the date of the valuation, with movements due to changes in foreign currency being presented in terms of the accounting policy for changes in the fair value movement of the respective item.

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

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

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

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 providing advisory services as well as portfolio management and includes rental income from investment properties.

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.

ACCOUNTING POLICIES
CONTINUED

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. Rewards points earned are valid for three years from allocation date. Client rewards are considered to be a cost of the interchange service fee revenue stream, 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.

A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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.

ACCOUNTING POLICIES
CONTINUED

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

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

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

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

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

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

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

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

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

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

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

In line with regulatory and accounting bodies' guidance, exposures that have been granted COVID-19 relief measures such as payment holidays are not automatically considered to have been subject to a significant increase in credit risk and therefore do not alone result in a transfer across stages. Where relief measures are granted, there is no change in expectation of the total amount due. Should the expected recoverability of the loan remain the same, these exposures will remain reported in Stage 1 for the foreseeable future, and will not be required to hold a lifetime 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.

ACCOUNTING POLICIES
CONTINUED

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

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

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

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

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

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

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

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 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.

ACCOUNTING POLICIES
CONTINUED

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.

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. Where such modifications are solely due to IBOR reform and result in an interest rate which is economically equivalent, they are treated as a change to the floating rate of interest and so do not result in any adjustment to the carrying value of the asset.

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 cannot be reclassified.

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 interest rate and foreign currency 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.

ACCOUNTING POLICIES
CONTINUED

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

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

The Group applies either fair value or 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 zero hedged items and hedging instruments.

The Group applied the IBOR reform Phase 1 reliefs to hedging relationships directly affected by IBOR reform during the year ended 31 March 2020. A hedging relationship is affected if IBOR reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. The reliefs require that for the purpose of determining whether a forecast transaction is highly probable, it is assumed that the IBOR on which the hedged cash flows are based is not altered as a result of IBOR reform.

IBOR reform Phase 1 required that for hedging relationships affected by IBOR reform, the Group must assume that for the purpose of assessing expected future hedge effectiveness, the interest rate is not altered as a result of IBOR reform. Also, the Group is not required to discontinue the hedging relationship if the results of the assessment of retrospective hedge effectiveness fall outside the range of 80% to 125%, although any hedge ineffectiveness must be recognised in profit or loss, as normal.

The reliefs cease to apply once certain conditions are met. These include when the uncertainty arising from IBOR reform is no longer present with respect to the timing and amount of the benchmark-based cash flows of the hedged item, if the hedging relationship is discontinued or once amounts in the cash flow hedge reserve have been released.

The Group early adopted the IBOR reform Phase 2 in the prior period. IBOR reform Phase 2 provides temporary reliefs that allow the Group's hedging relationships to continue upon the replacement of an existing interest rate benchmark with an RFR. The reliefs require the Group to amend the hedge designations and hedge documentation and are set out above.

Refer to page 137 to 138 for more detail on the impact of IBOR reform.

ACCOUNTING POLICIES
CONTINUED

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

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

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

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

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

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.

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 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 amortisation and the expected credit loss. 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

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.

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 economic 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.

ACCOUNTING POLICIES
CONTINUED

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.

Insurance contracts

Insurance contracts are those contracts in which the Group assumes significant insurance risk. The deposit components of insurance contracts are unbundled and accounted for separately.

Insurance premiums are recognised in the period in which the Group is entitled to the premium. Insurance claims are recognised in the income statement in the period in which a contractual obligation arises for the Group to make payment under an insurance contract.

Reinsurance assets and liabilities and associated premiums/claims are not offset in the income statement or balance sheet. Insurance liabilities are measured at their actuarial values, and are tested for adequacy on an annual basis. Any deficiency identified is recognised in the income statement.

Insurance income is included in other operating income.

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 17 Insurance Contracts
IFRS 17 Insurance Contracts was issued in May 2017 and 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. A few scope exceptions will apply.

IFRS 17 is effective from 1 January 2023 and the Group is considering its impact.

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

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ACCOUNTING POLICIES
CONTINUED

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 judgement is applied include:

- The impact of COVID-19 required management to apply significant judgements and estimates to quantify the impact on the annual financial statements. The assumptions can specifically be viewed on pages 119 in note 60.
- 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 and 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 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. Key valuation inputs are based on the most relevant observable market information and can include expected cash flows, discount rates, earnings multiples and the underlying assets within a business, adjusted where necessary for factors that specifically apply to the individual investments and recognising market volatility. Further details of the Group's level 3 financial instruments and the sensitivity of the valuation including the effect of applying reasonably possible alternative assumptions in determining their fair value are also set out in note 16.

Details of unlisted investments can be found in note 27 with further analysis contained on page 139 in note 60.

- 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 budget net income of the property at the market-related yield applicable at the time. Properties in Investec Property Fund are valued according to the JSE Listings Requirements.

The carrying value of investment property can be found in note 34 with further analysis contained on page 139 in note 60.

- The measurement of ECL has reliance on expert credit judgement. Key judgemental areas are highlighted below and are subject to robust governance processes. Key drivers of measurement uncertainty include:
  - The assessment of a significant increase in credit risk;
  - A range of forward-looking probability weighted macro-economic scenarios; and
  - 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 maintained an overlay provision.
- 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.
- Management critically evaluated the equity accounted value of the Group's investment in IEP. The recoverable amount of the investment in IEP was determined to be the value-in-use. This was calculated by determining Investec's stake of the sum of the fair values of the underlying investments held by IEP. This was done by determining the best estimates of the cash flows to be generated from the ultimate realisation of the underlying investments considering management's strategy with the investments, returns generated by the underlying investments, the nature of the assets and market considerations. No impairment was recognised in the current year.
- 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 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 judgments 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 judgments and estimates for the current period. The following items represent the most significant effects:

– The measurement of expected credit loss 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

– 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 is 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 timeframe of the cashflows 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.

NOTES TO THE FINANCIAL STATEMENTS

1. Segmental analysis

Group

For the year to 31 March 2022 R'million	Private Client Wealth & Investment	Private Client / Specialist Banking Private Banking	Specialist Banking Corporate, investment banking and Other	Group Investments	Group Costs	Total
Net interest income/(expense)	90	5 577	4 485	(774)	—	9 378
Net fee and commission income	2 052	1 139	2 337	1 014	—	6 542
Investment income/(loss)	12	323	(221)	476	—	590
Share of post-taxation profit of associates and joint venture holdings	—	3	5	279	—	287
Trading income/(loss) arising from						
– customer flow	(6)	—	970	405	—	1 369
– balance sheet management and other trading income	12	(3)	7	(292)	—	(276)
Other operating income	—	—	17	—	—	17
Total operating income before expected credit loss impairment charges	**2 160**	**7 039**	**7 600**	**1 108**	**—**	**17 907**
Expected credit loss impairment charges/(release)	—	368	(419)	(12)	—	(63)
Operating income	**2 160**	**7 407**	**7 181**	**1 096**	**—**	**17 844**
Operating costs	(1 440)	(3 363)	(4 116)	(39)	(324)	(9 282)
Operating profit before goodwill, acquired intangibles and non-controlling interests	**720**	**4 044**	**3 065**	**1 057**	**(324)**	**8 562**
Profit attributable to non-controlling interests	—	—	(5)	(807)	—	(812)
Profit/(loss) before goodwill, acquired intangibles, taxation after non-controlling interests	**720**	**4 044**	**3 060**	**250**	**(324)**	**7 750**
Cost to income ratio	66.7%	47.8%	54.2%	n/a	n/a	54.3%
Total assets (R'million)	3 944	223 667	337 827	33 696	n/a	599 134

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

1. Segmental analysis (continued)

For the year to 31 March 2021 R'million	Private Client Wealth & Investment	Private Client / Specialist Banking Private Banking	Specialist Banking Corporate, investment banking and Other	Group Investments	Group Costs	Total
Net interest income/(expense)	72	4 651	4 237	(922)	—	8 038
Net fee and commission income	1 671	960	1 926	967	—	5 524
Investment income/(loss)	31	19	(208)	442	—	284
Share of post-taxation loss of associates and joint venture holdings	—	(8)	(23)	(114)	—	(145)
Trading (loss)/income arising from						
– customer flow	—	(1)	778	182	—	959
– balance sheet management and other trading income	1	1	(151)	(472)	—	(621)
Other operating income	—	—	149	—	—	149
Total operating income before expected credit loss impairment charges	**1 775**	**5 622**	**6 708**	**83**	**—**	**14 188**
Expected credit loss impairment charges	—	(34)	(535)	(52)	—	(621)
Operating income	**1 775**	**5 588**	**6 173**	**31**	**—**	**13 567**
Operating costs	(1 221)	(2 981)	(3 888)	(43)	(324)	(8 457)
Operating profit before goodwill, acquired intangibles and non-controlling interests	**554**	**2 607**	**2 285**	**(12)**	**(324)**	**5 110**
Loss/(profit) attributable to non-controlling interests	—	—	6	(4)	—	2
Profit before goodwill, acquired intangibles, taxation after non-controlling interests	**554**	**2 607**	**2 291**	**(16)**	**(324)**	**5 112**
Cost to income ratio	68.8%	53.0%	57.9%	n/a	n/a	59.6%
Total assets (R'million)^	5 099	210 421	298 586	34 374	n/a	548 480

^ Restated as detailed in note 57.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

2. Net interest income

Group

For the year to 31 March R'million	Notes	2022 Average balance sheet value	2022 Interest income	2022 Average yield	2021 Average balance sheet value	2021 Interest income	2021 Average yield
Cash, near cash and bank debt and sovereign debt securities	1	169 103	5 594	3.31%	166 343	5 460	3.28%
Core loans and advances	2	294 160	19 736	6.71%	286 005	19 815	6.93%
Private client		219 884	14 254	6.48%	206 600	13 591	6.58%
Corporate, institutional and other clients		74 276	5 482	7.38%	79 405	6 224	7.84%
Other debt securities and other loans and advances		15 981	636	3.98%	16 212	899	5.55%
Other	3	518	121	n/a	309	226	n/a
		479 762	**26 087**		**468 869**	**26 400**	

For the year to 31 March R'million	Notes	2022 Average balance sheet value	2022 Interest expense	2022 Average yield	2021 Average balance sheet value	2021 Interest expense	2021 Average yield
Deposits by banks and other debt-related securities	4	42 397	(1 267)	2.99%	70 930	(2 068)	2.92%
Customer accounts (deposits)		400 082	(14 128)	3.53%	368 848	(14 963)	4.06%
Subordinated liabilities		12 828	(838)	6.53%	13 986	(953)	6.81%
Other	5	3 629	(476)	n/a	2 742	(378)	n/a
		458 936	**(16 709)**		**456 506**	**(18 362)**	
Net interest income			**9 378**			**8 038**	
Net interest margin*			**1.95%**			**1.71%**	

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), as well as interest income from derivative financial instruments where there is no associated balance sheet value.
4. Comprises (as per the balance sheet) deposits by banks; debt securities in issue; repurchase agreements and cash collateral on securities lent.
5. Comprises (as per the balance sheet) liabilities arising on securitisation of own originated loans and advances and lease liabilities.

* Impacted by debt funding issued by the Investec Property Fund in which the Group has a 24.3% (2021: 24.3%) interest. Excluding the debt funding cost, the net interest margin amounted to 2.07% (2021: 1.84%).

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

2. Net interest income (continued)

Company

For the year to 31 March R'million	Notes	2022 Average balance sheet value	2022 Interest income	2022 Average yield	2021 Average balance sheet value	2021 Interest income	2021 Average yield
Cash, near cash and bank debt and sovereign debt securities	1	3 739	269	7.19%	658	37	5.62%
Other	2		212	n/a		258	n/a
			481			**295**	

For the year to 31 March R'million	Notes	2022 Average balance sheet value	2022 Interest expense	2022 Average yield	2021 Average balance sheet value	2021 Interest expense	2021 Average yield
Deposits by banks and other debt-related securities	3	3 734	(103)	2.76%	319	(22)	6.90%
Subordinated liabilities		3 417	(209)	6.11%	2 195	(150)	6.83%
Other	4		(297)	n/a		(305)	n/a
			(609)			**(477)**	
Net interest expense			**(128)**			**(182)**	

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, as well as interest income from derivative financial instruments where there is no associated balance sheet value.
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.

3. Net fee and commission income

For the year to 31 March R'million	Group 2022	Group 2021
Wealth & Investment net fee and commission income	**2 052**	**1 671**
Fund management fees/fees for funds under management	1 130	935
Private client transactional fees*	958	774
Fee and commission expense	(36)	(38)
Specialist Banking net fee and commission income	**3 476**	**2 886**
Specialist Banking fee and commission income**	3 988	3 368
Specialist Banking fee and commission expense	(512)	(482)
Group Investments net fee and commission income	**1 014**	**967**
Group Investments fee and commission income**	1 090	1 050
Group Investments fee and commission expense	(76)	(83)
Net fee and commission income	**6 542**	**5 524**
Annuity fees (net of fees payable)	5 128	4 490
Deal fees	1 414	1 034

* Trust and fiduciary fees amounted to R7.7 million (2021: R7.9 million) and is included in private client transactional fees in the Group.

** Included in Group Investments and Specialist Banking fee and commission income is fee income of R1.7 billion (2021: R1.4 billion) for operating lease income which is out of scope of IFRS 15 Revenue from Contracts with Customers.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

4. Investment income

For the year to 31 March R'million	Listed equities	Unlisted equities	Fair value loan investments	Warrants and profit shares	Investment portfolio	Debt securities (sovereign, bank and other)	Investment and trading properties	Other asset categories	Total
The following table analyses investment income generated by the asset portfolio shown on the balance sheet:									
Group									
2022									
Realised	8	42	108	169	327	61	43	382	813
Unrealised**	21	(634)*	213	—	(400)	12	(506)	49	(845)
Dividend income	274	218*	—	—	492	—	—	—	492
Funding and other net related (costs)/income	—	(22)	—	—	(22)	—	152	—	130
	303	**(396)**	**321**	**169**	**397**	**73**	**(311)**	**431**	**590**
2021									
Realised	302	(44)	—	51	309	63	26	342	740
Unrealised**	116	(140)	381	—	357	(19)	(990)	(173)	(825)
Dividend income	197	97	—	—	294	—	—	1	295
Funding and other net related costs	—	(24)	—	—	(24)	—	98	—	74
	615	**(111)**	**381**	**51**	**936**	**44**	**(866)**	**170**	**284**
Company									
2022									
Realised	—	—	—	—	—	—	—	—	—
Unrealised**	—	—	—	—	—	—	—	(46)^	(46)
Dividend income^	9	—	—	—	9	—	—	7 547	7 556
	9	**—**	**—**	**—**	**9**	**—**	**—**	**7 501**	**7 510**
2021									
Realised	16	—	—	—	16	—	—	—	16
Unrealised**	(12)	—	—	—	(12)	—	—	—	(12)
Dividend income^	22	—	—	—	22	—	—	980	1 002
	26	**—**	**—**	**—**	**26**	**—**	**—**	**980**	**1 006**

* Includes dividend income and unrealised fair value gains from unlisted equities classified as non-current assets held for sale.
** In a year of realisation, any prior period mark-to-market gains/(losses) recognised are reversed in the unrealised item.
^ In the Company, dividend income from investments in subsidiaries and impairment of subsidiary companies is presented in 'other asset categories'.

5. Other operating income

For the year to 31 March R'million	Group 2022	Group 2021
Unrealised gains on other investments	17	149
	17	**149**

6. Expected credit loss impairment charges

For the year to 31 March R'million	Group 2022	Group 2021
Expected credit loss impairment charges/(releases) is recognised on the following assets:		
Loans and advances to customers	4	510
Expected credit loss impairment charges (refer to note 28)	271	935
Post write-off recoveries	(267)	(425)
Own originated securitised assets	2	9
Core loans	**6**	**519**
Other balance sheet assets	60	91
Off-balance sheet commitments and guarantees	(3)	11
Total expected credit loss impairment charges	**63**	**621**

NOTES TO THE FINANCIAL STATEMENTS
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7. Operating costs

For the year to 31 March R'million	Group 2022	Group 2021	Company 2022	Company 2021
Staff costs	7 034	6 349	1	5
Salaries and wages^	3 672	3 668	1	5
Variable remuneration^	2 218	1 725	—	—
Share-based payments expense^	446	436	—	—
Pensions and provident fund contributions^	375	335	—	—
Other	323	185	—	—
Premises expenses	304	257	—	—
Premises expenses (excluding depreciation)	155	133	—	—
Premises depreciation	149	124	—	—
Equipment expenses (excluding depreciation)	609	578	—	—
Business expenses**	828	770	6	6
Marketing expenses	331	317	—	—
Depreciation, amortisation and impairment on property, equipment, software and intangibles	176	186	—	—
	9 282	**8 457**	**7**	**11**
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:				
Ernst & Young Inc. fees				
Total fees paid to the audit firm by virtue of being the Group's auditor	62	61	33	35
Audit of the Group's accounts	38	41	33	35
Audit of the Group's subsidiaries pursuant to legislation	16	18	—	—
Audit-related assurance services	8	2	—	—
Total fees paid to the audit firm not in the capacity of being the Group's auditor	7	—	—	—
Audit- related assurance services	7	—	—	—
KPMG Inc. fees				
Total fees paid to the audit firm by virtue of being the Group's auditor	57	53	3	3
Audit of the Group's accounts	49	45	3	3
Audit of the Group's subsidiaries pursuant to legislation	8	8	—	—
Audit-related to assurance services	—	—	—	—
Total fees paid to the audit firm not in the capacity of being the Group's auditor	2	2	—	—
Audit-related assurance services	2	1	—	—
Tax compliance services	*	1	—	—
Tax advisory services	—	*	—	—
Total	**128**	**116**	**36**	**38**

^ Details of the directors' emoluments, pensions and their interests are disclosed in note 59.
** Business expenses mainly comprise insurance costs, consulting and professional fees, travel expenses and subscriptions.
* Less than R1 million.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

8. Share-based payments

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 and Group performance by allowing all staff to share in the risks and rewards of the Group.

Further information on the Group share options and long-term share incentive plans are provided in the Investec Group's 2022 remuneration report.

For the year to 31 March	Group 2022	2021
Details of equity-settled awards outstanding during the year		
Outstanding at the beginning of the year	24 206 796	19 835 140
Granted during the year	7 922 242	9 566 636
Exercised during the year^	(4 647 193)	(4 551 536)
Expired during the year	(880 799)	(643 444)
Outstanding at the end of the year	**26 601 046**	**24 206 796**
Vested and exercisable at the end of the year	**396 541**	**373 239**

^ The weighted average share price during the year was R68.09 (2021: R36.18) and the weighted average exercise price during the year was Rnil (2021: Rnil).

For the year to 31 March	Group 2022	2021
The exercise price range and weighted average remaining contractual life for the awards during the year were as follows:		
Long-term incentive options with no strike price		
Weighted average remaining contractual life of outstanding awards	1.98 years	2.13 years
Weighted average fair values of awards granted during the year	R60.18	R34.08
The fair value of share awards were calculated at market price. For awards during the year, the inputs were as follows:		
Share price at date of grant	R57.61 - R80.10	R32.36 - R38.68
Exercise price	Rnil	Rnil
Option life	2.50 - 5.68 years	3.73 - 4.76 years

For the year ended 31 March 2022, cash-settled options were awarded to eligible participants. The award is made in terms of a cash-settled option scheme with a strike price of R54.03. The award shall only be exercisable if the sum of the exercise date price and the share distribution amount exceeds the option price. At 31 March 2022, Investec Limited has 3 606 097 options outstanding, the liability is valued at R30.6 million, and R30.6 million has been recognised in share-based payments expense within operating costs on the income statement.

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

At 31 March	Group 2022	2021
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	R97.51	n/a
Exercise price	R54.03	n/a
Expected volatility	25.33%	n/a
Option life	2.41 - 4.08 years	n/a
Expected dividend yields	3.24% - 3.39%	n/a
Risk-free rate	6.20% - 6.73%	n/a

Further information on the awards granted to directors, refer to note 59.

NOTES TO THE FINANCIAL STATEMENTS
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9. Long-term employee benefits

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 for employees, 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 has an obligation to deliver Ninety One shares to the holders of Investec share awards, accordingly this obligation was classified and measured as another 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 priced to be used to calculate the liability as at 31 March 2020. Management performed procedures to support this assumption.

The IAS 19 long-term employment benefit liability movement recognised in the income statement for the year ended 31 March 2022 was a loss of R78.7 million (2021: loss of R185.5 million).

For the year to 31 March	Group 2022	2021
Details of awards outstanding during the year		
Outstanding at the beginning of the year	7 445 581	9 923 339
Exercised during the year	(2 341 563)	(2 233 363)
Lapsed during the year	(163 747)	(244 395)
Outstanding at the end of the year	**4 940 271**	**7 445 581**
Exercisable at the end of the year	**208 673**	**221 101**

At 31 March	Group 2022	2021
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	0.92 years	1.48 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	R49.01	R48.00
Exercise price	Rnil	Rnil
Expected volatility	35.03%	35.35%
Option life	0 - 2.16 years	0 - 3.16 years
Expected dividend yields	0% - 6.25%	0% - 4.51%
Risk-free rate	4.16% - 6.40%	3.32% - 5.97%

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10. Taxation

For the year to 31 March R'million	Group 2022	Group 2021	Company 2022	Company 2021
Income statement tax charge				
Taxation on income				
South Africa				
– Current taxation	2 244	1 420	9	(39)
in respect of the current year	2 152	1 420	9	(39)
in respect of release of tax provisions no longer required	(43)	—	—	—
in respect of prior year adjustments	135	—	—	—
– Deferred taxation	(151)	(407)	23	81
Foreign taxation – Mauritius	32	23	—	—
Total taxation charge as per income statement	**2 125**	**1 036**	**32**	**42**
Total taxation charge for the year comprises:				
Taxation on operating profit before acquired intangibles	2 140	1 050	32	42
Taxation on acquired intangibles	(15)	(14)	—	—
	2 125	**1 036**	**32**	**42**
Tax rate reconciliation:				
Profit before taxation as per income statement	8 444	4 704	7 583	828
Total taxation charge as per income statement	2 125	1 036	32	42
Tax on profit before tax at 28%	**2 364**	**1 317**	**2 123**	**232**
The standard rate of South African normal taxation has been affected by:				
Dividend income	(371)	(320)	(2 057)	(270)
Qualifying distribution	(244)	146	—	—
Other Additional Tier 1 securities interest	(24)	(14)	(21)	—
Foreign earnings*	(114)	(89)	—	—
Prior year tax adjustments	135	(42)	—	—
Release of provisions	(43)	(225)	—	42
Tax rate differential of profits of a capital nature	—	(14)	—	—
Computed tax losses	164	85	—	—
Tax impact of equity accounted earnings of associate	(81)	(24)	(67)	—
Impairment of associate	—	103	—	—
Change in tax rate	76	—	—	—
Impairment of deferred taxation assets	150	—	—	—
Other non-taxable/non-deductible differences	113	113	54	38
Total taxation charge as per income statement	**2 125**	**1 036**	**32**	**42**

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

For the year to 31 March R'million	Group 2022	Group 2021	Company 2022	Company 2021
The deferred taxation movements in the income statement arise from:				
Income and expenditure accruals	(35)	(358)	—	60
Expected credit loss impairment charges	(3)	25	—	—
Unrealised fair value adjustments on financial instruments	(78)	(29)	23	21
Movement in deferred tax assets related to losses including impairment of deferred taxation assets	135	(90)	—	—
Deferred taxation on acquired intangibles	(15)	(15)	—	—
Revaluation of investment property	(152)	20	—	—
Finance lease accounting	(3)	40	—	—
	(151)	**(407)**	**23**	**81**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

10. Taxation (continued)

For the year to 31 March R'million	Group 2022	Group 2021	Company 2022	Company 2021
Other comprehensive income taxation effects				
Fair value movements on cash flow hedges taken directly to other comprehensive income	(82)	11	—	—
– Pre-taxation	(91)	41	—	—
– Deferred taxation	33	151	—	—
– Current taxation	(24)	(181)	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	49	2 051	—	—
– Pre-taxation	79	2 843	—	—
– Income taxation	(30)	(792)	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	(35)	(33)	—	—
– Pre-taxation	(49)	(46)	—	—
– Deferred taxation	14	13	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	151	885	16	56
– Pre-taxation	171	1 141	18	72
– Deferred taxation	(20)	(256)	(2)	(16)
Net gain/(loss) attributable to own credit risk	1	(14)	—	—
– Pre-taxation	1	(18)	—	—
– Deferred taxation	—	4	—	—

NOTES TO THE FINANCIAL STATEMENTS
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11. Headline earnings

Group

For the year to 31 March R'million	2022	2021
Earnings attributable to shareholders	5 507	3 859
Dividends paid to perpetual preference shareholders and other Additional Tier 1 security holders	(477)	(416)
Gain on redemption of perpetual preference shares	26	71
Earnings attributable to ordinary shareholders	**5 056**	**3 514**
Headline adjustments	317	692
Revaluation of investment properties*	108	305
Headline adjustments of equity accounted associates	170	196
Impairment of goodwill	39	7
Impairment of associates and joint venture holdings	—	348
Loss attributable to other non-controlling interests relating to impairments in associates	—	(189)
Other headline adjustments^	—	25
Headline earnings attributable to ordinary shareholders	**5 373**	**4 206**

* These amounts are net of taxation of R69.3 million (2021: R89.6 million) and R283.2 million [2021: (R775.7 million)] of which was attributable to non-controlling interests.

^ Other headline adjustments predominantly relates to disposal of associate.

12. Dividends

For the year to 31 March R'million	Group 2022	Group 2021	Company 2022	Company 2021
Ordinary dividend*				
Final dividend in prior year	981	—^	1 005	—^
Interim dividend for current year	1 414	726	1 464	747
Total dividend attributable to ordinary shareholders recognised in current financial year	**2 395**	**726**	**2 469**	**747**
The directors have proposed a final ordinary dividend of 279 cents, resulting in a full year dividend of 509 cents per ordinary share (2021: 262 cents per ordinary share).				
^ In light of regulatory guidance provided to banks in South Africa, the Board had decided not to declare a final ordinary dividend for the year ended 31 March 2020. In the prior year, the Group also successfully completed the demerger of its asset management business and distributed 55% of its shareholding in Ninety One to the value of R4.3 billion. This resulted in a distribution per ordinary share of 1 488 cents for the year ended 31 March 2020.				
Perpetual preference dividend				
Final dividend in prior year	127	186	83	123
Interim dividend for current year	150	136	84	88
Total dividend attributable to perpetual preference shareholders recognised in current financial year	**277**	**322**	**167**	**211**
The directors have declared a final preference dividend in respect of the financial year ended 31 March 2022 of 282.26249 cents (2021: 271.44926) per Investec Limited perpetual preference share. The final preference dividend will be payable to shareholders on the register at the close of business on 13 June 2022.				
All outstanding Investec Bank Limited perpetual preference shares were repurchased during the current year. The final preference dividend declared for the year ended 31 March 2021 was 290.85595 cents.				
Dividends attributable to other Additional Tier 1 securities in issue	**200**	**94**	**192**	**85**
The dividends paid on other Additional Tier 1 floating rate notes pay dividends on a quarterly basis. Refer to note 47 for detail on rates.				
Total dividends declared to other equity holders including other Additional Tier 1 securities	**477**	**416**	**359**	**296**

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

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13. Operating lease disclosure

For the year to 31 March R'million	Group 2022	Group 2021
Operating lease income recognised in operating income:		
Minimum lease payments	**1 723**	**1 523**

For the year to 31 March R'million	Group 2022	Group 2021
Operating lease receivable		
Future minimum lease payments under non-cancellable operating leases:		
Less than one year	1 397	1 455
One to five years	3 125	3 285
Greater than five years	1 891	2 204
	6 413	**6 944**

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.

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14. 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 IFRS 9 mandatory Trading^	Non-trading^	Designated at inception	At fair value through comprehensive income Debt instruments with a dual business model	Equity instruments	Amortised cost	Non-financial instruments	Other fee income*	Total
Group									
2022									
Interest income	306	697	1 663	2 882	—	20 383	—	156	26 087
Interest expense	(126)	(15)	(682)	—	—	(15 862)	(24)	—	(16 709)
Fee and commission income	236	6	—	—	—	2 747	1 230	2 947	7 166
Fee and commission expense	(35)	—	—	(1)	—	(473)	(11)	(104)	(624)
Investment income	24	459	442	61	258	(316)	(338)	—	590
Share of post-taxation loss of associates and joint venture holdings	—	—	—	—	—	—	287	—	287
Trading income arising from									
– customer flow	1 176	199	—	—	—	—	—	(6)	1 369
– balance sheet management and other trading activities	(640)	5	343	—	—	3	—	13	(276)
Other operating income	—	14	—	—	—	—	3	—	17
Total operating income before expected credit loss impairment charges	**941**	**1 365**	**1 766**	**2 942**	**258**	**6 482**	**1 147**	**3 006**	**17 907**
Expected credit loss impairment charges	—	—	(76)	11	—	(1)	—	3	(63)
Operating income	**941**	**1 365**	**1 690**	**2 953**	**258**	**6 481**	**1 147**	**3 009**	**17 844**
2021									
Interest income	345	857	1 204	3 818	—	20 160	8	8	26 400
Interest expense	(199)	—	(738)	—	—	(17 438)	13	—	(18 362)
Fee and commission income	243	1	—	—	—	2 060	1 427	2 396	6 127
Fee and commission expense	(15)	—	—	(3)	—	(402)	(84)	(99)	(603)
Investment income	16	1 131	93	13	98	(191)	(876)	—	284
Share of post-taxation profit of associates and joint venture holdings	—	—	—	—	—	—	(145)	—	(145)
Trading income arising from									
– customer flow	820	(158)	36	—	—	261	—	—	959
– balance sheet management and other trading activities	(397)	19	301	—	—	(563)	19	—	(621)
Other operating income	—	140	—	—	—	2	6	1	149
Total operating income before expected credit loss impairment charges	**813**	**1 990**	**896**	**3 828**	**98**	**3 889**	**368**	**2 306**	**14 188**
Expected credit loss impairment charges	—	—	(48)	(24)	—	(538)	—	(11)	(621)
Operating income	**813**	**1 990**	**848**	**3 804**	**98**	**3 351**	**368**	**2 295**	**13 567**

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

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

	At fair value through profit or loss			At fair value through comprehensive income				
	IFRS 9 mandatory							
For the year to 31 March R'million	Trading^	Non-trading^	Designated at inception	Equity instruments	Amortised cost	Non-financial instruments	Other fee income*	**Total**
Company								
2022								
Interest income	—	—	—	—	481	—	—	481
Interest expense	—	—	—	—	(609)	—	—	(609)
Investment income	—	—	—	9	—	7 501	—	7 510
Share of post taxation profit of associates and joint venture holdings	—	—	—	—	—	238	—	238
Trading income arising from								
– balance sheet management and other trading activities	—	—	—	—	—	(2)	—	(2)
Operating income/(expense)	**—**	**—**	**—**	**9**	**(128)**	**7 737**	**—**	**7 618**
2021								
Interest income	—	—	—	—	295	—	—	295
Interest expense	—	—	—	—	(477)	—	—	(477)
Investment income	—	—	3	23	—	980	—	1 006
Trading income arising from	—	—	—					
– customer flow	—	—	—	—	—	—	(4)	(4)
– balance sheet management and other trading activities	—	—	—	—	—	19	—	19
Operating income/(expense)	**—**	**—**	**3**	**23**	**(182)**	**999**	**(4)**	**839**

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

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15. 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	At 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**	**Amortised cost**	**Non-financial instruments or scoped out of IFRS 9**	**Total**
Group										
2022										
Assets										
Cash and balances at central banks	—	—	—	—	—	—	—	11 893	—	11 893
Loans and advances to banks	—	—	—	—	—	—	—	21 014	—	21 014
Non-sovereign and non-bank cash placements	—	564	—	—	—	—	564	12 612	—	13 176
Reverse repurchase agreements and cash collateral on securities borrowed	7 124	16 222	—	—	—	—	23 346	37 481	—	60 827
Sovereign debt securities	—	7 161	—	35 271	—	—	42 432	14 948	—	57 380
Bank debt securities	—	288	—	15 986	—	—	16 274	11 684	—	27 958
Other debt securities	—	307	—	10 777	—	—	11 084	4 333	—	15 417
Derivative financial instruments	17 778	—	—	—	—	—	17 778	—	—	17 778
Securities arising from trading activities	9 691	314	—	—	—	—	10 005	—	—	10 005
Investment portfolio	189	10 585	—	—	4 735	—	15 509	—	—	15 509
Loans and advances to customers	—	1 530	19 244	—	—	—	20 774	270 409	—	291 183
Own originated loans and advances to customers securitised	—	—	—	—	—	—	—	7 228	—	7 228
Other loans and advances	—	—	—	—	—	—	—	108	—	108
Other securitised assets	—	—	—	—	—	—	—	592	—	592
Interests in associated undertakings and joint venture holdings	—	—	—	—	—	—	—	—	5 480	5 480
Current taxation assets	—	—	—	—	—	—	—	—	4	4
Deferred taxation assets	—	—	—	—	—	—	—	—	2 866	2 866
Other assets	4 175	649	—	—	—	—	4 824	10 758	2 930	18 512
Property and equipment	—	—	—	—	—	—	—	—	3 469	3 469
Investment properties	—	—	—	—	—	—	—	—	15 783	15 783
Goodwill	—	—	—	—	—	—	—	—	173	173
Software	—	—	—	—	—	—	—	—	46	46
Other acquired intangible assets	—	—	—	—	—	—	—	—	64	64
Non-current assets classified as held for sale	—	498	—	—	—	—	498	—	1 026	1 524
	38 957	**38 118**	**19 244**	**62 034**	**4 735**	**—**	**163 088**	**403 060**	**31 841**	**597 989**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	—	—	—	—	1 145	1 145	—	—	1 145
	38 957	**38 118**	**19 244**	**62 034**	**4 735**	**1 145**	**164 233**	**403 060**	**31 841**	**599 134**
Liabilities										
Deposits by banks	—	—	—	—	—	—	—	22 236	—	22 236
Derivative financial instruments	32 265	—	—	—	—	—	32 265	—	—	32 265
Other trading liabilities	4 475	—	—	—	—	—	4 475	—	—	4 475
Repurchase agreements and cash collateral on securities lent	3 152	—	—	—	—	—	3 152	10 789	—	13 941
Customer accounts (deposits)	—	—	56 663	—	—	—	56 663	363 285	—	419 948
Debt securities in issue	—	—	—	—	—	—	—	7 607	—	7 607
Liabilities arising on securitisation of own originated loans and advances	—	—	—	—	—	—	—	4 585	—	4 585
Current taxation liabilities	—	—	—	—	—	—	—	—	753	753
Deferred taxation liabilities	—	—	—	—	—	—	—	—	714	714
Other liabilities	1 107	951	—	—	—	—	2 058	10 138	6 018	18 214
	40 999	**951**	**56 663**	**—**	**—**	**—**	**98 613**	**418 640**	**7 485**	**524 738**
Liabilities to customers under investment contracts	—	—	—	—	—	1 086	1 086	—	—	1 086
Insurance liabilities, including unit-linked liabilities	—	—	—	—	—	59	59	—	—	59
	40 999	**951**	**56 663**	**—**	**—**	**1 145**	**99 758**	**418 640**	**7 485**	**525 883**
Subordinated liabilities	—	—	—	—	—	—	—	10 722	—	10 722
	40 999	**951**	**56 663**	**—**	**—**	**1 145**	**99 758**	**429 362**	**7 485**	**536 605**

^ 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.

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

	At fair value through profit and loss			At fair value through other comprehensive income						
	IFRS 9 mandatory									
At 31 March R'million	Trading^	Non-trading^	Designated at initial recognition	Debt instruments with a dual business model	Equity instruments	Financial assets linked to investment contract liabilities	Total instruments at fair value	Amortised cost	Non-financial instruments or scoped out of IFRS 9	Total
Group										
2021										
Assets										
Cash and balances at central banks	—	—	—	—	—	—	—	9 653	—	9 653
Loans and advances to banks^^	—	—	—	—	—	—	—	25 723	—	25 723
Non-sovereign and non-bank cash placements	23	—	—	—	—	—	23	8 933	—	8 956
Reverse repurchase agreements and cash collateral on securities borrowed	6 605	5 872	—	—	—	—	12 477	18 279	—	30 756
Sovereign debt securities	—	3 266	—	40 612	—	—	43 878	9 131	—	53 009
Bank debt securities	—	288	—	16 582	—	—	16 870	4 992	—	21 862
Other debt securities	—	60	—	8 633	—	—	8 693	5 455	—	14 148
Derivative financial instruments	19 186	—	—	—	—	—	19 186	—	—	19 186
Securities arising from trading activities	14 640	562	—	—	—	—	15 202	—	—	15 202
Investment portfolio	179	10 857	—	—	4 095	—	15 131	—	—	15 131
Loans and advances to customers	—	1 576	22 288	—	—	—	23 864	255 267	—	279 131
Own originated loans and advances to customers securitised	—	—	—	—	—	—	—	8 184	—	8 184
Other loans and advances	—	—	—	—	—	—	—	181	—	181
Other securitised assets	—	—	—	—	—	—	—	578	—	578
Interests in associated undertakings and joint venture holdings	—	—	—	—	—	—	—	—	5 215	5 215
Current taxation assets	—	—	—	—	—	—	—	—	44	44
Deferred taxation assets	—	—	—	—	—	—	—	—	2 767	2 767
Other assets	3 102	705	—	—	—	—	3 807	8 686	3 831	16 324
Property and equipment	—	—	—	—	—	—	—	—	2 942	2 942
Investment properties	—	—	—	—	—	—	—	—	16 942	16 942
Goodwill	—	—	—	—	—	—	—	—	212	212
Software	—	—	—	—	—	—	—	—	95	95
Other acquired intangible assets	—	—	—	—	—	—	—	—	118	118
Non-current assets classified as held for sale	—	832	—	—	—	—	832	—	222	1 054
	43 735	**24 018**	**22 288**	**65 827**	**4 095**	**—**	**159 963**	**355 062**	**32 388**	**547 413**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	—	—	—	—	1 067	1 067	—	—	1 067
	43 735	**24 018**	**22 288**	**65 827**	**4 095**	**1 067**	**161 030**	**355 062**	**32 388**	**548 480**
Liabilities										
Deposits by banks	—	—	—	—	—	—	—	22 052	—	22 052
Derivative financial instruments	26 154	—	—	—	—	—	26 154	—	—	26 154
Other trading liabilities	5 643	—	—	—	—	—	5 643	—	—	5 643
Repurchase agreements and cash collateral on securities lent	4 357	—	—	—	—	—	4 357	13 241	—	17 598
Customer accounts (deposits)	—	—	21 310	—	—	—	21 310	352 918	—	374 228
Debt securities in issue	—	—	—	—	—	—	—	6 493	—	6 493
Liabilities arising on securitisation of own originated loans and advances	—	—	—	—	—	—	—	3 271	—	3 271
Current taxation liabilities	—	—	—	—	—	—	—	—	854	854
Deferred taxation liabilities	—	—	—	—	—	—	—	—	743	743
Other liabilities^^	1 256	928	—	—	—	—	2 184	7 935	5 185	15 304
	37 410	**928**	**21 310**	**—**	**—**	**—**	**59 648**	**405 910**	**6 782**	**472 340**
Liabilities to customers under investment contracts	—	—	—	—	—	1 014	1 014	—	—	1 014
Insurance liabilities, including unit-linked liabilities	—	—	—	—	—	53	53	—	—	53
	37 410	**928**	**21 310**	**—**	**—**	**1 067**	**60 715**	**405 910**	**6 782**	**473 407**
Subordinated liabilities	—	—	—	—	—	—	—	14 445	—	14 445
	37 410	**928**	**21 310**	**—**	**—**	**1 067**	**60 715**	**420 355**	**6 782**	**487 852**

^ 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.
^^ Restated as detailed in note 57.

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

At 31 March R'million	At fair value through other comprehensive income Equity instruments	Total instruments at fair value	Amortised cost	Non-financial instruments or scoped out of IFRS 9	Total
Company					
2022					
Assets					
Loans and advances to banks	—	—	21	—	21
Bank debt securities	—	—	5 589	—	5 589
Investment portfolio	511	511	—	—	511
Interests in associated undertakings and joint venture holdings	—	—	—	5 437	5 437
Other assets	—	—	—	38	38
Investment in subsidiaries	—	—	—	21 436	21 436
	511	**511**	**5 610**	**26 911**	**33 032**
Liabilities					
Debt securities in issue	—	—	3 734	—	3 734
Current taxation liabilities	—	—	—	20	20
Other liabilities	—	—	2 295	503	2 798
	—	**—**	**6 029**	**523**	**6 552**
Subordinated liabilities	—	—	4 725	—	4 725
	—	**—**	**10 754**	**523**	**11 277**
2021					
Assets					
Loans and advances to banks	—	—	20	—	20
Bank debt securities	—	—	2 709	—	2 709
Investment portfolio	190	190	—	—	190
Deferred taxation assets	—	—	—	25	25
Other assets	—	—	9	26	35
Investment in subsidiaries	—	—	186	18 569	18 755
	190	**190**	**2 924**	**18 620**	**21 734**
Liabilities					
Debt securities in issue	—	—	319	—	319
Current taxation liabilities	—	—	—	11	11
Other liabilities	—	—	1 325	512	1 837
	—	**—**	**1 644**	**523**	**2 167**
Subordinated liabilities	—	—	3 145	—	3 145
	—	**—**	**4 789**	**523**	**5 312**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

16. 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				
2022				
Assets				
Non-sovereign and non-bank cash placements	564	—	564	—
Reverse repurchase agreements and cash collateral on securities borrowed	23 346	—	23 346	—
Sovereign debt securities	42 432	42 432	—	—
Bank debt securities	16 274	5 163	11 111	—
Other debt securities	11 084	891	10 193	—
Derivative financial instruments	17 778	—	17 778	—
Securities arising from trading activities	10 005	9 737	268	—
Investment portfolio	15 509	5 016	33	10 460
Loans and advances to customers	20 774	—	19 997	777
Other assets	4 824	4 824	—	—
Non-current assets classified as held for sale	498	—	—	498
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	1 145	1 145	—	—
	164 233	**69 208**	**83 290**	**11 735**
Liabilities				
Derivative financial instruments	32 265	698	31 567	—
Other trading liabilities	4 475	1 314	3 161	—
Repurchase agreements and cash collateral on securities lent	3 152	—	3 152	—
Customer accounts (deposits)	56 663	—	56 663	—
Other liabilities	2 058	—	1 107	951
Liabilities to customers under investment contracts	1 086	—	1 086	—
Insurance liabilities, including unit-linked liabilities	59	—	59	—
	99 758	**2 012**	**96 795**	**951**
Net financial assets/(liabilities) at fair value	**64 475**	**67 196**	**(13 505)**	**10 784**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

16. 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				
2021				
Assets				
Non-sovereign and non-bank cash placements	23	—	23	—
Reverse repurchase agreements and cash collateral on securities borrowed	12 477	—	12 477	—
Sovereign debt securities	43 878	43 878	—	—
Bank debt securities	16 870	8 197	8 673	—
Other debt securities	8 693	1 393	7 300	—
Derivative financial instruments	19 186	6	19 180	—
Securities arising from trading activities	15 202	15 020	182	—
Investment portfolio	15 131	4 501	31	10 599
Loans and advances to customers	23 864	—	23 829	35
Other assets	3 807	3 807	—	—
Non-current assets classified as held for sale	832	—	—	832
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	1 067	1 067	—	—
	161 030	**77 869**	**71 695**	**11 466**
Liabilities				
Derivative financial instruments	26 154	934	25 220	—
Other trading liabilities	5 643	2 302	3 341	—
Repurchase agreements and cash collateral on securities lent	4 357	—	4 357	—
Customer accounts (deposits)	21 310	—	21 310	—
Other liabilities	2 184	—	1 256	928
Liabilities to customers under investment contracts	1 014	—	1 014	—
Insurance liabilities, including unit-linked liabilities	53	—	53	—
	60 715	**3 236**	**56 551**	**928**
Net financial assets at fair value	**100 315**	**74 633**	**15 144**	**10 538**
Company				
2022				
Assets				
Investment portfolio	511	511	—	—
	511	**511**	**—**	**—**
2021				
Assets				
Investment portfolio	190	190	—	—
	190	**190**	**—**	**—**

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

16. 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
Investment portfolio	Adjusted quoted price	Liquidity adjustment
Loans and advances to customers	Discounted cash flow model	Yield curve
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

16. 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 2020	11 168	760	—	11 928
Net losses included in the income statement	(450)	(17)	—	(467)
Purchases	2 141	1	—	2 142
Sales	(482)	(11)	—	(493)
Settlements	(135)	(698)	—	(833)
Transfers to non-current assets classified as held for sale^	(832)	—	832	—
Foreign exchange adjustments	(811)	—	—	(811)
Balance at 31 March 2021	**10 599**	**35**	**832**	**11 466**
Net gains/(losses) included in the income statement	(494)	—	51	(443)
Purchases	675	—	—	675
Sales	(60)	—	(385)	(445)
Issues	4	—	—	4
Settlements	(272)	(13)	—	(285)
Transfers into level 3	—	755	—	755
Foreign exchange adjustments	8	—	—	8
Balance at 31 March 2022	**10 460**	**777**	**498**	**11 735**

^ For the year ended 31 March 2021, certain equity investments to the value of R832.4 million were transferred out of investment portfolio to non-current assets held for sale in anticipation of the sale to occur in the short term. These equity investments form part of the Group Investments and Corporate, Investment Banking and Other segments.

For the year ended 31 March 2022, R755.0 million of loans and advances to customers has been transferred from level 2 to level 3, due to inputs related to the measurement of credit risk to the valuation model becoming unobservable.

For the year ended 31 March 2021, there were no significant transfers into and out of level 3.

R'million	Other balance sheet liabilities	Total
Liabilities		
Balance at 1 April 2020	13	13
Total losses included in the income statement	61	61
Issues	854	854
Balance at 31 March 2021	**928**	**928**
Total losses included in the income statement	47	47
Settlements	(24)	(24)
Balance at 31 March 2022	**951**	**951**

The Group transfers between levels within the fair value hierarchy when the significance of the unobservable inputs change or if the valuation methods change.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

16. Financial instruments at fair value (continued)

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			
2022			
Total losses included in the income statement for the year			
Investment loss	(462)	(102)	(360)
Trading loss arising from balance sheet management and other trading activities	(28)	—	(28)
	(490)	**(102)**	**(388)**
2021			
Total gains/(losses) included in the income statement for the year			
Net interest expense	(26)	—	(26)
Investment loss	(538)	(45)	(493)
Trading income arising from balance sheet management and other trading activities	36	—	36
	(528)	**(45)**	**(483)**

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

16. 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 below valuations have been considered taking the global pandemic of COVID-19 into consideration. The following table shows the sensitivity of these fair values to reasonably possible alternative assumptions, determined at a transactional level:

					Potential impact on the income statement	
At 31 March 2022	**Level 3 balance sheet value R'million**	**Valuation method**	**Significant unobservable input changed**	**Range of unobservable input used**	**Favourable changes R'million**	**Unfavourable changes R'million**
Group						
Assets						
Investment portfolio	10 460				**1 339**	**(1 310)**
		Price earnings	EBITDA	*	242	(182)
		Discounted cash flow	Discount rate	13%-17%	12	(12)
		Discounted cash flow	Cash flows	*	33	(26)
		Net asset value	Underlying asset value	^	32	(61)
		Discounted cash flow	Precious and industrial metal prices	(5%)-5%	27	(27)
		Discounted cash flow	Property values	#	988	(988)
		Other	Various	**	5	(14)
Loans and advances to customers	777				**152**	**(241)**
		Net asset value	Underlying asset value	^	2	(2)
		Underlying asset value	Property values	^	150	(239)
Non-current assets held for sale	498				**11**	**(38)**
		Discounted cash flow	Discount rate	13%-16%	11	(38)
Total level 3 assets	**11 735**				**1 502**	**(1 589)**
Liabilities						
Other liabilities	951	Discounted cash flow	Property values	#	137	(137)
Total level 3 liabilities	**951**				**137**	**(137)**
Net level 3 assets	**10 784**				**1 639**	**(1 726)**

* 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.
# Property values are the underlying input for the valuations where the capitalisation rate when valuing these properties has been stressed by 0.25bps.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

16. Financial instruments at fair value (continued)

					Potential impact on the income statement	
At 31 March 2021	**Level 3 balance sheet value R'million**	**Valuation method**	**Significant unobservable input changed**	**Range of unobservable input used**	**Favourable changes R'million**	**Unfavourable changes R'million**
Group						
Assets						
Investment portfolio	10 599				1 393	(1 306)
		Price earnings	EBITDA	*	616	(482)
		Discounted cash flow	Discount rate	13% – 17%	7	(4)
		Discounted cash flow	Cash flows	**	38	(28)
		Net asset value	Underlying asset value	^	42	(75)
		Discounted cash flow	Precious and industrial metal prices	(5%) – 5%	27	(27)
		Discounted cash flow	Property values	(10%) – 10%	655	(655)
		Other	Various	**	8	(35)
Loans and advances to customers	35	Net asset value	Underlying asset value	^	4	(4)
Non-current assets held for sale	832				49	(52)
		Discounted cash flow	Discount rate	13% – 15%	13	(16)
		Discounted cash flow	Property values	(10%) – 10%	36	(36)
Total level 3 assets	**11 466**				**1 446**	**(1 362)**
Liabilities						
Other liabilities	928	Discounted cash flow	Property values	(10%) – 10%	93	(93)
Total level 3 liabilities	**928**				**93**	**(93)**
Net level 3 assets	**10 538**				**1 539**	**(1 455)**

* 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.

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 company being valued 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

17. Fair value of financial instruments at amortised cost

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							
2022							
Assets							
Cash and balances at central banks	11 893	11 893	—	—	—	—	—
Loans and advances to banks	21 014	18 901	2 113	2 106	—	2 106	—
Non-sovereign and non-bank cash placements	12 612	12 612	—	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	37 481	11 130	26 351	26 354	—	26 354	—
Sovereign debt securities	14 948	—	14 948	15 189	15 189	—	—
Bank debt securities	11 684	598	11 086	11 065	11 065	—	—
Other debt securities	4 333	3 572	761	782	782	—	—
Loans and advances to customers	270 409	254 906	15 503	15 526	—	—	15 526
Own originated loans and advances to customers securitised	7 228	7 228	—	—	—	—	—
Other loans and advances	108	108	—	—	—	—	—
Other securitised assets	592	592	—	—	—	—	—
Other assets	10 758	10 758	—	—	—	—	—
	403 060	**332 298**	**70 762**	**71 022**	**27 036**	**28 460**	**15 526**
Liabilities							
Deposits by banks	22 236	4 060	18 176	18 614	—	18 614	—
Repurchase agreements and cash collateral on securities lent	10 789	7 170	3 619	3 706	—	3 706	—
Customer accounts (deposits)	363 285	223 408	139 877	140 273	—	140 273	—
Debt securities in issue	7 607	6 558	1 049	1 052	—	1 052	—
Liabilities arising on securitisation of own originated loans and advances	4 585	4 585	—	—	—	—	—
Other liabilities	10 138	10 138	—	—	—	—	—
Subordinated liabilities	10 722	4 725	5 997	7 019	7 019	—	—
	429 362	**260 644**	**168 718**	**170 664**	**7 019**	**163 645**	**—**

For the year ended 31 March 2022, there were insignificant disposals of financial instruments measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

17. 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							
2021							
Assets							
Cash and balances at central banks	9 653	9 653	—	—	—	—	—
Loans and advances to banks^	25 723	25 723	—	—	—	—	—
Non-sovereign and non-bank cash placements	8 933	8 933	—	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	18 279	1 641	16 638	16 635	—	16 635	—
Sovereign debt securities	9 131	—	9 131	9 299	9 299	—	—
Bank debt securities	4 992	1 713	3 279	3 469	3 469	—	—
Other debt securities	5 455	4 511	944	987	987	—	—
Loans and advances to customers	255 267	242 224	13 043	13 101	—	—	13 101
Own originated loans and advances to customers securitised	8 184	8 184	—	—	—	—	—
Other loans and advances	181	181	—	—	—	—	—
Other securitised assets	578	578	—	—	—	—	—
Other assets	8 686	8 686	—	—	—	—	—
	355 062	**312 027**	**43 035**	**43 491**	**13 755**	**16 635**	**13 101**
Liabilities							
Deposits by banks	22 052	5 210	16 842	17 053	—	17 053	—
Repurchase agreements and cash collateral on securities lent	13 241	1 006	12 235	12 281	—	12 281	—
Customer accounts (deposits)	352 918	233 198	119 720	120 098	—	120 098	—
Debt securities in issue	6 493	5 146	1 347	1 366	—	1 366	—
Liabilities arising on securitisation of own originated loans and advances	3 271	3 271	—	—	—	—	—
Other liabilities^	7 935	7 935	—	—	—	—	—
Subordinated liabilities	14 445	3 145	11 300	13 291	13 291	—	—
	420 355	**258 911**	**161 444**	**164 089**	**13 291**	**150 798**	**—**

^ Restated as detailed in note 57.

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.

For the Company, fair value approximates carrying value for all amortised cost financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

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

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

	Valuation basis/techniques	Main inputs
Assets		
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

18. Financial instruments designated at fair value

		Fair value adjustment		Change in fair value attributable to credit risk*		
At 31 March R'million	**Carrying value**	**Current**	**Cumulative**	**Current**	**Cumulative**	**Maximum exposure to credit risk**
Group						
Assets						
2022						
Loans and advances to customers	19 244	(439)	112	(74)	(270)	19 133
	19 244	**(439)**	**112**	**(74)**	**(270)**	**19 133**
2021						
Loans and advances to customers	22 288	30	707	(47)	(114)	21 581
	22 288	**30**	**707**	**(47)**	**(114)**	**21 581**

			Fair value adjustment		Change in fair value attributable to credit risk*	
At 31 March R'million	**Carrying value**	**Remaining contractual amount to be repaid at maturity**	**Current**	**Cumulative**	**Current**	**Cumulative**
Group						
Liabilities						
2022						
Customer accounts (deposits)	56 663	56 594	(368)	(137)	(1)	(17)
	56 663	**56 594**	**(368)**	**(137)**	**(1)**	**(17)**
2021						
Customer accounts (deposits)	21 310	20 412	207	231	(19)	(16)
	21 310	**20 412**	**207**	**231**	**(19)**	**(16)**

* 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.

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

	Group	
At 31 March R'million	**2022**	2021
Gross cash and balances at central banks	11 893	9 653
Expected credit loss on amortised cost	—	—
Net cash and balances at central banks	**11 893**	**9 653**
The country risk of cash and balances at central banks lies in the following geographies:		
South Africa	11 359	9 352
Africa (excluding RSA)	534	301
	11 893	**9 653**

20. Loans and advances to banks

	Group		Company	
At 31 March R'million	**2022**	2021^	**2022**	2021
Gross loans and advances to banks	21 016	25 726	21	20
Expected credit loss on amortised cost	(2)	(3)	—	—
Net loans and advances to banks	**21 014**	**25 723**	**21**	**20**
South Africa	1 796	9 541	21	20
United Kingdom	7 139	1 188	—	—
Europe (excluding UK)	5 935	9 723	—	—
North America	2 032	3 039	—	—
Africa (excluding RSA)	3 363	1 316	—	—
Asia	390	744	—	—
Australia	359	172	—	—
	21 014	**25 723**	**21**	**20**

^ Restated as detailed in note 57.

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

	Group	
At 31 March R'million	**2022**	2021
Assets		
Gross reverse repurchase agreements and cash collateral on securities borrowed	60 831	30 757
Expected credit loss on amortised cost	(4)	(1)
Net reverse repurchase agreements and cash collateral on securities borrowed	**60 827**	**30 756**
Reverse repurchase agreements	48 429	27 222
Cash collateral on securities borrowed	12 398	3 534
	60 827	**30 756**
As part of the reverse repurchase and securities borrowing agreements the Group has received securities that they are allowed to sell or repledge. R49.8 million (2021: R52.2 million) has been resold or repledged to third parties in connection with financing activities or to comply with commitments under short sale transactions.		
Liabilities		
Repurchase agreements	6 771	16 593
Cash collateral on securities lent	7 170	1 005
	13 941	**17 598**
The assets transferred and not derecognised in the above repurchase agreements are fair valued at R7.7 billion (2021: R18.4 billion). They are pledged as security for the term of the underlying repurchase agreement. Refer to note 52.		

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22. Sovereign debt securities

At 31 March R'million	Group 2022	 2021
Gross sovereign debt securities	57 382	53 014
Expected credit loss on amortised cost	(2)	(5)
Net sovereign debt securities	**57 380**	**53 009**
The country risk of the sovereign debt securities lies in the following geographies:		
South Africa	54 169	51 995
North America	2 406	738
Africa (excluding RSA)	—	276
Asia	805	—
	57 380	**53 009**

23. Bank debt securities

At 31 March R'million	Group 2022	 2021	Company 2022	 2021
Gross bank debt securities	27 967	21 865	5 589	2 709
Expected credit loss on amortised cost	(9)	(3)	—	—
Net bank debt securities	**27 958**	**21 862**	**5 589**	**2 709**
Bonds	19 127	15 469	5 589	2 709
Floating rate notes	8 831	6 393	—	—
	27 958	**21 862**	**5 589**	**2 709**
The country risk of the bank debt securities lies in the following geographies:				
South Africa	7 120	5 978	5 589	2 709
United Kingdom	8 588	5 607	—	—
Europe (excluding UK)	6 543	5 001	—	—
North America	2 347	1 510	—	—
Africa (excluding RSA)	265	280	—	—
Asia	2 026	2 420	—	—
Australia	1 069	1 066	—	—
	27 958	**21 862**	**5 589**	**2 709**

24. Other debt securities

At 31 March R'million	Group 2022	 2021
Gross other debt securities	15 425	14 156
Expected credit loss on amortised cost	(8)	(8)
Net other debt securities	**15 417**	**14 148**
Bonds	10 430	8 283
Floating rate notes	3 405	3 360
Asset-based securities	1 582	2 505
	15 417	**14 148**
The country risk of the other debt securities lies in the following geographies:		
South Africa	7 576	7 682
United Kingdom	4 136	3 846
Europe (excluding UK)	444	730
North America	3 261	1 890
	15 417	**14 148**

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25. Derivative financial instruments

The Group enters into various contracts for derivatives both as principal for trading purposes and as customer for hedging foreign exchange and interest rate 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	2022 Notional principal amounts	 Positive fair value	 Negative fair value	2021 Notional principal amounts	 Positive fair value	 Negative fair value
Group						
Foreign exchange derivatives						
Forward foreign exchange contracts	20 981	4 500	3 987	14 068	497	281
Currency swaps	257 424	1 532	2 293	260 141	7 801	8 879
OTC options bought and sold	44 314	873	909	42 215	700	1 069
Other foreign exchange contracts	1 655	5	—	4 207	60	12
	324 374	**6 910**	**7 189**	**320 631**	**9 058**	**10 241**
Interest rate derivatives						
Caps and floors	18 600	18	88	14 385	37	39
Swaps	957 707	4 553	7 691	1 266 025	6 633	10 333
Forward rate agreements	471 173	157	58	543 252	256	347
OTC options bought and sold	947	11	1	1 266	17	3
Other interest rate contracts	6 869	201	41	2 372	103	35
OTC derivatives	**1 455 296**	**4 940**	**7 879**	**1 827 300**	**7 046**	**10 757**
Exchange traded futures	—	—	—	2 663	—	—
	1 455 296	**4 940**	**7 879**	**1 829 963**	**7 046**	**10 757**
Equity and stock index derivatives						
OTC options bought and sold	54 793	7 916	17 055	12 117	4 284	6 107
Equity swaps and forwards	41 331	185	6 378	10 861	301	9 303
OTC derivatives	**96 124**	**8 101**	**23 433**	**22 978**	**4 585**	**15 410**
Exchange traded futures	—	—	—	6 127	6	—
Exchange traded options	—	156	—	—	—	—
	96 124	**8 257**	**23 433**	**29 105**	**4 591**	**15 410**
Commodity derivatives						
Commodity swaps and forwards	63 845	1 597	1 265	16 701	23	947
	63 845	**1 597**	**1 265**	**16 701**	**23**	**947**
Credit derivatives	**4 647**	**42**	**50**	**9 673**	**73**	**56**
Cash collateral		**(3 968)**	**(7 551)**		**(1 605)**	**(11 257)**
Derivatives per balance sheet		**17 778**	**32 265**		**19 186**	**26 154**

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26. Securities arising from trading activities

At 31 March R'million	Group **2022**	 2021
Bonds	642	336
Floating rate notes	766	970
Government securities	200	—
Listed equities	8 397	13 881
Other investments	—	15
	10 005	**15 202**

27. Investment portfolio

At 31 March R'million	Group^ **2022**	 2021	Company^^ **2022**	 2021
Listed equities	5 007	4 490	511	190
Unlisted equities*	3 069	3 210	—	—
Fair value loan investments	7 433	7 431	—	—
	15 509	**15 131**	**511**	**190**

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

^ In the Group, included in listed equities is an investment in Ninety One shares of R4.0 billion (2021: R3.9 billion) and an investment of R272.8 million (2021: R224.9 million) in a portfolio of perpetual preference shares issued by South African listed banks which are measured at FVOCI. Dividends recognised on Ninety One shares were R240.7 million (2021: R76.7 million) and on the portfolio of preference shares were R17.4 million (2021: R22.1 million).

^^ In the Company, at 31 March 2022, is an investment in listed equities of Ninety One shares of R510.7 million acquired in the current year as part of the process to distribute Ninety One shares and an investment in IPF shares of R190.0 million held at 31 March 2021. Dividends recognised on IPF shares were R9.3 million (2021: R23.0 million) in the company.
In the current year, the investment in IPF in the company, has been transferred from the investment portfolio line in the balance sheet to the investment in subsidiaries line item as additional shares have been purchased from Investec Bank Limited. Refer to note 37.

As at 31 March 2021, certain equity investments to the value of R832.4 million were transferred out of investment portfolio to non-current assets held for sale in anticipation of the sale to occur in the short term. The value of unlisted investments at 31 March 2022 that are disclosed in non-current assets held for sale is R497.8 million. These equity investments form part of the Group Investments and Corporate, Investment Banking and Other segments.

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

At 31 March R'million	Group **2022**	 2021
Gross loans and advances to customers at amortised cost	273 001	257 866
Gross loans and advances to customers designated at FVPL at inception^	19 320	22 393
Gross loans and advances to customers subject to ECL	**292 321**	**280 259**
Expected credit loss on amortised cost	(2 668)	(2 704)
Loans and advances to customers at fair value	1 530	1 576
Net loans and advances to customers	**291 183**	**279 131**
Gross other loans and advances	132	206
Expected credit loss of other loans and advances	(24)	(25)
Net other loans and advances	**108**	**181**

^ 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.

For further analysis on loans and advances refer to note 60.

At 31 March R'million	Group **2022**	 2021
Expected credit losses on loans and advances to customers at amortised cost		
Balance at the beginning of the year	2 704	3 344
Charge to the income statement	271	935
Utilised	(307)	(1 548)
Exchange adjustment	—	(27)
Balance at the end of the year	**2 668**	**2 704**

NOTES TO THE FINANCIAL STATEMENTS
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29. Securitised assets and liabilities arising on securitisation

At 31 March R'million	Group 2022	Group 2021
Gross own originated loans and advances to customers securitised	7 255	8 209
Expected credit loss of own originated loans and advances to customers securitised	(27)	(25)
Net own originated loans and advances to customers securitised	**7 228**	**8 184**
Other securitised assets are made up of the following categories of assets:		
Cash and cash equivalents	592	578
Total other securitised assets	**592**	**578**
The associated liabilities are recorded on-balance sheet in the following line items:		
Liabilities arising on securitisation of own originated loans and advances	**4 585**	**3 271**
Expected credit losses on own originated loans and advances to customers securitised at amortised cost		
Balance at the beginning of the year	25	16
Charge to the income statement	2	9
Balance at the end of the year	**27**	**25**

30. Interests in associated undertakings and joint venture holdings

At 31 March R'million	Group 2022	Group 2021	Company 2022	Company 2021
Analysis of the movement in interests in associated undertakings and joint venture holdings:				
At the beginning of the year	5 215	6 924	—	—
Acquisitions	—	—	5 167	—
Disposals	(50)	(738)^	—	—
Share of post-taxation (loss)/profit of associates and joint venture holdings (excluding recycling of foreign exchange losses)	287	(46)	238	—
Net equity movements of interests in associated undertakings	79	(406)	79	—
Dividends declared by associate	(47)	(71)	(47)	—
Transfers between asset classes	—	7	—	—
Impairment of associates and joint venture holdings*	—	(348)	—	—
Exchange adjustments	(4)	(107)	—	—
At the end of the year	**5 480**	**5 215**	**5 437**	**—**

^ The sale of UK Nestor, an associate of Investec Property Fund (IPF) was effective 31 March 2021, the proceeds were received post 31 March 2021.
* Of the R348 million impairment of associates and joint venture holdings in 2021, R250 million relates to the impairment to the transaction price for the sale of IPF's investment in associate, UK Nestor and R98 million impairment to equity accounted value of the Group's investment in IEP.

During August 2021, Investec Limited acquired Investec Bank Limited's entire stake of 47.4% in IEP at fair value for R5.2 billion. The sale was part of the balance sheet reorganisation within the Investec Group to ensure Investec Bank Limited's balance sheet only reflects banking assets. All required regulatory approval was obtained prior to the acquisition. This acquisition only impacted the accounting of IEP within the Company for the current year and had no impact on the Group.

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30. Interests in associated undertakings and joint venture holdings (continued)

	IEP Group Proprietary Limited		UK Nestor #
	Group and Company	Group	Group
	2022	2021	2021
Details of material associated companies			
Summarised financial information (R'million):			
For the year to 31 March			
Revenue*	16 541	13 410	255
Profit/(loss) after taxation*	918	(26)	(266)
Total comprehensive income/(loss)*	942	(8)	(266)
At 31 March			
Assets			
Non-current assets	19 349	19 513	—
Current assets	6 749	6 168	—
Liabilities			
Non-current liabilities	8 415	8 948	—
Current liabilities	3 176	2 997	—
Net asset value	**14 507**	**13 736**	**—**
Non-controlling interest	2 916	2 792	—
Shareholders' equity	11 591	10 944	—
Effective interest in issued share capital	47.4%	47.4%	—%
Net asset value^	5 437	5 117	—
Carrying value of interest – equity method	**5 437**	**5 117**	**—**

* Only seven months of profits is attributable to the Company, 12 months' profits is attributable to the Group.
^ The Group's share of the net asset value of IEP is R5.5 billion (47.4% of R11.6 billion) [2021: R5.2 billion (47.4% R10.9 billion)] reduced by the portion of the impairment of IEP that exceeded the value of the goodwill.
# UK Nestor was an associate of IPF that was disposed of during March 2021.

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

In the current year, no impairment on IEP was recognised. In the prior year, management critically evaluated the equity accounted value of the Group's investment in IEP and consequently recognised an impairment of R98 million. The recoverable amount of the investment in IEP was determined to be the value-in-use of the investment. The value-in-use was determined by calculating the sum of the fair values of the underlying investments held by IEP. This was done by determining the best estimates of the cash flows to be generated from the ultimate realisation of the underlying investments taking into account management's strategy with the investments, returns generated by the underlying investments, the nature of the assets and market considerations. This estimate was performed for each of the assets held by IEP, using valuation techniques and assumptions management believed to be most representative of the ultimate realisation of the investments.

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31. Deferred taxation

At 31 March R'million	Group 2022	Group 2021	Company 2022	Company 2021
Deferred taxation assets	2 866	2 767	—	25
Deferred taxation liabilities	(714)	(743)	—	—
Net deferred taxation assets	**2 152**	**2 024**	**—**	**25**
The net deferred taxation assets arise from:				
Income and expenditure accruals	1 376	1 341	—	—
Expected credit loss on loans and advances to customers	403	400	—	—
Unrealised fair value adjustments on financial instruments	(329)	(351)	—	25
Losses carried forward	292	427	—	—
Deferred taxation on acquired intangibles	(17)	(32)	—	—
Revaluation of property	(121)	(273)	—	—
Fair value movements on cash flow hedge	499	466	—	—
Finance lease accounting	49	46	—	—
Net deferred taxation assets	**2 152**	**2 024**	**—**	**25**
Reconciliation of net deferred taxation assets/(liabilities):				
At the beginning of the year	2 024	2 479	25	106
Reversal to income statement – current year taxation	151	407	(23)	(81)
Charge directly in other comprehensive income	(22)	(862)	(2)	—
Other	(1)	—	—	—
At the end of the year	**2 152**	**2 024**	**—**	**25**

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.

During the year, the SA Government announced a decrease in the SA rate of corporation tax from 28% to 27% effective for years of assessment ending on/after 1 March 2023. As a result, the deferred tax balances at 31 March 2022 have been adjusted to reflect this substantively enacted rate change.

32. Other assets

At 31 March R'million	Group 2022	Group 2021	Company 2022	Company 2021
Gross other assets	18 512	16 324	38	35
Expected credit loss on amortised cost	—	—	—	—
Net other assets	**18 512**	**16 324**	**38**	**35**
Settlement debtors	9 259	6 439	—	—
Trading properties	1 149	1 101	—	—
Prepayments and accruals	582	736	—	—
Trading initial margin	4 033	3 065	—	—
Other investments	791	741	—	—
Commodities	788	581	—	—
Building renovations in progress^	—	588	—	—
Fee debtors	141	56	—	—
Other*	1 769	3 017	38	35
	18 512	**16 324**	**38**	**35**

* Included in other is proceeds on disposal of interests in associated undertakings and joint venture holdings Rnil (2021: R713 million).
^ During the current year, building renovations in progress was transferred to freehold properties. Refer to note 33.

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33. Property and equipment

At 31 March R'million	Freehold properties	Right-of-use assets*	Leasehold improvements	Furniture and vehicles	Equipment	Total
Group						
2022						
Cost						
At the beginning of the year	2 866	180	80	201	504	3 831
Exchange adjustments	—	(3)	—	—	—	(3)
Additions	665	—	—	22	103	790
Disposals and modifications	—	—	—	(1)	(1)	(2)
Reclassifications	—	—	(11)	(10)	(15)	(36)
At the end of the year	**3 531**	**177**	**69**	**212**	**591**	**4 580**
Accumulated depreciation						
At the beginning of the year	(280)	(69)	(63)	(128)	(349)	(889)
Disposals and modifications	—	—	—	—	1	1
Depreciation charge for year	(108)	(37)	(4)	(10)	(100)	(259)
Reclassifications	—	—	12	(11)	35	36
At the end of the year	**(388)**	**(106)**	**(55)**	**(149)**	**(413)**	**(1 111)**
Net carrying value	**3 143**	**71**	**14**	**63**	**178**	**3 469**
2021						
Cost						
At the beginning of the year	2 866	184	66	224	1 018	4 358
Additions	—	1	14	14	57	86
Disposals and modifications	—	(2)	—	(1)	(4)	(7)
Write-offs^	—	(3)	—	(36)	(567)	(606)
At the end of the year	**2 866**	**180**	**80**	**201**	**504**	**3 831**
Accumulated depreciation						
At the beginning of the year	(199)	(35)	(59)	(158)	(814)	(1 265)
Disposals and modifications	—	2	—	3	1	6
Depreciation charge for year	(81)	(39)	(4)	(9)	(103)	(236)
Write-offs^	—	3	—	36	567	606
At the end of the year	**(280)**	**(69)**	**(63)**	**(128)**	**(349)**	**(889)**
Net carrying value	**2 586**	**111**	**17**	**73**	**155**	**2 942**

* Right-of-use assets primarily comprise property leases under IFRS 16.
^ Fully depreciated assets with a net book value of zero were written off in the prior year.

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34. Investment properties

At 31 March R'million	Group 2022	 2021
At the beginning of the year	16 942	19 137
Additions	233	161
Disposals	(132)	(1 513)
Fair value movement	(413)	(990)
Reclassifications*	(847)	147
At the end of the year	**15 783**	**16 942**

* Reclassifications of R877.4 million (2021: R230.9 million) to non-current assets classified as held for sale and a reclassification of R30.7 million from other assets (2021: R84.4 million from trading properties) 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 R1.0 billion (2021: R222.0 million) of investment properties. These 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.

Level 3 valuations

At 31 March 2022 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	110.4	7.5% - 12.0%	8.8%	1.5%	407.9	696.1
SA Retail	135.7	7.5% - 12.0%	8.4%	1.5% - 2.5%	171.1	277.7
SA Industrial	56.3	8.0% - 12.0%	9.4%	—%	76.9	141.1
SA Office	164.0	7.8% - 12.0%	8.9%	1% - 5%	159.9	277.3

At 31 March 2021 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	Change in fair value from a 5% increase/decrease in expected rental value R'million
Across South African sectors	99.2	6.9% – 14.2%	8.9%	1.5%	428.1	751.0
SA Retail	119.0	7.3% – 11.6%	8.4%	1.4%	174.6	299.6
SA Industrial	54.8	6.9% – 14.2%	9.7%	1.3%	85.9	166.9
SA Office	157.7	7.1% – 14.1%	9.0%	1.9 %	169.0	284.5

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35. Goodwill

At 31 March R'million	Group 2022	 2021
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	(1 256)	(1 249)
Impairments	(39)	(7)
At the end of the year	**(1 295)**	**(1 256)**
Net carrying value	**173**	**212**
Analysis of goodwill by line of business:		
Wealth & Investment	—	36
Specialist Banking	173	176
	173	**212**

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 4.25% (2021: 3.50%) is determined using the South African inter-bank lending rate, adjusted for business specific risk. The valuation is level 3 in the fair value hierarchy.

The current year impairment predominantly relates to the write off of goodwill on a historical acquisition of the wealth business. The remaining impairment is attributable to Travel by Investec.

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36. Software and other acquired intangible assets

At 31 March R'million	Software: Acquired software	Software: Total	Other acquired intangible assets: Client relationships	Other acquired intangible assets: Total	Total
Group					
2022					
Cost					
At the beginning of the year	396	396	412	412	808
Additions	13	13	—	—	13
Reclassifications	(40)	(40)	(3)	(3)	(43)
At the end of the year	**369**	**369**	**409**	**409**	**778**
Accumulated amortisation and impairments					
At the beginning of the year	(301)	(301)	(294)	(294)	(595)
Amortisation	(65)	(65)	(51)*	(51)	(116)
Reclassifications	43	43	—	—	43
At the end of the year	**(323)**	**(323)**	**(345)**	**(345)**	**(668)**
Net carrying value	**46**	**46**	**64**	**64**	**110**
2021					
Cost					
At the beginning of the year	889	889	412	412	1 301
Additions	20	20	—	—	20
Write-offs**	(513)	(513)	—	—	(513)
At the end of the year	**396**	**396**	**412**	**412**	**808**
Accumulated amortisation and impairments					
At the beginning of the year	(740)	(740)	(243)	(243)	(983)
Amortisation	(74)	(74)	(51)*	(51)	(125)
Write-offs**	513	513	—	—	513
At the end of the year	**(301)**	**(301)**	**(294)**	**(294)**	**(595)**
Net carrying value	**95**	**95**	**118**	**118**	**213**

* Amortisation of acquired intangibles is disclosed in the income statement.
** Fully depreciated assets with a net book value of zero were written off in the prior year.

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37. Investment in subsidiaries

At 31 March	Principal activity	Holding %	Shares at book value R'million 2022	Shares at book value R'million 2021	Loan advances to subsidiaries R'million 2022	Loan advances to subsidiaries R'million 2021
Company						
Material direct subsidiaries of Investec Limited						
Investec Bank Limited°#	Banking institution	100.0	15 288	14 500	—	—
Investec Employee Benefits Holdings Proprietary Limited^#	Investment holding	100.0	580	626	—	—
Investec International Holdings (Gibraltar) Limited§	Investment holding	100.0	218	218	—	—
Investec Wealth and Investment International Proprietary Limited**#	Stockbroking	100.0	157	157	—	—
Fedsure International Limited#	Investment holding	100.0	316	316	—	—
Investec Property Group Holdings Proprietary Limited#	Investment holding	100.0	*	*	—	—
Investec Markets Proprietary Limited#	Stockbroking	100.0	250	250	—	—
Investec Investments Proprietary Limited#	Investment holding	100.0	2 460	2 460	—	—
Investec Property Fund Limited^^#	Engage in long-term immovable property investment	24.3	2 134	—	—	—
Other subsidiaries			33	42	—	186
			21 436	**18 569**	**—**	**186**

* Less than R1 million.
° The investment in Investec Bank Limited has increased as a result of an additional capital contribution due to purchase of IPF shares during the current year (refer to note 51). The difference between consideration paid for the additional stake in IPF and the fair value has been accounted for as an additional contribution to the investment in Investec Bank Limited..
** Previously Investec Securities Proprietary Limited.
^ Management evaluated the carrying value of the investment in subsidiaries and as a result recognised an impairment of R46 million (2021: Rnil) on these subsidiaries. The recoverable amounts were determined to be the net asset value of the investments.
^^ Investment in Investec Property Fund Limited was previously disclosed as a listed equity within investment portfolio on the balance sheet. Refer to note 27.
\# South Africa.
§ Gibraltar.

Investec Specialist Investments (RF) Limited is a direct subsidiary of Investec Limited and is included in other subsidiaries.

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

Indirect material subsidiaries of Investec Limited	Principal activity	Holding %
Investec Bank (Mauritius) Limited^	Banking institution	100.0
Investec Property Proprietary Limited#	Property trading	100.0
Reichmans Holdings Proprietary Limited and Investec Import Solutions Proprietary Limited#	Trade and asset financing and import logistics	100.0
Investec Life Limited#	Long-term insurance	100.0

\# South Africa.
^ Mauritius.

Details of subsidiaries which are not material to the financial position of the Group are not stated above.

The Group considers that it has control over Investec Property Fund Limited as a result of the common directors with the holding Company and the impact this has on the beneficial returns. Management considers this holding to currently be sufficient to meet the definition of control.

Investec Employee Benefit Holdings Proprietary Limited, including Investec Life Limited, and its subsidiaries are not consolidated for regulatory purposes.

There are no subsidiaries which are consolidated for regulatory, but not for accounting purposes.

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37. 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
Integer Home Loans Proprietary Limited	Securitised third party originated 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 29.

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 holdings of subordinated notes. The Group is not required to fund any losses above those incurred on the notes it has retained, such losses are reflected in any impairment of securitised mortgages as those assets have not been derecognised.

Securitised third-party originated residential mortgages

The Group has a senior and subordinated investment in a third-party originated structured entity. This structured entity is consolidated due to the Group's exposure to residual economic 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 a return on investment on funding provided to Investec Bank Limited secured by, and exposed to, South African vehicle instalment sales agreements. The structured entity is consolidated due to the Group's holdings of subordinated notes. The Group is not required to fund any losses above those incurred on the notes it has retained, such losses are reflected in any impairment of instalment sale agreements as those assets have not been derecognised.

Securitised commercial mortgages

The Group has securitised commercial mortgages in order to provide investors with exposure to commercial mortgage risk and to raise funding. The relevant structured entity is consolidated due to the Group's holding of subordinated notes and a subordinated loan. The Group is not required to fund any losses above those incurred on the notes and subordinated loan it has retained, such losses are reflected in any impairment of securitised commercial mortgages as those assets have not been derecognised.

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.

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38. Long-term assurance business attributable to policyholders

At 31 March R'million	Group 2022	Group 2021
Liabilities to customers under investment contracts		
Investec Life Limited	1 086	1 014
Insurance liabilities, including unit-linked liabilities – Investec Life Limited	59	53
	1 145	**1 067**
The assets of the long-term assurance fund attributable to policyholders are detailed below:		
Investments	1 145	1 067
	1 145	**1 067**
Investments shown above comprise:		
Interest-bearing securities	47	235
Stocks, shares and unit trusts	1 096	811
Deposits	2	21
	1 145	**1 067**

39. Other trading liabilities

At 31 March R'million	Group 2022	Group 2021
Deposits	3 984	4 155
Short positions		
– Equities	204	1 329
– Gilts	287	159
	4 475	**5 643**

40. Debt securities in issue

At 31 March R'million	Group 2022	Group 2021	Company 2022	Company 2021
Repayable in:				
Less than three months	1 560	229	—	—
Three months to one year	1 697	1 381	—	—
One to five years	4 304	4 806	3 734	319
Greater than five years	46	77	—	—
	7 607	**6 493**	**3 734**	**319**

NOTES TO THE FINANCIAL STATEMENTS
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41. Other liabilities

At 31 March R'million	Group 2022	Group 2021^	Company 2022	Company 2021
Settlement liabilities	10 112	7 193	—	—
Other creditors and accruals	6 134	6 301	514	503
Other non-interest bearing liabilities	884	651	10	10
Loans from Group companies	—	—	2 270	1 316
Rewards Programme liability	691	674	—	—
Lease liabilities	134	183	—	—
Long service employee benefits liability	189	228	4	8
Expected credit loss on off-balance sheet commitments and guarantees	70	74	—	—
	18 214	**15 304**	**2 798**	**1 837**

^ Restated as detailed in note 57.

Reconciliation of lease liabilities

At 31 March R'million	Group 2022	Group 2021
Balance at the beginning of the year	183	228
Interest	13	16
Additional leases	—	1
Repayment of lease liabilities	(63)	(51)
Modifications	1	(2)
Exchange rate adjustment	—	(9)
Balance at the end of the year	**134**	**183**

Lease liabilities included in other liabilities are due in:

	Group			
	2022		2021	
At 31 March R'miilion	Undiscounted payments	Present value	Undiscounted payments	Present value
Less than one year	58	57	60	57
One to five years	71	64	124	104
Greater than five years	25	13	37	22
	154	**134**	**221**	**183**

NOTES TO THE FINANCIAL STATEMENTS
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42. Subordinated liabilities

At 31 March R'million	Group 2022	Group 2021	Company 2022	Company 2021
Issued by Investec Bank Limited				
IV019 indexed rate subordinated unsecured callable bonds	236	199	—	—
IV019A indexed rate subordinated unsecured callable bonds	384	377	—	—
IV035 variable rate subordinated unsecured callable bonds	1 468	1 468	—	—
IV036 variable rate subordinated unsecured callable bonds	—	32	—	—
IV037 variable rate subordinated unsecured callable bonds	—	1 775	—	—
IV038 variable rate subordinated unsecured callable bonds	—	350	—	—
IV039 indexed rate subordinated unsecured callable bonds	—	196	—	—
IV040 variable rate subordinated unsecured callable bonds	—	589	—	—
IV041 fixed rate subordinated unsecured callable bonds	—	190	—	—
IV042 variable rate subordinated unsecured callable bonds	—	50	—	—
IV043 fixed rate subordinated unsecured callable bonds	—	150	—	—
IV044 variable rate subordinated unsecured callable bonds	—	240	—	—
IV045 indexed rate subordinated unsecured callable bonds	—	1 914	—	—
IV046 variable rate subordinated unsecured callable bonds	1 200	1 200	—	—
IV047 variable rate subordinated unsecured callable bonds	1 679	1 593	—	—
IV049 variable rate subordinated unsecured callable bonds	1 030	977	—	—
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	—
INLV12 variable rate subordinated unsecured callable bonds	1 100	—	1 100	—
INB001 variable rate subordinated unsecured callable bonds	1 589	1 509	1 589	1 509
	10 722	**14 445**	**4 725**	**3 145**
Remaining maturity*:				
In one year or less, or on demand	6 966	5 486	1 589	—
In more than one year, but not more than two years	620	6 747	—	1 509
In more than two years, but not more than five years	2 036	2 212	2 036	1 636
In more than five years	1 100	—	1 100	—
	10 722	**14 445**	**4 725**	**3 145**
Reconciliation from opening balance to closing balance:				
Opening balance	14 445	14 383	3 145	2 346
Issue of subordinated liabilities	1 500	1 636	1 500	1 636
Interest accrued on subordinated liabilities	838	953	209	150
Net movements in capitalised interest	(367)	(423)	(103)	(96)
Repayment of interest	(502)	(553)	(109)	(49)
Transfer of interest accrued to other liabilities at the beginning of the year	73	96	12	7
Transfer of interest accrued to other liabilities from the end of the year	(42)	(73)	(9)	(12)
Redemption of subordinated liabilities	(5 596)	(885)	—	(625)
Consumer Price Index, effective interest rate adjustments and currency adjustments on foreign-denominated bonds adjustment	373	(689)	80	(212)
Closing balance	**10 722**	**14 445**	**4 725**	**3 145**

* 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
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42. Subordinated liabilities (continued)

IV019 indexed rate subordinated unsecured callable bonds
R236 million (2021: R199 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.

IV019A indexed rate subordinated unsecured callable bonds
R384 million (2021: R377 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.

IV035 variable rate subordinated unsecured callable bonds
R1 468 million Investec Bank Limited IV035 locally registered subordinated unsecured callable bonds are due in April 2027. Interest is payable quarterly on 7 April, 7 July, 7 October and 7 January at a rate equal to the three-month JIBAR plus 4.65% up to and excluding 7 April 2027. The maturity date is 7 April 2027, but the Company has the option to call the bonds upon regulatory capital disqualification or from 7 April 2022.

IV036 variable rate subordinated unsecured callable bonds
Rnil (2021: R32 million) Investec Bank Limited IV036 locally registered subordinated unsecured callable bonds were due in April 2026. Interest was payable quarterly on 22 April, 22 July, 22 October and 22 January at a rate equal to the three-month JIBAR plus 4.25% up to and excluding 22 July 2026. The maturity date was 22 July 2026, but the Company had the option to call the bonds upon regulatory capital disqualification or from 22 July 2021. These notes were repaid in the current year.

IV037 variable rate subordinated unsecured callable bonds
$nil (2021: $125 million) Investec Bank Limited IV037 locally registered subordinated unsecured Tier II callable bonds were due in October 2026 and were issued at an issue price of $91 million. The notes automatically converted from zero coupon notes to floating rate notes on the first optional redemption date, being 19 October 2021. The maturity date was 19 October 2026, but the Company had the option to call the bonds upon regulatory capital disqualification or from 19 October 2021. These notes were repaid in the current year.

IV038 variable rate subordinated unsecured callable bonds
Rnil (2021: R350 million) Investec Bank Limited IV038 locally registered subordinated unsecured callable bonds were due in September 2026. Interest was payable quarterly on 23 March, 23 June, 23 September and 23 December at a rate equal to the three-month JIBAR plus 4.25% up to and excluding 23 September 2026. The maturity date was 23 September 2026, but the Company had the option to call the bonds upon regulatory capital disqualification or from 23 September 2021. These notes were repaid in the current year.

IV039 indexed rate subordinated unsecured callable bonds
Rnil (2021: R196 million) Investec Bank Limited IV039 locally registered subordinated unsecured callable bonds were due in January 2027. Interest was payable quarterly on 31 January, 30 April, 31 July and 31 October at a rate equal to the three-month JIBAR plus 4.25% up to and excluding 31 January 2027. The maturity date was 31 January 2027, but the Company had the option to call the bonds upon regulatory capital disqualification or from 31 January 2022. These notes were repaid in the current year.

IV040 variable rate subordinated unsecured callable bonds
Rnil (2021: R589 million) Investec Bank Limited IV040 locally registered subordinated unsecured callable bonds were due in September 2026. Interest was payable quarterly on 29 March, 29 June, 29 September and 29 December at a rate equal to the three-month JIBAR plus 4.25% up to and excluding 29 September 2026. The maturity date was 29 September 2026, but the Company had the option to call the bonds upon regulatory capital disqualification or from 29 September 2021. These notes were repaid in the current year.

IV041 fixed rate subordinated unsecured callable bonds
Rnil (2021: R190 million) Investec Bank Limited IV041 locally registered subordinated unsecured callable bonds were due in September 2026. Interest was payable quarterly on 29 March, 29 June, 29 September and 29 December at a rate equal to the three-month JIBAR plus 4.25% up to and excluding 29 September 2026. The maturity date was 29 September 2026, but the Company had the option to call the bonds upon regulatory capital disqualification or from 29 September 2021. These notes were repaid in the current year.

IV042 variable rate subordinated unsecured callable bonds
Rnil (2021: R50 million) Investec Bank Limited IV042 locally registered subordinated unsecured callable bonds were due in November 2026. Interest was payable quarterly on 18 February, 18 May, 18 August and 18 November at a rate equal to the three-month JIBAR plus 4.25% up to and excluding 18 November 2026. The maturity date was 18 November 2026, but the Company had the option to call the bonds upon regulatory capital disqualification or from 18 November 2021. These notes were repaid in the current year.

IV043 fixed rate subordinated unsecured callable bonds
Rnil (2021: R150 million) Investec Bank Limited IV043 locally registered subordinated unsecured callable bonds were due in November 2026. Interest was payable quarterly on 21 February, 21 May, 21 August and 21 November at a rate equal to the three-month JIBAR plus 4.25% up to and excluding 18 November 2026. The maturity date was 21 November 2026, but the Company had the option to call the bonds upon regulatory capital disqualification or from 18 November 2021. These notes were repaid in the current year.

NOTES TO THE FINANCIAL STATEMENTS
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42. Subordinated liabilities (continued)

IV044 variable rate subordinated unsecured callable bonds
Rnil (2021: R240 million) Investec Bank Limited IV044 locally registered subordinated unsecured callable bonds were due in January 2027. Interest was payable quarterly on 31 January, 30 April, 31 July and 31 October at a rate equal to the three-month JIBAR plus 4.15% up to and excluding 18 November 2026. The maturity date was 31 January 2027, but the Company had the option to call the bonds upon regulatory capital disqualification or from 31 January 2022. These notes were repaid in the current year.

IV045 indexed rate subordinated unsecured callable bonds
Rnil (2021: R1 914 million) Investec Bank Limited IV045 locally registered subordinated unsecured callable bonds were due in January 2027. Interest was payable quarterly on 31 January, 30 April, 31 July and 31 October at a rate of 2.75%. The IV045 was a replica of the R212 South African government bond. The maturity date was 31 January 2027, but the Company had the option to call the bonds upon regulatory capital disqualification or from 31 January 2022. These notes were repaid in the current year.

IV046 variable rate subordinated unsecured callable bonds
R1 200 million Investec Bank Limited IV046 locally registered subordinated unsecured callable bonds are due in June 2027. Interest is payable quarterly on 21 September, 21 December, 21 March and 21 June at a rate equal to the three-month JIBAR plus 3.90%. The maturity date is 21 June 2027, but the Company has the option to call the bonds upon regulatory capital disqualification or from 21 June 2022.

IV047 variable rate subordinated unsecured callable bonds
$116 million Investec Bank Limited IV047 locally registered subordinated unsecured Tier II callable bonds are due in June 2027 and were issued at an issue price of $86 million. The notes will automatically convert from zero coupon notes to floating rate notes on the first optional redemption date, being 30 June 2022. The implied zero coupon yield is 5.915966% nacq (ACT/360) up until 30 June 2022. If the issuer does not exercise the option to redeem the notes on 30 June 2022, then interest on the floating rate notes shall commence on 30 June 2022 and is payable quarterly on 30 September, 30 December, 30 June at a rate equal to the three-month USD LIBOR plus 4.5% up to and excluding 30 June 2027. The maturity date is 30 June 2027, but the Company has the option to call the bonds upon regulatory capital disqualification or from 30 June 2022.

IV049 variable rate subordinated unsecured callable bonds
R1 030 million (2021: R977 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% basis points 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.

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.

INB001 variable rate subordinated unsecured callable bonds
$113 million Investec Limited INB001 locally registered subordinated unsecured Tier II callable bonds are due in December 2027 and were issued at an issue price of $84 million. The notes will automatically convert from zero coupon notes to floating rate notes on the first optional redemption date, being 28 December 2022. The implied zero coupon yield is 5.86482% nacq (ACT/360) up until the 28 December 2022. If the issuer does not exercise the option to redeem the notes on 28 December 2022, then interest on the floating rate notes shall commence on 28 December 2022 and is payable quarterly on 28 March, 28 June, 28 September, 28 December at a rate equal to the three-month USD Libor plus 4% up to and excluding 28 December 2027. The maturity date is 28 December 2027, but the Company has the option to call the bonds upon regulatory capital disqualification or from 28 December 2022.

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43. Ordinary share capital

At 31 March R'million	Group 2022	Group 2021	Company 2022	Company 2021
Authorised				
450 000 000 (2021: 450 000 000) ordinary shares of R0.0002 each				
Issued				
310 407 870 (2021: 318 904 709) ordinary shares of R0.0002 each, fully paid	1	1	1	1

For the year ended 31 March 2022, 8 496 839 million ordinary shares were bought back.

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 2022 integrated annual report.

44. Share premium

At 31 March R'million	Group 2022	Group 2021	Company 2022	Company 2021
Share premium on ordinary shares	6 076	6 112	5 656	5 693
	6 076	**6 112**	**5 656**	**5 693**

The decrease in share premium in the current year relates ordinary share buy back (refer to note 43).

45. Treasury shares

At 31 March	2022 R'million	2021 R'million
Treasury shares held by subsidiaries of Investec Limited		
Premium paid on options held to acquire Investec Limited shares	(279)	(279)
Investec Limited ordinary shares	3 786	3 299
	3 507	**3 020**
	Number	**Number**
Number of Investec Limited ordinary shares held by subsidiaries	52 277 446	48 832 795
Reconciliation of treasury shares	**Number**	**Number**
At the beginning of the year	48 832 795	51 026 675
Purchase of own shares by subsidiary companies	26 797 967	17 035 102
Shares disposed of by subsidiaries	(23 353 316)	(19 228 982)
At the end of the year	**52 277 446**	**48 832 795**
	R'million	**R'million**
Market value of treasury shares	5 098	1 767

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46. Perpetual preference shares in issue

At 31 March R'million	Group 2022	Group 2021	Company 2022	Company 2021
Authorised				
100 000 000 (2021: 100 000 000) non-redeemable, non-cumulative, non-participating preference shares of one cent each				
20 000 000 (2021: 20 000 000) non-redeemable, non-participating preference shares with a par value of one cent each				
Issued				
29 218 638 (2021: 30 756 461) non-redeemable, non-cumulative, non-participating preference shares of one cent each, issued at various premium	2 886	3 039	2 886	3 039
– Perpetual preference share capital	*	*	*	*
– Perpetual preference share premium	2 886	3 039	2 886	3 039

* Less than R1 million.

For the year ended 31 March 2022, 1 537 823 million perpetual preference shares were repurchased.

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.

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47. Other Additional Tier 1 securities in issue

At 31 March R'million	Group		Company	
	2022	2021	**2022**	2021
INLV01 variable rate subordinated unsecured callable bonds	550	550	550	550
INLV05 variable rate subordinated unsecured callable bonds	350	350	350	350
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	—
INLV10 variable rate subordinated unsecured callable bonds	600	—	600	—
	3 110	**1 733**	**3 000**	**1 623**

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.

INLV05 variable rate subordinated unsecured callable bonds
Investec Limited issued R350 million Other Additional Tier 1 floating rate notes on 15 March 2018. Interest is payable quarterly on 22 March, 22 June, 22 September, 22 December and at a rate equal to the three-month JIBAR plus 5.15%. There is no maturity date but the issuer has the option to redeem on 22 March 2023 and on every interest payment date thereafter. The 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 and R45 million and R100 million Other Additional Tier 1 floating rate notes on 22 October 2020 and 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.

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.

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48. Non-controlling interests

At 31 March R'million	Group	
	2022	2021
Perpetual preference shares issued by Investec Bank Limited	—	1 481
Non-controlling interests in partially held subsidiaries	10 301	10 083
	10 301	**11 564**

Perpetual preference shares issued by Investec Bank Limited
Authorised
70 000 000 (2021: 70 000 000) non-redeemable, non-cumulative, non-participating preference shares of one cent each.

Issued
Nil (2021: 14 917 559) non-redeemable, non-cumulative, non-participating preference shares of one cent each issued at various premiums.

Preference shareholders will be entitled to receive dividends if declared, at a rate of 83.33% of prime on R100 being the deemed value of the issue price of the preference share 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 Bank 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 Bank Limited pays its ordinary dividends, if any, but shall be payable no later than 120 business days after 31 March and 30 September respectively.

Investec Bank Limited repurchased all outstanding perpetual preference shares during the current year.

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

31 March	IPF Group	
	2022	2021
Non-controlling interests (NCI) (%)	75.7%	75.7%
Summarised financial information (R'million)		
Total assets	24 039	25 148
Total liabilities	10 387	11 749
Revenue	1 498	1 468
Profit/(loss) after taxation	1 038	(328)
The net cash flows in this partially held subsidiary during the current and prior year predominantly arise from operating activities. Other than payments of dividends, there are no material cash flows arising from financing or investing activities.		
Carrying amount of NCI in IPF	10 383	10 169
Dividends paid to NCI in IPF	594	691
Profit attributable to NCI in IPF	807	4
Loss attributable to NCI in IPF on impairment of associate	—	(189)

In the prior year, net equity impact of non-controlling interests totalling R79.8 million in the statement of changes in equity related to changes in holdings without a change in control of subsidiaries within the Investec Properties Group.

NOTES TO THE FINANCIAL STATEMENTS
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49. Finance lease disclosures

At 31 March R'million	Group 2022 Total future minimum payments	Group 2022 Present value	Group 2021 Total future minimum payments	Group 2021 Present value
Finance lease receivables included in loans and advances to customers				
Lease receivables due in:				
Less than one year	489	434	2 027	1 834
One to five years	2 243	1 993	1 261	1 094
	2 732	**2 427**	**3 288**	**2 928**
Unearned finance income	**305**		**360**	

At 31 March 2022 and 31 March 2021, there were no unguaranteed residual values. Finance leases mainly relate to leases on machinery and equipment.

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50. Notes to the cash flow statement

At 31 March R'million	Group 2022	Group 2021^	Company 2022	Company 2021
Profit before taxation adjusted for non-cash, non-operating items and other required adjustments is derived as follows:				
Profit before taxation	8 444	4 704	7 583	828
Adjustment for non-cash, non-operating items and other required adjustments included in net income before taxation:				
Impairment of goodwill	39	7	—	—
Depreciation, amortisation and impairment of property, equipment, software and intangibles	325	310	—	—
Amortisation of acquired intangibles	51	51	—	—
Expected credit loss impairment charges	63	621	—	—
Share of post-taxation (profit)/loss of associates and joint ventures	(287)	145	(238)	—
Impairment of associates and joint venture holdings	—	348	—	—
Dividends received from associates	119	—	47	—
Share-based payment charges	446	436	—	—
Dividends from subsidiaries	—	—	(7 547)	(980)
Impairment of subsidiaries	—	—	46	—
Profit before taxation adjusted for non-cash, non-operating items and other required adjustments is derived as follows:	**9 200**	**6 622**	**(109)**	**(152)**
Increase in operating assets				
Loans and advances to banks	(1 504)	(14)	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	(30 088)	(1 362)	—	—
Sovereign debt securities	(4 341)	14 146	—	—
Bank debt securities	(6 101)	(9 662)	(2 880)	(2 359)
Other debt securities	(908)	2 434	—	—
Derivative financial instruments	1 317	(1 756)	—	—
Securities arising from trading activities	5 197	(4 836)	—	—
Investment portfolio	(208)	2 092	(501)	13
Loans and advances to customers	(12 288)	(523)	—	—
Own originated loans and advances to customers securitised	956	(992)	—	—
Other loans and advances	73	61	—	—
Other securitised assets	(14)	(81)	—	—
Other assets	(3 666)	(2 725)	(3)	(10)
Investment properties	1 159	2 035	—	—
Assurance assets	(78)	(287)	—	—
Non-current assets classified as held for sale	(470)	725	—	—
	(50 964)	**(745)**	**(3 384)**	**(2 356)**
Increase/(decrease) in operating liabilities				
Deposits by banks	185	(24 799)	—	—
Derivative financial instruments	6 111	3 688	—	—
Other trading liabilities	(1 168)	(3 017)	—	—
Repurchase agreements and cash collateral on securities lent	(3 657)	(9 028)	—	—
Customer accounts (deposits)	45 895	1 770	—	—
Debt securities in issue	1 114	(1 141)	—	—
Liabilities arising on securitisation of own originated loans and advances	1 314	1 572	—	—
Other liabilities	2 962	1 878	92	833
Assurance liabilities	78	287	—	—
	52 834	**(28 790)**	**92**	**833**

^ Restated as detailed in note 57.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

51. Related party transactions and balances

At 31 March R'million	Group 2022	2021
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	182	172
Increase in loans	125	68
Decrease in loans	(29)	(58)
At the end of the year	**278**	**182**
Guarantees		
At the beginning of the year	40	13
Additional guarantees granted	—	31
Decrease in guarantees	(38)	(5)
Exchange adjustments	—	1
At the end of the year	**2**	**40**
Deposits		
At the beginning of the year	(290)	(266)
Increase in deposits	(71)	(213)
Decrease in deposits	113	188
Exchange adjustments	—	1
At the end of the year	**(248)**	**(290)**

Where a director or key management personnel has been appointed or has resigned in the current year, the prior year's balance will be included in the increase and decrease respectively.

The above transactions were made in the ordinary course of business and on substantially the same terms, including interest rates and security, as for comparable transactions with persons of a similar standing or where applicable, with other employees. The transactions did not involve more than the normal risk of repayment. None of these loans have been impaired.

Where related parties have investment products (that may not 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 59.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

51. Related party transactions and balances (continued)

At 31 March R'million	Group 2022	2021
Amounts with Investec plc and its subsidiaries		
Assets		
Loans and advances to banks	75	649
Reverse repurchase agreements and cash collateral on securities borrowed	314	373
Loans and advances to customers	151	150
Other debt securities	—	592
Derivative financial instruments	65	180
Other assets	201	103
Liabilities		
Deposits from banks	157	230
Derivative financial instruments	3	17
Other liabilities	148	85
Income statement		
Interest income	6	32
Interest expense	2	2
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.		
In the normal course of business, services are rendered between Investec plc and Investec Limited entities. For the year to 31 March 2022, this resulted in a net payment by Investec plc Group of R308.3 million (2021: R281.6 million).		
Amounts relating to associates and joint ventures		
Amounts due from associates and its subsidiaries	10 748	10 444
Interest income from loans to associates	229	366
Interest expense from loans to associates	—	1
At 31 March 2022, the Investec Limited Group has R229.9 million (2021: R110.3 million) of customer accounts (deposits) and derivative financial instruments valued at R43.3 million (2021: R11.7 million) from an associate in the Group held on-balance sheet.		
The above 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.		

Due to 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.

During the year ended 31 March 2022, IBL issued IV056U and IV057U other Additional Tier 1 bonds to Investec Limited. These bonds are in addition to the IV048, IV051U, IV052U, IV053U, IV055U, IV056U and IV057U issued to Investec Limited as at 31 March 2021. The value of these bonds at 31 March 2022 are R2.5 billion (2021: R1.1 billion). Refer to note 47 for terms related to these bonds.

During the year ended 31 March 2022, IBL issued IV058U and IV059U subordinated liability bonds to Investec Limited. These bonds are in addition to IV054U issued to Investec Limited as at 31 March 2021. The value of these bonds at 31 March 2022 are R3.1 billion (2021: R1.6 billion). Refer to note 42 for terms related to these bonds.

In the current year, Investec Limited purchased IPF shares from Investec Bank Limited, a wholly-owned subsidiary. The fair value of the shares purchased was R1 778.1 million and the consideration paid was R2 724.3 million. The difference between the consideration paid and fair value has been accounted for as an additional contribution to the investment in Investec Bank Limited (refer to note 37). The transaction was structured in this manner to align with the principles of section 46 of the South African Income Tax Act. Required regulatory approval was obtained prior to the sale.

Investec Limited also acquired Investec Bank Limited's entire stake of 47.4% in IEP at a fair value for R5.2 billion (refer to note 30).

For additional related party transactions within the Company, refer to note 37.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

52. Commitments

At 31 March R'million	Group 2022	2021
Undrawn facilities	66 934	64 358
	66 934	**64 358**

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 2022	2021	Related liability 2022	2021
Group				
Pledged assets				
Loans and advances to banks	—	295	—	287
Sovereign debt securities	1 780	9 340	1 213	7 958
Bank debt securities	1 357	1 498	1 254	1 468
Other debt securities	1 236	2 828	1 153	2 524
Securities arising from trading activities	166	1 102	166	1 102
Reverse repurchase agreements and cash collateral on securities borrowed	3 134	3 293	3 134	3 293
	7 673	**18 356**	**6 920**	**16 632**

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.

53. Contingent liabilities

At 31 March R'million	Group 2022	2021	Company 2022	2021
Guarantees and assets pledged as collateral security:				
Guarantees and irrevocable letters of credit	22 330	19 675	780	—
	22 330	**19 675**	**780**	**—**

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 proceedings
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 and advice from internal and external legal counsel when considering the accounting implications.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

54. Hedges

The Group uses derivatives for the management of financial risks relating to its asset and liability portfolios, mainly associated with non-trading interest rate risks and exposures to foreign currency risk. Most non-trading interest rate risk is transferred from the originating business to the Central Treasury in the Specialist Bank. Once aggregated and netted off, Central Treasury, as the sole interface to the wholesale market for cash and derivative transactions, actively manages the liquidity mismatch and non-trading interest rate risk from our asset and liability portfolios. In this regard, Treasury is required to exercise tight control of funding, liquidity, concentration and non-trading interest rate risk within defined parameters.

The accounting treatment of accounting hedges is dependent on the classification between fair value hedges and cash flow hedges and in particular, accounting hedges require the identification of a direct relationship between a hedged item and hedging instrument. This relationship is established in limited circumstances based on the manner in which the Group manages its risk exposure. Below is a description of each category of accounting hedges achieved by the Group.

Fair value hedges
Fair value hedges are entered into mainly to hedge the exposure of changes in fair value of fixed rate financial instruments attributable to interest rates.

At 31 March R'million	Description of financial instrument designated as hedging instrument	Notional value of hedging instrument	Fair value of hedging instrument	Cumulative fair value gains or (losses) on hedging instrument	Current year fair value gains or (losses) on hedging instrument	Cumulative fair value gains or (losses) on hedged item*	Current year fair value gains or (losses) on hedged item
Group							
2022							
Hedged assets	**Interest rate swaps**	**39 934**	**(520)**	**(520)**	**971**	**519**	**(985)**
2021							
Hedged assets	**Interest rate swaps**	**30 616**	**(1 382)**	**(1 382)**	**(360)**	**1 395**	**383**

* Change in fair value used as the basis for recognising hedge effectiveness for the period.

There was no ineffective portion recognised in the income statement.

As at year end, the hedges were both retrospectively and prospectively effective.

Carrying amount of the hedged items

At 31 March R'million	2022	2021
Assets		
Sovereign debt securities	29 240	26 073
Bank debt securities	10 434	3 632
Other debt securities	1 781	1 207

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
2022							
Assets – notionals							
Sovereign debt securities	—	250	1 750	2 000	15 564	8 576	**28 140**
Bank debt securities	—	200	2 282	1 304	5 462	—	**9 248**
Other debt securities	—	—	—	85	1 230	1 423	**2 738**
2021							
Assets – notionals							
Sovereign debt securities	—	—	—	1 690	6 228	16 116	**24 034**
Bank debt securities	—	—	—	500	3 796	—	**4 296**
Other debt securities	—	—	—	—	941	1 168	**2 109**

There are no accumulated fair value hedge adjustments for hedged items that have ceased to be adjusted for hedging gains and losses.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

54. Hedges (continued)

Cash flow hedges

The Group is exposed to variability in cash flows on future liabilities arising from changes in base interest rates and foreign exchange rates. The aggregate expected cash flows are hedged based on cash flow forecasts with reference to terms and conditions present in the affected contractual arrangements. Changes in fair value are initially recognised in other comprehensive income and reclassified to the income statement when the cash flow affects the income statement.

At 31 March R'million	Description of financial instrument being hedged	Fair value of hedging instrument	Period cash flows are expected to occur and affect income statement
Group			
2022			
Cross-currency swap	Bonds	(918)	Three months
Forward exchange contracts	Dividends	78	Three months
2021			
Cross-currency swap	Bonds	(867)	Three months
Forward exchange contracts	Dividends	78	Three months

Cash flow hedges are held to mitigate interest rate and currency risk. A reconciliation of the cash flow hedge reserve can be found in the statement of changes in equity. There was no ineffective portion recognised in the income statement.

Realisations to the income statement for cash flow hedges of (R53 million) [2021: (R956 million)] are included in net interest income.

There are R78 million (2021: R78 million) accumulated cash flow hedge reserves for hedged items that have ceased to be adjusted for hedging gains and losses.

55. 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 143.

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								
2022								
Liabilities								
Deposits by banks	144	1 643	690	152	395	20 429	52	23 505
Derivative financial instruments	31 906	138	—	(1)	(6)	74	(125)	31 986
– held for trading	31 906	—	—	—	—	—	—	31 906
– held for hedging risk	—	138	—	(1)	(6)	74	(125)	80
Other trading liabilities	4 475	—	—	—	—	—	—	4 475
Repurchase agreements and cash collateral on securities lent	5 003	4	35	42	289	9 341	62	14 776
Customer accounts (deposits)	192 547	26 409	60 068	41 154	44 036	62 241	7 099	433 554
Debt securities in issue	—	244	1 399	81	1 891	4 673	46	8 334
Liabilities arising on securitisation of own originated loans and advances	—	1 818	172	118	215	1 303	1 682	5 308
Other liabilities*	10 840	687	3 174	952	671	925	995	18 244
Subordinated liabilities	—	1 468	2 940	59	2 728	3 426	1 102	11 723
Total on-balance sheet liabilities	**244 915**	**32 411**	**68 478**	**42 557**	**50 219**	**102 412**	**10 913**	**551 905**
Contingent liabilities	4 689	405	1 784	1 071	5 316	6 303	3 031	22 599
Commitments	6 915	932	10 195	2 038	2 500	16 383	28 001	66 964
Total liabilities	**256 519**	**33 748**	**80 457**	**45 666**	**58 035**	**125 098**	**41 945**	**641 468**

* Included within other liabilities are R6 018 million of non-financial instruments scoped out of IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

55. 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								
2021								
Liabilities								
Deposits by banks	60	2 243	62	248	3 259	16 753	294	22 919
Derivative financial instruments	24 719	(61)	—	—	303	303	1 158	26 422
– held for trading	24 719	—	—	—	—	—	—	24 719
– held for hedging risk	—	(61)	—	—	303	303	1 158	1 703
Other trading liabilities	5 643	—	—	—	—	—	—	5 643
Repurchase agreements and cash collateral on securities lent	5 362	6 183	1 681	39	2 658	802	2 075	18 800
Customer accounts (deposits)	166 874	38 482	66 253	24 837	40 214	46 270	2 724	385 654
Debt securities in issue	—	19	242	536	1 078	5 053	331	7 259
Liabilities arising on securitisation of own originated loans and advances	—	—	97	70	99	34	3 420	3 720
Other liabilities^*	4 521	1 252	6 887	295	299	1 161	906	15 321
Subordinated liabilities	—	37	77	135	7 022	9 675	—	16 946
Total on-balance sheet liabilities	**207 179**	**48 155**	**75 299**	**26 160**	**54 932**	**80 051**	**10 908**	**502 684**
Contingent liabilities	3 691	502	548	2 463	6 188	7 301	41	20 734
Commitments	6 817	1 525	8 559	2 856	3 433	14 588	26 739	64 517
Total liabilities	**217 687**	**50 182**	**84 406**	**31 479**	**64 553**	**101 940**	**37 688**	**587 935**

^ Restated as detailed in note 57.
* Included within other liabilities are R5 185 million of non-financial instruments scoped out of IFRS 9.

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								
2022								
Liabilities								
Debt securities in issue	—	4	—	163	9	4 114	—	4 290
Other liabilities**	2 272	—	511	3	4	8	—	2 798
Subordinated liabilities	—	—	50	50	1 689	2 212	1 102	5 103
Total on-balance sheet liabilities	**2 272**	**4**	**561**	**216**	**1 702**	**6 334**	**1 102**	**12 191**
Contingent liabilities	—	—	9	10	797	—	—	816
Total liabilities	**2 272**	**4**	**570**	**226**	**2 499**	**6 334**	**1 102**	**13 007**

** Included within other liabilities are R503 million of non-financial instruments scoped out of IFRS 9.

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								
2021								
Liabilities								
Debt securities in issue	—	4	—	4	8	371	—	387
Other liabilities***	1 316	—	501	5	8	8	—	1 838
Subordinated liabilities	—	—	26	26	51	3 553	—	3 656
Total on-balance sheet liabilities	**1 316**	**4**	**527**	**35**	**67**	**3 932**	**—**	**5 881**

*** Included within other liabilities are R512 million of non-financial instruments scoped out of IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

56. Offsetting

At 31 March R'million	Amounts subject to enforceable netting arrangements: Effects of offsetting on-balance sheet: Gross amounts	Amounts offset	Net amounts reported on the balance sheet	Related amounts not offset*: Financial instruments (including non-cash collateral)	Net amount
Group					
2022					
Assets					
Cash and balances at central banks	11 893	—	11 893	—	11 893
Loans and advances to banks	28 565	(7 551)	21 014	—	21 014
Non-sovereign and non-bank cash placements	13 176	—	13 176	—	13 176
Reverse repurchase agreements and cash collateral on securities borrowed	61 813	(986)	60 827	(3 134)	57 693
Sovereign debt securities	57 380	—	57 380	(1 780)	55 600
Bank debt securities	27 958	—	27 958	(1 357)	26 601
Other debt securities	15 417	—	15 417	(1 236)	14 181
Derivative financial instruments	23 671	(5 893)	17 778	(5 499)	12 279
Securities arising from trading activities	19 422	(9 417)	10 005	(166)	9 839
Investment portfolio	15 509	—	15 509	—	15 509
Loans and advances to customers	291 183	—	291 183	—	291 183
Own originated loans and advances to customers securitised	7 228	—	7 228	—	7 228
Other loans and advances	108	—	108	—	108
Other securitised assets	592	—	592	—	592
Other assets	18 512	—	18 512	—	18 512
	592 427	**(23 847)**	**568 580**	**(13 172)**	**555 408**
Liabilities					
Deposits by banks	26 204	(3 968)	22 236	—	22 236
Derivative financial instruments	41 741	(9 476)	32 265	(5 499)	26 766
Other trading liabilities	4 475	—	4 475	—	4 475
Repurchase agreements and cash collateral on securities lent	14 927	(986)	13 941	(6 920)	7 021
Customer accounts (deposits)	419 948	—	419 948	—	419 948
Debt securities in issue	7 607	—	7 607	—	7 607
Liabilities arising on securitisation of own originated loans and advances	4 585	—	4 585	—	4 585
Other liabilities	27 631	(9 417)	18 214	—	18 214
Subordinated liabilities	10 722	—	10 722	—	10 722
	557 840	**(23 847)**	**533 993**	**(12 419)**	**521 574**

* 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
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56. Offsetting (continued)

At 31 March R'million	Amounts subject to enforceable netting arrangements: Effects of offsetting on-balance sheet: Gross amounts	Amounts offset	Net amounts reported on the balance sheet	Related amounts not offset*: Financial instruments (including non-cash collateral)	Net amount
Group					
2021					
Assets					
Cash and balances at central banks	9 653	—	9 653	—	9 653
Loans and advances to banks^	36 980	(11 257)	25 723	(295)	25 428
Non-sovereign and non-bank cash placements	8 956	—	8 956	—	8 956
Reverse repurchase agreements and cash collateral on securities borrowed	31 741	(985)	30 756	(3 293)	27 463
Sovereign debt securities	53 009	—	53 009	(9 340)	43 669
Bank debt securities	21 862	—	21 862	(1 498)	20 364
Other debt securities	14 148	—	14 148	(2 828)	11 320
Derivative financial instruments	23 775	(4 589)	19 186	(10 165)	9 021
Securities arising from trading activities	24 919	(9 717)	15 202	(1 102)	14 100
Investment portfolio	15 131	—	15 131	—	15 131
Loans and advances to customers#	279 131	—	279 131	—	279 131
Own originated loans and advances to customers securitised	8 184	—	8 184	—	8 184
Other loans and advances	181	—	181	—	181
Other securitised assets	578	—	578	—	578
Other assets	16 324	—	16 324	—	16 324
	544 572	**(26 548)**	**518 024**	**(28 521)**	**489 503**
Liabilities					
Deposits by banks	23 657	(1 605)	22 052	—	22 052
Derivative financial instruments	40 395	(14 241)	26 154	(10 165)	15 989
Other trading liabilities	5 643	—	5 643	—	5 643
Repurchase agreements and cash collateral on securities lent	18 583	(985)	17 598	(16 632)	966
Customer accounts (deposits)#	374 228	—	374 228	—	374 228
Debt securities in issue	6 493	—	6 493	—	6 493
Liabilities arising on securitisation of own originated loans and advances	3 271	—	3 271	—	3 271
Other liabilities^	25 021	(9 717)	15 304	—	15 304
Subordinated liabilities	14 445	—	14 445	—	14 445
	511 736	**(26 548)**	**485 188**	**(26 797)**	**458 391**

^ Restated as detailed in note 57.
* 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.
\# In the prior year, an amount of R3 032 million was presented as 'amounts offset' in loans and advances to customers and customer accounts (deposits) where the amount should have been Rnil. This has now been disclosed as Rnil.

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57. Restatements

Balance sheet restatements
Loans and advances to banks and other liabilities
As at 31 March 2021, there was a gross up on-balance sheet in loans and advances to banks and other liabilities as a result of client funds being recorded on-balance sheet. The prior year balance sheet has been restated to correct the gross up previously reported. This change has no impact on the income statement.

The impact of this change on the 31 March 2021 balance sheet is:

R'million	At 31 March 2021 as previously reported	Restatement	At 31 March 2021 restated
Loans and advances to banks	26 983	(1 260)	25 723
Total assets	549 740	(1 260)	548 480
Other liabilities	16 564	(1 260)	15 304
Total liabilities	489 112	(1 260)	487 852

As at 31 March 2020, the gross up on-balance sheet in loans and advances to banks and other liabilities as a result of client funds being recorded on balance sheet was R290 million.

The impact of this change on the 31 March 2021 cash flow statement is:

R' million	Year to 31 March 2021 as previously reported	Restatement	Year to 31 March 2021 restated
Net cash outflow from operating activities	(22 958)	(1 260)	(24 218)
Cash and cash equivalents at the end of the year	44 428	(1 260)	43 168

58. Events after the reporting period

On 31 May 2022, Investec Limited distributed its entire shareholding of 91.8 million Ninety One shares. The total value of the distribution was R4.1 billion. Investec Limited will have no shareholding in Ninety One post the distribution.

The distribution was classified as a non-adjusting event after the reporting date as defined by IAS 10 Events after the Reporting Period.

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59. Directors' remuneration

The following disclosures are those required by the Companies Act, in respect of remuneration of directors and prescribed officers.

Single total figure of remuneration

Executive Directors	Year	Fixed remuneration cash R'000	Taxable benefits R'000	Retirement benefits R'000	Fixed remuneration shares R'000	**Total fixed remuneration R'000**	Short-term incentive 2 R'000	Long-term incentive vested 2&3 R'000	Value of long-term incentive vested due to share price appreciation R'000	**Total variable remuneration R'000**	**Total remuneration R'000**
Fani Titi	**2022**	9 201	244	700	—	10 145	17 024	16 740	3 123	33 764	43 909
	2021	8 736	195	700	—	9 631	9 652	—	—	9 652	19 283
Nishlan Samujh	**2022**	4 850	244	1 500	—	6 594	11 062	—	—	11 062	17 656
	2021	3 475	172	1 306	—	4 953	4 826	—	—	4 826	9 779
Richard Wainwright[1]	**2022**	12 041	244	700	—	12 985	21 791	—	—	21 791	34 776
	2021	8 312	235	683	—	9230	12 086	—	—	12 086	21 316
Ciaran Whelan[2]	**2022**	2 172	—	—	—	2 172	4 085	—	—	4 085	6 257
	2021	2 170	—	—	—	2170	2 266	—	—	2 266	4 436

This disclosures was prepared by including all remuneration for the Executive and Non-Executive Directors for work performed in the Investec Limited Group. This includes all remuneration earned for services provided to Investec Limited and its subsidiaries including Investec Bank Limited. This disclosure is in accordance with the South African Companies Act, s30. The DLC Group remuneration for Richard Wainwright, Fani Titi and Non-Executive Directors who receive remuneration for work performed in the PLC Group as well, can be obtained in the Investec Group Remuneration Report.
The prior year disclosure was updated to reflect the total remuneration received for the Investec Limited Group to align with our interpretation of the requirements of s30 of the South African Companies Act

1. Pro rata 2021 remuneration disclosed for Richard Wainwright to reflect the period of the year he was an Executive Director.
2. Remuneration figures for the above table were converted to Rand using the average exchange rate of R20.28 for 2022 and R21.33 for 2021. The above table also includes the remuneration earned in respect of services rendered for the Investec Limited Group.
3. This excludes Long-term incentives granted prior to service as an Executive Director that vested during the year.

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 2022 R'000	Total remuneration 2021 R'000	Date of appointment to the Board as Non-executive Director
Philip Hourquebie (Chair)	4 103	3 373	14 August 2017
Perry Crosthwaite (previous Chair)	1 247	4 281	18 June 2010
Henrietta Baldock	1 460	1 012	09 August 2019
Zarina Bassa	3 675	3 739	1 November 2014
David Friedland	2 412	2 406	01 March 2013
Charles Jacobs	206	936	08 August 2014
Stephen Koseff	845	464	17 September 2020
Lord Malloch-Brown KCMG	363	1 186	08 August 2014
Nicky Newton-King	835	—	21 May 2021
Jasandra Nyker	835	—	21 May 2021
Khumo Shuenyane	4 294	3 661	08 August 2014
Philisiwe Sibiya	1 076	1 169	09 August 2019
Brian Stevenson	784	—	22 June 2021
Total in Rand	**22 135**	**22 227**	

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.

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59. 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 2022	01 April 2021	**31 March 2022**	**31 March 2022**	01 April 2021	**31 March 2022**	
Fani Titi	324 065	541 970	0.05%	—	—	0.00%	Yes
Nishlan Samujh	193 085	181 844	0.03%	233 446	230 451	0.08%	Yes
Richard Wainwright	81 570	—	0.01%	1 131 356	830 316	0.36%	Yes
Ciaran Whelan	877 494	689 134	0.13%	—	437 076	—	Yes
Total	**1 476 214**	**1 412 948**	**0.22%**	**1 364 802**	**1 497 843**	**0.44%**	
Non-executive Directors							
Philip Hourquebie (Chair)	—	—	0.00%	—	—	0.00%	n/a
Perry Crosthwaite (Previous Chair)	115 738	115 738	0.02%	—	—	0.00%	n/a
Henrietta Baldock	—	—	0.00%	—	—	0.00%	n/a
Zarina Bassa	—	—	0.00%	—	—	0.00%	n/a
David Friedland	—	—	0.00%	—	—	0.00%	n/a
Charles Jacobs	—	—	0.00%	—	—	0.00%	n/a
Stephen Koseff	3 347 691	3 270 323	0.48%	221 235	221 235	0.07%	Yes
Lord Malloch-Brown KCMG	—	—	0.00%	—	—	0.00%	n/a
Khumo Shuenyane	19 900	19 900	0.00%	—	—	0.00%	n/a
Philisiwe Sibiya	—	—	0.00%	—	—	0.00%	n/a
Total	**3 483 329**	**3 405 961**	**0.50%**	**221 235**	**221 235**	**0.07%**	
Total	**4 959 543**	**4 818 909**	**0.72%**	**1 586 037**	**1 719 078**	**0.51%**	

1. 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. Calculation based on fully vested shares that are detailed within the table above and all other share awards that are no longer subject to performance conditions, as at 31 March 2022.

Key Management Personnel

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

Compensation of key management personnel	2022 R'000	2021 R'000
Short-term employee benefits	368 995	260 452
Other long-term employee benefits	82 453	96 216
Share-based payments	57 151	62 404
Total	**508 599**	**419 072**

Shareholdings, options and other securities of key management personnel

	2022 '000	2021 '000
Number of options held over Investec plc or Investec Limited ordinary shares under employee share schemes	7 000	6 146

	2022 '000	2021 '000
Number of Investec plc or Investec Limited ordinary shares held beneficially and non-beneficially	4 061	5 150

We have defined key management personnel as the Executive Directors of Investec DLC plus those classified as persons discharging managerial responsibility. In addition to the directors listed in the report, those are Henry Blumenthal, Mark Currie, Marc Kahn, Ruth Leas, Stuart Spencer and Lyndon Subroyen.

NOTES TO THE FINANCIAL STATEMENTS
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60. Risk management

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 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 Forums 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 considers and approves 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.

Credit committees and the processes above have incorporated considerations and decisions with respect to the COVID-19 pandemic and resulting relief measures, staging and ECL in line with the Group's existing governance.

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 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 through DLC BRCC and Large Exposure Committee.
- Portfolio reviews and stress testing.

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

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

Regular reporting of credit and counterparty risk exposures within our operating units are made to management, the executives and the Board through the IBL Large Exposure Committee and 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.

Portfolio reviews and stress testing are undertaken on all material businesses, where the exposures 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.

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60. 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 over assets, 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 Bank to recover outstanding exposures.

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

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

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

Further information on credit derivatives is provided on page 136.

The Group implements robust processes to minimise the possibility of legal and/or operational risk through good quality tangible collateral. The legal risk function ensures the enforceability of credit risk mitigants within the laws applicable to the jurisdictions in which the Group operates. When assessing the potential concentration risk in its credit portfolio, consideration is given to the types of collateral and credit protection that form part of the portfolio.

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60. 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 tables that follow provide information with respect to the asset quality of our gross core loans.

Asset quality metrics reflect the solid performance of core loans for the period ended 31 March 2022. The annualised credit loss ratio improved to 0.00% at 31 March 2022 from 0.18% reported at 31 March 2021 due to the partial release of management ECL overlay, improvement of the macro-economic outlook, the reversal of certain prior year specific provisions and higher post write-off recoveries.

Gross core loans increased by 3.8% to R301.1 billion since 31 March 2021 mainly due to increased activity in the high net worth and other private client lending portfolio. Stage 2 exposures increased to 5.9% of gross core loans subject to ECL at 31 March 2022 (31 March 2021: 5.2%) mainly due to certain single name exposures migrating from Stage 3 to Stage 2. Stage 3 has reduced to 1.9% of gross core loans subject to ECL at 31 March 2022 (31 March 2021: 2.6%), as a result of these migrations and as well as certain settlements.

Overall coverage for Stage 1 and Stage 2 remains flat at 0.5% at 31 March 2022. Stage 3 coverage has improved to 21.4% (31 March 2021: 17.9%).

R'million	31 March 2022	31 March 2021
Loans and advances to customers per the balance sheet	291 183	279 131
Add: Own originated loans and advances to customers per the balance sheet	7 228	8 184
Net core loans	**298 411**	**287 315**
of which subject to ECL*	296 881	285 739
Net core loans at amortised cost	277 637	263 451
Net fixed rate loans designated at FVPL (on which ECL is calculated for management purposes)*	19 244	22 288
of which FVPL (excluding fixed rate loans above)	1 530	1 576
Add: ECL	2 695	2 729
Gross core loans	**301 106**	**290 044**
of which subject to ECL*	299 576	288 468
of which FVPL (excluding fixed rate loans above)	1 530	1 576

R'million	31 March 2022	31 March 2021
Gross core loans subject to ECL	**299 576**	**288 468**
Stage 1	276 362	266 061
Stage 2	17 589	14 969
of which past due greater than 30 days	328	272
Stage 3	5 625	7 438
ECL	**(2 695)**	**(2 729)**
Stage 1	(869)	(985)
Stage 2	(620)	(416)
Stage 3	(1 206)	(1 328)
Coverage ratio		
Stage 1	0.31%	0.37%
Stage 2	3.5%	2.8%
Stage 3	21.4%	17.9%
Credit loss ratio	**0.00%**	**0.18%**
ECL impairment charges on core loans	(6)	(520)
Average gross core loans subject to ECL	294 022	289 161
An analysis of Stage 3 gross core loans subject to ECL		
Stage 3 net of ECL	4 419	6 110
Aggregate collateral and other credit enhancements on Stage 3	5 734	8 253
Stage 3 as a % of gross core loans subject to ECL	1.9%	2.6%
Total ECL as a % of Stage 3 exposure	47.9%	36.7%
Stage 3 net of ECL as a % of net core loans subject to ECL	1.5%	2.1%

* Includes portfolios for which ECL is not required for IFRS purposes, but which management evaluates on this basis. These are fixed rate loans which have passed the Solely Payments of Principal and Interest (SPPI) test and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans measured at amortised cost. The drawn (R19 billion) exposure falls predominantly into Stage 1 (consistent throughout the period) (31 March 2021: R22 billion). The ECL on the portfolio is R76 million (31 March 2021: R105 million).

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60. Risk management (continued)

An analysis of staging 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 2021 to 31 March 2022.

	Stage 1		Stage 2		Stage 3		Total	
R'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
At 31 March 2020	**270 105**	**(1 057)**	**15 289**	**(423)**	**4 460**	**(1 880)**	**289 854**	**(3 360)**
Transfer from Stage 1	(9 235)	36	7 801	(28)	1 434	(8)	—	—
Transfer from Stage 2	4 883	(83)	(7 550)	227	2 667	(144)	—	—
Transfer from Stage 3	256	(29)	56	(13)	(312)	42	—	—
ECL remeasurement arising from transfer of stage	—	88	—	(103)	—	(289)	—	(304)
New lending and repayments/ write-offs	2 662	45	(479)	44	(786)	1 015	1 397	1 104
Changes to risk parameters and models	—	—	—	(120)	—	(74)	—	(194)
Foreign exchange and other	(2 610)	15	(148)	—	(25)	10	(2 783)	25
At 31 March 2021	**266 061**	**(985)**	**14 969**	**(416)**	**7 438**	**(1 328)**	**288 468**	**(2 729)**
Transfer from Stage 1	(8 286)	35	7 756	(20)	530	(15)	—	—
Transfer from Stage 2	3 798	(61)	(5 770)	128	1 972	(67)	—	—
Transfer from Stage 3	238	(35)	2 393	(17)	(2 631)	52	—	—
ECL remeasurement arising from transfer of stage	—	91	—	(205)	—	(296)	—	(410)
New lending and repayments/ write-offs	14 674	(92)	(1 753)	76	(1 681)	326	11 240	310
Changes to risk parameters and models	—	178	—	(166)	—	122	—	134
Foreign exchange and other	(123)	—	(6)	—	(3)	—	(132)	—
At 31 March 2022	**276 362**	**(869)**	**17 589**	**(620)**	**5 625**	**(1 206)**	**299 576**	**(2 695)**

NOTES TO THE FINANCIAL STATEMENTS
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60. 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 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

The internal credit rating distribution below is based on the 12-month PD at 31 March 2022 for gross core loans subject to ECL by stage. The staging classifications are not only driven by the absolute PD, but 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 2022 R'million	IB01 – IB12	IB13 – IB19	IB20 – IB25	Stage 3	Total
Gross core loans subject to ECL	**138 603**	**138 282**	**17 066**	**5 625**	**299 576**
Stage 1	137 787	126 420	12 155	—	276 362
Stage 2	816	11 862	4 911	—	17 589
Stage 3	—	—	—	5 625	5 625
ECL	**(220)**	**(813)**	**(456)**	**(1 206)**	**(2 695)**
Stage 1	(217)	(433)	(219)	—	(869)
Stage 2	(3)	(380)	(237)	—	(620)
Stage 3	—	—	—	(1 206)	(1 206)
Coverage ratio	**0.2%**	**0.6%**	**2.7%**	**21.4%**	**0.9%**

At 31 March 2021 R'million	IB01 – IB12	IB13 – IB19	IB20 – IB25	Stage 3	Total
Gross core loans subject to ECL	**113 764**	**152 999**	**14 267**	**7 438**	**288 468**
Stage 1	113 140	141 319	11 602	—	266 061
Stage 2	624	11 680	2 665	—	14 969
Stage 3	—	—	—	7 438	7 438
ECL	**(155)**	**(856)**	**(390)**	**(1 328)**	**(2 729)**
Stage 1	(92)	(647)	(246)	—	(985)
Stage 2	(63)	(209)	(144)	—	(416)
Stage 3	—	—	—	(1 328)	(1 328)
Coverage ratio	**0.1%**	**0.6%**	**2.7%**	**17.9%**	**0.9%**

NOTES TO THE FINANCIAL STATEMENTS
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60. 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. Our exposure to the property market is well diversified with strong bias towards prime locations for residential exposure and focus on property fundamentals, tenant quality and income diversity for commercial assets. Debt service cover ratios are a key consideration in the lending process supported by reasonable loan-to-security value ratios.

	Gross core loans at amortised cost and FVPL (subject to ECL)								Gross core loans at FVPL (not subject to ECL)	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
R'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**		
At 31 March 2022										
Commercial real estate	**47 228**	**(200)**	**4 374**	**(116)**	**1 356**	**(309)**	**52 958**	**(625)**	**—**	**52 958**
Commercial real estate – investment	44 645	(193)	4 305	(115)	1 351	(308)	50 301	(616)	—	50 301
Commercial real estate – development	1 997	(6)	52	—	—	—	2 049	(6)	—	2 049
Commercial vacant land and planning	586	(1)	17	(1)	5	(1)	608	(3)	—	608
Residential real estate	**5 647**	**(25)**	**1 581**	**(10)**	**234**	**(2)**	**7 462**	**(37)**	**—**	**7 462**
Residential real estate – investment	2 393	(5)	564	(9)	—	—	2 957	(14)	—	2 957
Residential real estate – development	2 451	(14)	1 003	(1)	—	—	3 454	(15)	—	3 454
Residential vacant land and planning	803	(6)	14	—	234	(2)	1 051	(8)	—	1 051
Total lending collateralised by property*	**52 875**	**(225)**	**5 955**	**(126)**	**1 590**	**(311)**	**60 420**	**(662)**	**—**	**60 420**
Coverage ratio		**0.43%**		**2.1%**		**19.6%**		**1.1%**		
At 31 March 2021										
Commercial real estate	**46 387**	**(227)**	**2 816**	**(78)**	**2 197**	**(262)**	**51 400**	**(567)**	**—**	**51 400**
Commercial real estate – investment	42 281	(202)	2 704	(77)	2 182	(256)	47 167	(535)	—	47 167
Commercial real estate – development	3 404	(22)	49	(1)	—	—	3 453	(23)	—	3 453
Commercial vacant land and planning	702	(3)	63	—	15	(6)	780	(9)	—	780
Residential real estate	**7 706**	**(29)**	**229**	**(6)**	**105**	**(22)**	**8 040**	**(57)**	**—**	**8 040**
Residential real estate – investment	3 792	(11)	—	—	96	(19)	3 888	(30)	—	3 888
Residential real estate – development	3 189	(15)	226	(6)	—	—	3 415	(21)	—	3 415
Residential vacant land and planning	725	(3)	3	—	9	(3)	737	(6)	—	737
Total lending collateralised by property*	**54 093**	**(256)**	**3 045**	**(84)**	**2 302**	**(284)**	**59 440**	**(624)**	**—**	**59 440**
Coverage ratio		**0.47%**		**2.8%**		**12.3%**		**1.0%**		

* In addition, 58% of high net worth and specialised lending (31 March 2021: 56%) 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

60. 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
- High net worth and specialised 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 Investec Wealth & Investment.

	Gross core loans at amortised cost and FVPL (subject to ECL)								Gross core loans at FVPL (not subject to ECL)	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
R'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**		
At 31 March 2022										
Mortgages	80 125	(64)	4 337	(172)	1 169	(204)	85 631	(440)	—	85 631
High net worth and specialised lending*	70 140	(228)	662	(19)	1 466	(157)	72 268	(404)	—	72 268
Total high net worth and other private client lending	**150 265**	**(292)**	**4 999**	**(191)**	**2 635**	**(361)**	**157 899**	**(844)**	**—**	**157 899**
Coverage ratio		**0.19%**		**3.8%**		**13.7%**		**0.5%**		
At 31 March 2021										
Mortgages	76 604	(133)	3 632	(134)	1 391	(318)	81 627	(585)	—	81 627
High net worth and specialised lending*	65 295	(261)	1 063	(20)	1 471	(324)	67 829	(605)	—	67 829
Total high net worth and other private client lending	**141 899**	**(394)**	**4 695**	**(154)**	**2 862**	**(642)**	**149 456**	**(1 190)**	**—**	**149 456**
Coverage ratio		**0.28%**		**3.3%**		**22.4%**		**0.8%**		

* 58% of high net worth and specialised lending (31 March 2021: 56%) relates to lending collateralised by property which is supported by high net worth clients.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

60. 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. Credit risk is assessed against debt serviceability based upon robust cash generation of the business demonstrated by both historical and forecast information. We typically act as a transaction lead arranger or on a club or bilateral 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
- **Power and infrastructure finance:** arranges and provides typically long-term financing for power and infrastructure assets, in particular renewable and traditional power 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

60. Risk management (continued)

	Gross core loans at amortised cost and FVPL (subject to ECL)								Gross core loans at FVPL (not subject to ECL)	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
R'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**		
At 31 March 2022										
Corporate and acquisition finance	51 172	(275)	6 312	(291)	1 227	(440)	58 711	(1 006)	1 530	60 241
Fund finance	7 461	(12)	—	—	—	—	7 461	(12)	—	7 461
Financial institutions and governments	3 195	(6)	—	—	19	(2)	3 214	(8)	—	3 214
Small ticket asset finance	4 120	(17)	103	(1)	153	(91)	4 376	(109)	—	4 376
Aviation finance*	1 494	(25)	131	(9)	1	(1)	1 626	(35)	—	1 626
Power and infrastructure finance	5 780	(17)	89	(2)	—	—	5 869	(19)	—	5 869
Total corporate and other lending	**73 222**	**(352)**	**6 635**	**(303)**	**1 400**	**(534)**	**81 257**	**(1 189)**	**1 530**	**82 787**
Coverage ratio		**0.48%**		**4.6%**		**38.1%**		**1.5%**		
At 31 March 2021										
Corporate and acquisition finance	46 429	(217)	6 425	(160)	1 717	(339)	54 571	(716)	1 576	56 147
Fund finance	7 624	(29)	—	—	—	—	7 624	(29)	—	7 624
Financial institutions and governments	3 355	(4)	156	(4)	3	—	3 514	(8)	—	3 514
Small ticket asset finance	4 127	(48)	219	(11)	506	(40)	4 852	(99)	—	4 852
Aviation finance*	2 269	(23)	—	—	48	(23)	2 317	(46)	—	2 317
Power and infrastructure finance	6 265	(14)	429	(3)	—	—	6 694	(17)	—	6 694
Total corporate and other lending	**70 069**	**(335)**	**7 229**	**(178)**	**2 274**	**(402)**	**79 572**	**(915)**	**1 576**	**81 148**
Coverage ratio		**0.48%**		**2.5%**		**17.7%**		**1.1%**		

* There are additional aviation exposures of R640 million (31 March 2021: R1.2 billion) in Corporate and acquisition finance and R213 million (31 March 2021: R914 million) in Financial institutions and governments.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

60. 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 2022 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	11 245	—	11 245	—	648	11 893
Loans and advances to banks	21 016	—	21 016	(2)	—	21 014
Non-sovereign and non-bank cash placements	13 209	564	12 645	(33)	—	13 176
Reverse repurchase agreements and cash collateral on securities borrowed	60 831	23 346	37 485	(4)	—	60 827
Sovereign debt securities	57 382	7 161	50 221	(48)	—	57 334
Bank debt securities	27 967	288	27 679	(17)	—	27 950
Other debt securities	15 425	307	15 118	(27)	—	15 398
Derivative financial instruments	7 068	7 068	—	—	10 710	17 778
Securities arising from trading activities	2 197	2 197	—	—	7 808	10 005
Investment portfolio	—	—	—	—	15 509*	15 509
Loans and advances to customers	293 851	20 850	273 001	(2 668)	—	291 183
Own originated loans and advances to customers securitised	7 255	—	7 255	(27)	—	7 228
Other loans and advances	132	—	132	(24)	—	108
Other securitised assets	—	—	—	—	592^^	592
Interest in associated undertakings	—	—	—	—	5 480	5 480
Current taxation assets	—	—	—	—	4	4
Deferred taxation assets	—	—	—	—	2 866	2 866
Other assets	241	—	241	—	17 786**	18 027
Property and equipment	—	—	—	—	3 469	3 469
Investment properties	—	—	—	—	15 783	15 783
Goodwill	—	—	—	—	173	173
Other acquired intangible assets	—	—	—	—	64	64
Software	—	—	—	—	46	46
Other financial instruments at FVPL in respect of liabilities to customers	—	—	—	—	1 145	1 145
Non-current assets classified as held for resale	—	—	—	—	1 524	1 524
Total on-balance sheet exposures	**517 819**	**61 781**	**456 038**	**(2 850)**	**83 607**	**598 576**
Guarantees	16 984	—	16 984	(5)	1 794	18 773
Committed facilities related to loans and advances to customers	66 934	—	66 934	(65)	—	66 869
Contingent liabilities, letters of credit and other	9 229	4 493	4 736	—	21 971	31 200
Total off-balance sheet exposures	**93 147**	**4 493**	**88 654**	**(70)**	**23 765**	**116 842**
Total exposures	**610 966**	**66 274**	**544 692**	**(2 920)**	**107 372**	**715 418**

^ Includes R73 million ECL held against financial assets held at FVOCI, which is reported on the balance sheet within the fair value reserve. This will result in minor differences between certain balance sheet lines reported above (largely sovereign debt securities) and the statutory balance sheet.
* Largely relates to exposures that are classified as investment risk in the banking book.
^^ Largely cash in securitised vehicles.
** Other assets include settlement debtors which we deem to have no credit risk exposure as they are settled on a delivery against payment basis.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

60. Risk management (continued)

A further analysis of our gross credit and counterparty exposures (continued)

At 31 March 2021 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	9 275	—	9 275	—	378	9 653
Loans and advances to banks	25 726^	—	25 726	(3)	—	25 723
Non-sovereign and non-bank cash placements	9 005	23	8 982	(49)	—	8 956
Reverse repurchase agreements and cash collateral on securities borrowed	30 757	12 477	18 280	(1)	—	30 756
Sovereign debt securities	53 014	3 266	49 748	(55)	—	52 959
Bank debt securities	21 865	288	21 577	(9)	—	21 856
Other debt securities	14 155	60	14 095	(23)	—	14 132
Derivative financial instruments	15 477	15 477	—	—	3 709	19 186
Securities arising from trading activities	2 828	2 828	—	—	12 374	15 202
Investment portfolio	—	—	—	—	15 131*	15 131
Loans and advances to customers	281 835	23 969	257 866	(2 704)	—	279 131
Own originated loans and advances to customers securitised	8 209	—	8 209	(25)	—	8 184
Other loans and advances	205	—	205	(24)	—	181
Other securitised assets	—	—	—	—	578^^	578
Interest in associated undertakings	—	—	—	—	5 215	5 215
Current taxation assets##	—	—	—	—	44	44
Deferred taxation assets	—	—	—	—	2 767	2 767
Other assets##	—	—	—	—	16 324**	16 324
Property and equipment	—	—	—	—	2 942	2 942
Investment properties	—	—	—	—	16 942	16 942
Goodwill	—	—	—	—	212	212
Intangible assets	—	—	—	—	116	116
Software	—	—	—	—	97	97
Other financial instruments at FVPL in respect of liabilities to customers	—	—	—	—	1 067	1 067
Non-current assets classified as held for resale	—	—	—	—	1 054	1 054
Total on-balance sheet exposures	**472 351**	**58 388**	**413 963**	**(2 893)**	**78 950**	**548 408**
Guarantees	14 903	—	14 903	(5)	1 024	15 922
Committed facilities related to loans and advances to customers	64 358	—	64 358	(69)	—	64 289
Contingent liabilities, letters of credit and other	7 525	3 521	4 004	—	22 887	30 412
Total off-balance sheet exposures	**86 786**	**3 521**	**83 265**	**(74)**	**23 911**	**110 623**
Total exposures	**559 137**	**61 909**	**497 228**	**(2 967)**	**102 861**	**659 031**

\# Includes R72 million ECL held against financial assets held at FVOCI, which is reported on the balance sheet within the fair value reserve. This will result in minor differences between certain balance sheet lines reported above (largely sovereign debt securities) and the statutory balance sheet.
* Largely relates to exposures that are classified as investment risk in the banking book.
^^ Largely cash in securitised vehicles.
** Other assets include settlement debtors which we deem to have no credit risk exposure as they are settled on a delivery against payment basis.
^ Restated as detailed on page 116.
\## Current taxation assets previously included in Other assets.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

60. Risk management (continued)

Key judgements

After careful review of portfolio performance, the current design of the ECL models and updated published market data, management reduced the ECL overlay of R290 million at 31 March 2021 to R219 million at 31 March 2022 in the Private Bank portfolio. As in the prior year, the overlay represents a post model adjustment designed to account for emerging risks identified for categories of borrowers within the commercial real estate (R189 million) and mortgage portfolios (R30 million). Relevant emerging risks include the reducing risk profile of the COVID-19 pandemic, counterbalanced by increasing social and geopolitical risks. Management believes that these emerging risks are not adequately represented by the historic data used to populate the ECL models. The management ECL overlay was calculated with reference to published market data that best represents the possible exposure to these emerging risks. Stage 3 ECLs continue to be assessed using a combination of scenario analysis, informed by expert judgement and modelled ECL. Management will continue to review the need and basis of calculation for the overlay given the evolving situation and significant uncertainty faced with respect to the economic outlook.

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.
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 at 31 March 2022, all five scenarios were updated to incorporate the latest available data.

The base case is characterised by the view that economic growth lifts to 3% by the end of the five-year period with sufficient domestic policy support measures to support this acceleration, 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) occurs. The Rand sees mild weakness and inflation is also impacted by the course of weather patterns via food price inflation. A modest 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. Little expropriation without compensation occurs and it does not have a negative effect on economy, and there is no nationalisation. The expected case sees the Russian invasion of Ukraine ease, and not exacerbate. As at 31 March 2022, the weighting of the base case was 51%, while at 31 March 2021 the scenario weighting of the base case was 48%, with the upwards revision due to the improvement in government finances in the period.

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 government debt, and debt projections initially 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. However, fiscal consolidation ultimately occurs, preventing South Africa's credit ratings from falling into the C grades. Expropriation of private sector property is very limited and has a modestly negative impact on the economy. Business confidence is depressed, with significant load shedding, weak investment growth, civil and political unrest and a recession. Substantial Rand weakness drives high 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. As at 31 March 2022, the weighting of the lite down case was 40%, while at 31 March 2021 it was 44%, with the lower probability on 31 March 2022 mainly due to the improvement in government finances in the period.

The severe down case is characterised by a lengthy global recession and/or global financial crisis, with insufficient monetary and other policy support measures. A depression occurs in the South African economy. Expropriation of private commercial sector property without compensation falls under this scenario, with a marked negative impact on the economy, along with widespread services load shedding, strike action and civil unrest. The state borrows from increasingly wider sources as it sinks deeper into a debt trap. South Africa is rated single B from all three key credit rating agencies, with further rating downgrades into CCC grade and the increased risk of default. 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. At 31 March 2022, the scenario weighting of the severe down case was 6%, increased from 5% on 31 March 2021 due to some concession to the broadening of the invasion of Ukraine towards a World War III scenario.

The up case is depicted by rising confidence and investment levels as structural constraints to sustained, robust economic growth is increasingly eroded, in an environment of strong global and domestic growth, and the global financial market is risk-on. Low domestic inflation occurs on Rand strength, along with favourable weather conditions for moderate 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 become positive on strong fiscal consolidation (government debt projections fall substantially). As at 31 March 2022, the scenario weighting was 2%, the same as at 31 March 2021.

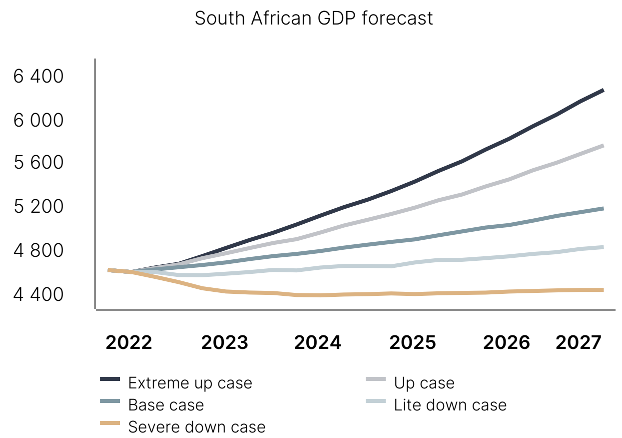
NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

60. Risk management (continued)

The extreme up case 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 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. This scenario retains a weighting of 1% as the exact domestic characterisations currently retain a very low probability.

The graph below depicts the forecast South African GDP growth under the macro-economic scenarios applied at 31 March 2022.

R'billion



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 2022 average 2022 – 2027					At 31 March 2021 average 2021 – 2026				
Macro-economic scenarios	**Extreme up case %**	**Up case %**	**Base case %**	**Lite down case %**	**Severe down case %**	Extreme up case %	Up case %	Base case %	Lite down case %	Severe down case %
GDP growth	6.1	4.4	2.4	1.0	(0.6)	5.5	4.4	2.7	1.8	(0.5)
Repo rate	3.9	4.6	6.0	6.5	7.5	3.5	3.8	4.7	5.0	5.6
Bond yield	7.9	9.1	9.7	10.4	11.8	9.2	9.5	10.4	11.1	11.9
Residential property price growth	7.4	6.3	4.8	4.0	2.5	7.1	6.3	5.3	4.1	2.6
Commercial property price growth	5.9	1.8	0.7	(1.4)	(2.6)	3.6	2.1	0.6	(1.0)	(2.7)
Exchange rate (South African Rand:US Dollar)	12.5	14.2	15.6	16.9	19.9	12.0	13.6	15.8	17.7	18.4
Scenario weightings	**1**	**2**	**51**	**40**	**6**	**1**	**2**	**48**	**44**	**5**

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 2022.

	Financial years				
Base case %	**2022/2023**	**2023/2024**	**2024/2025**	**2025/2026**	**2026/2027**
GDP growth	1.9	2.2	2.3	2.6	2.9
Repo rate	4.9	5.8	6.3	6.5	6.5
Bond yield	10.0	9.9	9.6	9.6	9.6
Residential property price growth	4.6	4.6	4.9	5.1	5.1
Commercial property price growth	(2.4)	0.1	1.2	2.0	2.6
Exchange rate (South African Rand:US Dollar)	15.1	15.4	15.7	15.9	16.0

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CONTINUED

60. Risk management (continued)

The following table outlines the extreme point forecast for each economic factor across the scenarios as at 31 March 2022. 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 2022	Extreme up case %	Up case %	Baseline: Base case five-year average %	Lite down case %	Severe down case %
South Africa					
GDP growth	7.8	5.8	2.4	(0.3)	(3.9)
Repo rate	3.5	4.0	6.0	7.3	9.0
Bond yield	7.2	8.9	9.7	10.7	12.1
CPI inflation	3.1	3.8	4.9	6.1	7.5
Residential property price growth	9.0	7.2	4.8	3.3	1.6
Commercial property price growth	9.8	3.6	0.7	(4.4)	(5.0)
Exchange rate (South African Rand:US Dollar)	11.0	13.4	15.6	17.6	21.5

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CONTINUED

60. 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 on supporting our clients. Our strategic intent is that proprietary trading should be limited and that trading should be conducted largely to facilitate client flow. Within our trading activities, we act as principal with clients or the market. Market risk exists where we have taken on principal positions resulting from market making, underwriting and facilitation of client business in the foreign exchange, interest rate, equity, credit and commodity markets.

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 the 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 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 (ERRF) weekly and 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 purposes
- Risk factor movements are based on both absolute and relative returns as appropriate for the different types of risk factors.

VaR numbers using a one-day holding period are monitored daily at the 95% and 99% confidence intervals, with limits set at the 95% confidence interval. Expected shortfalls are also monitored daily at the 95% and 99% levels, being the average of the losses in the tail of the VaR distribution.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

60. 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 2022 Year end	Average	High	Low	31 March 2021 Year end	Average	High	Low
Commodities	0.2	0.7	1.5	0.2	0.4	0.2	0.7	0.0
Equities	3.1	4.5	7.1	2.9	5.1	5.9	10.2	3.4
Foreign exchange	0.3	0.8	3.8	0.1	0.3	0.8	8.4	0.1
Interest rates	5.4	4.5	9.0	2.0	1.8	3.9	7.7	1.8
Consolidated*	**4.8**	**5.8**	**10.8**	**3.3**	**5.5**	**7.6**	**12.8**	**4.9**

* 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 (diversification).

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 2022 Year end	31 March 2021 Year end
Commodities	0.4	0.9
Equities	7.5	8.3
Foreign exchange	0.4	0.5
Interest rates	8.0	4.4
Consolidated*	**9.2**	**9.7**

* 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 2022 Year end	31 March 2021 Year end
99% one-day sVaR	18.5	12.5

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

60. Risk management (continued)

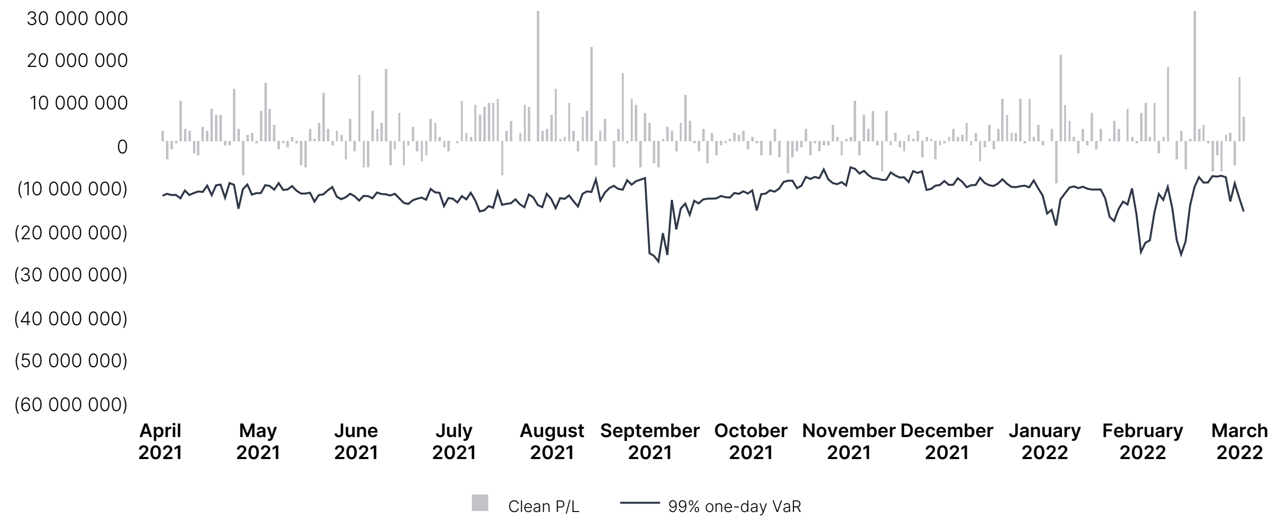
Backtesting

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 2022 in the trading book was lower than for the year ended 31 March 2021. 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 exceptions of two to three exceptions over a one year period that a 99% VaR model implies.

99% one-day VaR backtesting
Rand



Stress testing

The table below indicates the potential losses that could arise in the trading book portfolio per EVT at the 99% confidence level. EVT is a methodology widely used to estimate tail-event losses beyond the 95% one-day VaR. These numbers do not assume normality but rather rely on fitting a distribution to the tails of the VaR distribution.

99% EVT R'million	31 March 2022 Year end	Average	High	Low	31 March 2021 Year end	Average	High	Low
Commodities	1.3	4.9	79.0	1.3	5.0	2.3	8.3	0.2
Equities	7.6	26.1	67.7	7.6	26.4	44.5	86.2	15.1
Foreign exchange	0.8	3.5	9.8	0.6	2.0	3.5	11.7	1.0
Interest rates	21.6	41.7	106.5	15.9	22.8	26.1	84.9	6.4
Consolidated#	**25.3**	**38.0**	**87.3**	**14.8**	**27.6**	**49.9**	**86.8**	**17.2**

The consolidated stress testing for each entity is lower than the sum of the individual stress test numbers. This arises from the correlation offset between various asset classes.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

60. Risk management (continued)

Market risk – derivatives
The Group enters into various derivatives 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 85.

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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

60. Risk management (continued)

Interest rate risk - JIBAR reform
In 2020, the SARB announced that 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.

The SARB intends to commence publishing ZARONIA daily to allow market participants to observe the rate and implement measures to promote its adoption.

As it is critical that domestic financial markets are systematically transitioned to the successor rate, the MPG will now consider 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.

Interest rate risk - IBOR reform
During the financial year, the Group has successfully transitioned almost all of the GBP assets away from referencing IBOR to referencing alternative rates. A small number of remaining GBP loans are expected to reference Synthetic LIBOR. Furthermore, as from 1 January 2022, all new USD lending is non-LIBOR based. The project will still continue to monitor the transition of existing USD LIBOR linked products to alternative rates, ahead of USD LIBOR cessation on 30 June 2023. For other benchmark interest rates such as EURIBOR that have been reformed and can therefore continue, financial instruments referencing those rates will not need to transition.

Given progress to date, the Group has limited remaining risk with respect to ongoing IBOR reform.

The project was led by senior representatives from functions across the Group including the client facing teams, Treasury, legal, finance, operations, risk and technology and provided regular progress updates to the Risk forums.

IBOR reform exposes the Group to various risks, which the project is managing and monitoring closely.

These risks include but are not limited to the following:

- Conduct risk arising from discussions with clients and market counterparties due to the amendments required to existing contracts necessary to effect IBOR reform
- Business risk to the Group and its clients that markets are disrupted due to IBOR reform giving rise to financial losses
- Pricing risk from the potential lack of market information if liquidity in IBORs reduces and risk-free rates are illiquid and unobservable
- Operational risk arising from changes to the Group's IT systems and processes, also the risk of payments being disrupted if an IBOR ceases to be available
- Accounting risk if the Group's hedging relationships fail and from unrepresentative income statement volatility as financial instruments transition to risk-free rates.

The tables that follow summarise the exposures impacted by interest rate benchmark reform:

At 31 March 2022	GBP IBOR - no. of trades	GBP - Notional value (R'million)	USD IBOR - no. of trades	USD - Notional value (R'million)	Other IBOR - no. of trades	Other - Notional value (R'million)
Derivatives	13	1 577	492	89 370	—	—
Other debt securities	—	—	8	667	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	—	—	14	731	—	—
Loans and advances to customers	2	514	120	8 174	1	—
Of which undrawn	1	26	5	117	2	406
Customer accounts (deposits)	—	—	54	17 073	—	—
Preference shares	—	—	4	2 796	—	—

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

60. Risk management (continued)

At 31 March 2021	GBP IBOR - no. of trades	GBP - Notional value (R'million)	Other IBOR - no. of trades	Other - Notional value (R'million)
Pre-2022 dated instruments				
Derivatives	26	8 158	109	31 291
Other debt securities	—	—	1	111
Reverse repurchase agreements and cash collateral on securities borrowed	—	—	18	2 637
Loans and advances to banks	—	—	2	519
Loans and advances to customers	33	1 556	118	9 570
Of which undrawn	4	177	12	1 388
Customer accounts (deposits)	427	1 269	2 451	12 898
Post-2022 dated instruments				
Derivatives	45	8 030	399	64 910
Bank debt securities	—	—	17	496
Other debt securities	2	931	4	2 256
Reverse repurchase agreements and cash collateral on securities borrowed	—	—	11	2 266
Loans and advances to customers	154	7 396	162	11 728
Of which undrawn	7	1 608	13	1 784
Customer accounts (deposits)	6	30	89	15 812

ADDITIONAL RISK INFORMATION

60. Risk management (continued)

Investment risk

Investment risk in the banking book comprises 3.8% of total assets at 31 March 2022. 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. We also source development, investment and trading opportunities to create value within agreed risk parameters.

Following the distribution that took place on 30 May 2022, Investec Limited reduced shareholding in Ninety One (previously known as Investec Asset Management) to zero (31 March 2022: c.10%).

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.

Nature of investment risk	Management of risk
Principal Investments	Investment committees, IBL BRCC and DLC BRCC
Listed equities	Investment committees, market risk management, IBL BRCC and DLC BRCC
Profit shares and investments arising from lending transactions	Credit risk management committees, IBL BRCC and DLC BRCC
Investment and trading properties	Investment committees, Investec Property Group Investment Committee, IBL BRCC and DLC BRCC
IEP Group	A number of our executives are on the board of the IEP Group, IBL BRCC and DLC BRCC

Risk appetite limits and targets 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 43 to 50 and pages 73 to 79 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 2022	On-balance sheet value of investments 31 March 2021
Unlisted investments*^	5 297	5 681
Listed equities	546	619
Investment and trading properties^	6 772	7 002
The IEP Group	5 437	5 117
Ninety One#	4 462	3 870
Total	**22 514**	**22 289**

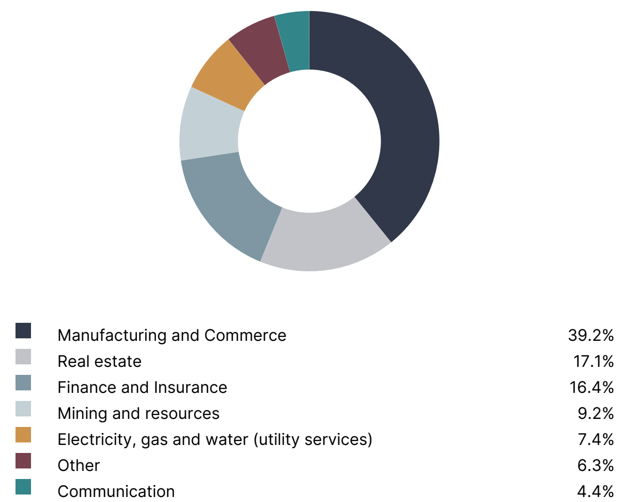
^ The exposures arising from the consolidation of the Investec Property Fund have been reflected at the level of our economic ownership, being 24.3% (31 March 2021: 24.3%).
* Includes fair value loan investments of R2.2 billion (31 March 2021: R2.5 billion) to reflect our economic ownership as explained above.
# Investec Limited has a c.10% shareholding in Ninety One.

Capital requirements

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

An analysis of the investment portfolio and the IEP Group by industry of exposure (excluding investment and trading properties and Ninety One)

31 March 2022
R11 280 million



ADDITIONAL RISK INFORMATION
CONTINUED

60. Risk management (continued)

Balance sheet risk management
Balance sheet risk encompasses the financial risks relating to our asset and liability portfolios, comprising liquidity, funding, concentration, encumbrance and non-trading interest rate risk.

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

Liquidity risk is further broken down into:

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

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

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

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

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

This suite of metrics ensures the smooth management of the day-to-day liquidity position within conservative parameters and further validates that we are able to generate sufficient liquidity to withstand a range of liquidity stresses or market disruptions.

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

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

The Group operates an industry-recognised third party risk modelling system in addition to custom-built management information systems designed to measure and monitor liquidity risk on both a current and forward-looking basis.

ADDITIONAL RISK INFORMATION
CONTINUED

60. Risk management (continued)

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. As a result, we are able to generate funding from a broad range of sources in each geographic location, which ensures a varied overall funding mix to support loan growth.

We acknowledge the importance of our retail deposit client base as the principal source of stable and well diversified 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 participate in global financial markets and our relationship is 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 these ratings could have an adverse effect on the Group's funding costs, and access to wholesale term funding. Credit ratings are dependent on multiple factors, including operating environment, business model, strategy, capital adequacy levels, quality of earnings, risk appetite and exposure and control framework.

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), and near cash, well in excess of the regulatory requirements as protection against disruptions in cash flows. These portfolios are managed within Board-approved targets, and as well as providing a buffer under going concern conditions, also form an integral part of the broader liquidity generation strategy. Investec remains a net liquidity provider to the interbank market, placing significantly more funds with other banks than our short-term interbank borrowings. We do not rely on overnight interbank deposits to fund term lending.

Contingency planning
The Group maintains contingency funding plans which detail the 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 include:

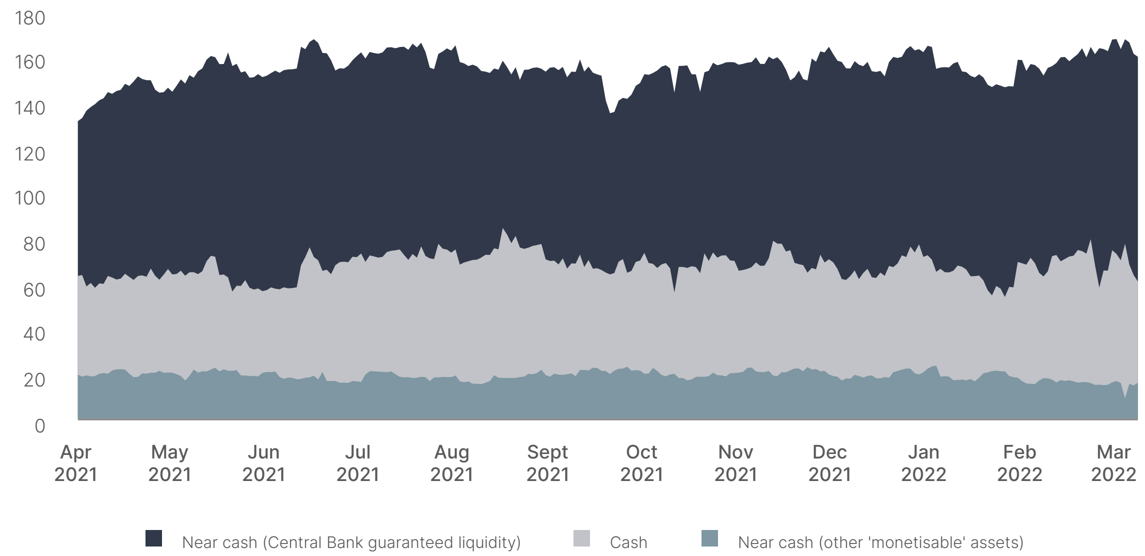
- Details on the required daily monitoring of the liquidity position
- Description of the early warning indicators to be monitored, and process of escalation if required
- Liquidity stress scenarios to be modelled for Contingency Funding Plan (CFP) purposes (over and above daily stress testing scenarios)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

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

ADDITIONAL RISK INFORMATION
CONTINUED

60. Risk management (continued)

Cash and near cash trend
R'billion



An analysis of cash and near cash at 31 March 2022
R159.5 billion

Near cash (Central Bank guaranteed liquidity)	62.2%
Cash	28.4%
Near cash (other 'monetisable' assets)	9.4%

Bank and non-bank depositor concentration by type at 31 March 2022
R442.2 billion

Non-bank financials	46.9%
Individuals	20.5%
Non-financial corporates	17.8%
Public sector	5.9%
Banks	5.1%
Small business	3.8%

ADDITIONAL RISK INFORMATION
CONTINUED

60. 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 to Group companies in the other asset line.

With respect to the contractual liquidity table below, we record all assets and liabilities with the underlying contractual maturity as determined by the cash flow profile for each deal.

With respect to the behavioural liquidity gap, 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: the contractual repayments of many deposits are on demand, or at notice, but in reality withdrawals vary significantly from this. Historical observations of the products are used to model the behavioural lives, 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 2022

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	30 330	927	412	—	—	—	—	31 669
Cash and short-term funds – non-banks	10 516	301	204	59	—	1 291	805	13 176
Investment/trading assets and statutory liquids	80 925	66 861	8 390	6 278	6 219	37 597	19 867	226 137
Securitised assets	595	78	158	233	455	2 726	3 575	7 820
Advances	4 253	8 524	8 586	11 215	21 523	122 319	116 109	292 529
Other assets	1 888	10 408	1 460	677	(766)	4 911	8 080	26 658
Assets	**128 507**	**87 099**	**19 210**	**18 462**	**27 431**	**168 844**	**148 436**	**597 989**
Deposits – banks	(163)	(1 606)	(183)	(89)	—	(20 195)	—	(22 236)
Deposits – non-banks	(193 381)	(19 781)	(67 073)	(39 447)	(42 133)	(53 932)	(4 201)	(419 948)
Negotiable paper	—	(218)	(1 357)	(674)	(683)	(3 689)	(986)	(7 607)
Securitised liabilities	—	—	—	—	—	(1 747)	(2 838)	(4 585)
Investment/trading liabilities	(5 833)	(7 750)	(3 877)	(2 346)	(6 146)	(24 542)	(187)	(50 681)
Subordinated liabilities	—	(1 468)	(2 874)	—	(2 209)	(4 171)	—	(10 722)
Other liabilities	(1 811)	(7 338)	(1 334)	(464)	(451)	(426)	(7 857)	(19 681)
Liabilities	**(201 188)**	**(38 161)**	**(76 698)**	**(43 020)**	**(51 622)**	**(108 702)**	**(16 069)**	**(535 460)**
Total equity	—	—	—	—	—	—	(62 529)	(62 529)
Contractual liquidity gap	**(72 681)**	**48 938**	**(57 488)**	**(24 558)**	**(24 191)**	**60 142**	**69 838**	**—**
Cumulative liquidity gap	(72 681)	(23 743)	(81 231)	(105 789)	(129 980)	(69 838)	—	—

Behavioural liquidity as at 31 March 2022
as discussed above.

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	**81 533**	**7 156**	**(1 325)**	**(2 649)**	**(5 243)**	**(165 160)**	**85 688**	**—**
Cumulative	81 533	88 689	87 364	84 715	79 472	(85 688)	—	

ADDITIONAL RISK INFORMATION
CONTINUED

60. Risk management (continued)

Non-trading interest rate risk description
Non-trading interest rate risk, otherwise known as interest rate risk in the banking book, arises from the impact of adverse movements in interest rates on both net interest earnings and economic value of equity.

Sources of interest rate risk in the banking book include:

- **Repricing risk:** arises from the timing differences in the fixed rate maturity and floating rate repricing of Group assets, liabilities and off-balance sheet derivative 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
- **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.

Measurement and management of non-trading interest rate risk
Non-trading interest rate risk 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 non-trading interest rate risk philosophy is reflected in our day-to-day practices.

The aim of non-trading interest rate risk management is to protect and enhance net interest income and economic value of equity in accordance with the Board-approved risk appetite and to ensure a high degree of stability of the net interest margin over an interest rate cycle. Non-trading interest rate risk is measured and analysed by utilising standard tools of traditional interest rate repricing mismatch and net present value (NPV) sensitivity to changes in interest rate risk factors:

- Income metrics capture the change in accruals expected over a specified time horizon in response to a change in interest rates
- Economic value metrics capture all future cash flows in order to calculate the Group's net worth and therefore can highlight risks beyond the short-term earnings time horizon.

These metrics are used to assess and to communicate to senior management the financial impact of possible future interest rate scenarios, covering:

- Interest rate expectations and perceived risks to the central view
- Standard shocks to levels and shapes of interest rates and yield curves
- Historically-based yield curve changes.

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.

Each banking entity has its own Board-approved non-trading interest rate risk appetite, which is clearly defined in relation to both income risk and economic value risk. The Bank has limited appetite for non-trading interest rate risk.

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 market 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.

Internal capital is allocated for non-trading interest rate risk.

The Bank complies with the BCBS108 framework which is currently in force for assessing banking book (non-trading) interest rate risk, and is in the process of enhancing its existing framework to adhere to the new BCBS d368 principles which are expected to come into effect in 2022 or 2023.

ADDITIONAL RISK INFORMATION
CONTINUED

60. Risk management (continued)

Interest rate sensitivity gap at 31 March 2022
The table below shows our non-trading interest rate mismatch. These exposures affect the interest rate margin realised between lending income and borrowing costs assuming no management intervention.

R'million	Not > three months	> Three months but < six months	> Six months but < one year	> One year but < five years	> Five years	Non-rate	Total non-trading
Cash and short-term funds – banks	18 350	863	351	—	—	10 642	30 206
Cash and short-term funds – non-banks	13 095	58	—	—	—	23	13 176
Investment/trading assets and statutory liquids	80 196	19 085	9 611	26 430	17 540	44 326	197 188
Securitised assets	7 820	—	—	—	—	—	7 820
Advances	267 493	6 208	1 365	15 551	655	1 253	292 525
Other assets	7 495	(790)	(2 198)	2 198	(288)	9 114	15 531
Assets	**394 449**	**25 424**	**9 129**	**44 179**	**17 907**	**65 358**	**556 446**
Deposits – banks	(18 223)	(89)	(7)	(3 515)	—	(22)	(21 856)
Deposits – non-banks	(337 555)	(20 557)	(26 572)	(14 846)	(1 647)	(18 771)	(419 948)
Negotiable paper	(2 682)	(85)	(683)	(4 037)	—	(120)	(7 607)
Securitised liabilities	(4 585)	—	—	—	—	—	(4 585)
Investment/trading liabilities	(1 874)	—	(10)	(1 118)	—	(5 879)	(8 881)
Subordinated liabilities	(8 109)	—	(1 584)	(1 023)	—	(6)	(10 722)
Other liabilities	(6 932)	—	—	—	—	(12 168)	(19 100)
Liabilities	**(379 960)**	**(20 731)**	**(28 856)**	**(24 539)**	**(1 647)**	**(36 966)**	**(492 699)**
Total equity	(2 113)	—	—	—	—	(60 416)	(62 529)
Balance sheet	**12 376**	**4 693**	**(19 727)**	**19 640**	**16 260**	**(32 024)**	**1 218**
Off-balance sheet	15 702	(412)	18 167	(19 289)	(15 386)	—	(1 218)
Repricing gap	**28 078**	**4 281**	**(1 560)**	**351**	**874**	**(32 024)**	**—**
Cumulative repricing gap	28 078	32 359	30 799	31 150	32 024	—	

Economic value sensitivity at 31 March 2022
As outlined above, non-trading interest rate risk is measured and monitored using an economic value sensitivity approach. The table below reflects our economic value sensitivity to a 2% parallel shift in interest rates assuming no management intervention. This sensitivity effect would only have a negligible direct impact on our equity.

	Sensitivity to the following interest rates (expressed in original currencies)						
million	ZAR	GBP	USD	EUR	AUD	Other (ZAR)	**All (ZAR)**
200bps down	87.0	0.8	(3.0)	0.2	—	0.7	**60.4**
200bps up	(138.1)	(0.7)	4.9	(0.8)	—	(8.1)	**(101.4)**

04

Shareholder analysis

IN THIS SECTION

SHAREHOLDER ANALYSIS

Investec ordinary shares

As at 31 March 2022, Investec Limited had 310.4 million ordinary shares in issue.

Spread of ordinary shareholders as at 31 March 2022
Investec Limited ordinary shares in issue

Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
8 776	1 - 500	65.5%	827 525	0.3%
1 319	501 - 1 000	9.8%	1 003 859	0.3%
1 949	1 001 - 5 000	14.6%	4 424 207	1.5%
441	5 001 - 10 000	3.3%	3 228 326	1.0%
534	10 001 - 50 000	4.0%	12 529 670	4.0%
138	50 001 - 100 000	1.0%	9 935 644	3.2%
243	100 001 and over	1.8%	278 458 639	89.7%
13 400		**100.0%**	**310 407 870**	**100.0%**

Geographical holding by beneficial ordinary shareholder as at 31 March 2022

Investec Limited

South Africa	66.5%
UK	2.8%
USA and Canada	14.3%
Rest of Europe	5.4%
Other countries and unknown	11.0%

Largest ordinary shareholders as at 31 March 2022

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)	45 916 573	14.8%
2. Investec Staff Share Scheme (UK & ZA)	26 103 097	8.4%
3. Allan Gray (ZA)	19 013 412	6.1%
4. Old Mutual Investment Group (ZA)	16 211 644	5.2%
5. Sanlam Group (ZA)	13 931 951	4.5%
6. The Vanguard Group, Inc (US)	10 044 144	3.2%
7. M&G Investments (ZA)	7 894 142	2.5%
8. Swedbank Robur (EU)	7 688 918	2.5%
9. Truffle Asset Management (ZA)	6 928 476	2.2%
10. BlackRock Inc (US & UK & AUS)	6 826 150	2.2%
Cumulative total	**160 558 507**	**51.6%**

The top 10 shareholders account for 51.6% of the total shareholding in Investec Limited. This information is based on a threshold of 20 000 shares. 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 2022	31 March 2021
Price earnings ratio[1]	9.1	7.6
Dividend payout ratio (%)	45.4	45.0
Dividend yield (%)	5.0	5.9
Earnings yield (%)[1]	10.9	13.2

Investec Limited

For the year ended	31 March 2022	31 March 2021
Daily average volumes of shares traded ('000)	1 242	2 089
Closing market price per share (Rands)	97.51	43.27
Number of ordinary shares in issue (million)	310.4	318.9
Market capitalisation (R'million)[2]	88 268	40 007
Market capitalisation (£'million)[2]	4 553	2 025

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 plc, the LSE only includes the shares in issue for Investec plc, as Investec Limited is not incorporated in the UK. 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 and Investec Bank Limited have issued preference shares.

Spread of preference shareholders as at 31 March 2022
Investec Limited perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
859	1 – 500	17.6%	210 179	0.7%
906	501 – 1 000	18.5%	756 213	2.6%
2 115	1 001 – 5 000	43.3%	5 178 204	17.7%
491	5 001 – 10 000	10.1%	3 573 431	12.2%
476	10 001 – 50 000	9.7%	9 306 957	31.9%
38	50 001 – 100 000	0.8%	2 695 580	9.2%
—	100 001 and over	—%	7 498 074	25.7%
4 885		**100.0%**	**29 218 638**	**100.0%**

Investec Bank Limited perpetual preference shareholders
All of Investec Bank Limited's perpetual preference shares were repurchased during the financial year.

Largest preference shareholders as at 31 March 2022

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 2022.

Investec Bank Limited perpetual preference shares
All of Investec Bank Limited's perpetual preference shares were repurchased during the financial year ended 31 March 2022.

05

Additional information

IN THIS SECTION

ADDITIONAL INFORMATION

Annexure 1: Summary employment equity progress report at 31 March 2022

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	5		3	8
Senior management	16	11	16	246
Professionally qualified and experienced specialist and mid-management	160	56	126	423
Skilled, academic, junior management, supervisors, foremen and superintendents	367	68	125	231
Semi-skilled and discretionary decision-making	113	23	26	33
Unskilled and defined decision making	183	36		
Total	**844**	**194**	**296**	**941**

	Female				
	African	**Coloured**	**Indian**	**White/ Foreign**	**Total**
Top management			1	2	19
Senior management	9	3	13	97	411
Professionally qualified and experienced specialist and mid management	125	40	128	435	1 493
Skilled, academic, junior management, supervisors, foremen and superintendents	480	196	251	451	2 169
Semi-skilled and discretionary decision-making	110	41	34	48	428
Unskilled and defined decision making	296	134		1	650
Total	**1 020**	**414**	**427**	**1 034**	**5 170**

* 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 2021

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	16 518	42 170 658 746
Approved	10 789	28 515 084 190
Declined	220	524 763 081
Disbursed/paid out	7 602	19 940 164 175

Race groups

	African		Coloured	
Analysis by race group	Number of applications	Rand amount	Number of applications	Rand amount
Applications received	3 831	7 272 114 308	851	1 889 395 360
Approved	2 245	4 250 229 989	582	1 306 862 393
Declined	72	131 864 777	15	67 125 753
Disbursed/paid out	1 664	3 050 000 595	338	720 055 444

ADDITIONAL INFORMATION
CONTINUED

Annexure 2: Home loan mortgage disclosure at 31 December 2021 (continued)

Race groups (continued)

	Indian		White		Other	
	Number of applications	Rand amount	Number of applications	Rand amount	Number of applications	Rand amount
Applications received	1 307	3 254 540 411	7 587	20 557 167 976	2 942	9 197 440 691
Approved	851	2 103 326 438	4 891	13 933 104 374	2 220	6 921 560 996
Declined	16	43 893 100	100	233 103 201	17	48 776 250
Disbursed/paid out	508	1 231 423 256	3 336	9 302 127 636	1 776	5 636 557 243

Province

	Eastern Cape		Free State	
Analysis by region	Number of applications	Rand amount	Number of applications	Rand amount
Applications received	758	1 654 287 252	271	541 446 911
Approved	508	1 254 924 321	177	356 505 398
Declined	11	21 744 500	2	4 335 750
Disbursed/paid out	434	926 004 014	110	227 506 101

	Gauteng		KwaZulu-Natal		Limpopo	
	Number of applications	Rand amount	Number of applications	Rand amount	Number of applications	Rand amount
Applications received	8 390	20 314 765 463	1 355	3 816 818 615	258	325 360 848
Approved	5 300	13 151 585 058	800	2 201 600 637	131	201 562 660
Declined	124	253 227 349	10	27 549 700	2	854 550
Disbursed/paid out	3 782	9 309 587 058	845	2 443 696 741	83	128 470 039

	Mpumalanga		North West	
	Number of applications	Rand amount	Number of applications	Rand amount
Applications received	329	612 279 295	210	420 945 398
Approved	219	397 689 762	136	272 074 707
Declined	7	7 047 250	3	8 166 500
Disbursed/paid out	151	284 035 049	89	174 914 722

	Northern Cape		Western Cape	
	Number of applications	Rand amount	Number of applications	Rand amount
Applications received	84	176 920 413	4 863	14 307 834 552
Approved	64	139 274 863	3 454	10 539 866 783
Declined	—	—	61	201 837 482
Disbursed/paid out	34	65 652 100	2 074	6 380 298 350

GLOSSARY

The following abbreviations have been used throughout this report:

ADR Forum	Arrears, Recovery and Default Forum
AGM	Annual general meeting
AI	Artificial Intelligence
AIRB	Advanced Internal Ratings-Based
AML	Anti-money laundering
AUM	Assets under management
BASA	Banking Association of South Africa
BCBS	Basel Committee of Banking Supervision
BSE	Botswana Stock Exchange
CA	Chartered Accountant
CAM	Combined Assurance Matrix
CCB	Capital conservation buffer
CCR	Counterparty credit risk
CCyB	Countercyclical capital buffer
CDS	Credit default swap
CEM	Current exposure method
CE	Chief executive
CET1	Common Equity Tier 1
CFT	Combating the financing of terrorism
CFO	Chief Financial Officer
CLR	Credit Loss Ratio
COO	Chief Operating Officer
COVID	Corona Virus Disease
CPD	Continuous Professional Development
CRISA	Code for Responsible Investing in South Africa
CRO	Chief Risk Officer
CVA	Credit valuation adjustment
DLC	Dual listed company
DLC BRCC	DLC Board Risk and Capital Committee
DLC Nomdac	DLC Nominations and Directors Affairs Committee
DLC SEC	DLC Social and Ethics Committee
D-SIB	Domestic systemically important bank
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECL	Expected credit loss
EIR	Effective interest rate
EP	Equator Principles
EQAR	Engagement Quality Assessment Review
ESG	Environmental, social and governance
FIRB	Foundation Internal Ratings-Based
FRC	Financial Regulatory Council
FSLAB	Financial Sector Laws Amendment Bill
FSR Act	Financial Sector Regulation Act 9 of 2017
FTA	Foreign Trade Agreement
FUM	Funds under management
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit and loss
GDP	Gross domestic product
GDPR	General Data Protection Regulation
GISD	UN Global Investment for Sustainable Development
GRRRMF	Group Risk Review and Reserves Matters Forum
HLA	Higher loss-absorbency
HNW	High net worth
HR	Human resources
IAM	Investec Asset Management
IASs	International Accounting Standards
IBL	Investec Bank Limited
IBL BRCC	IBL Board Risk and Capital Committee
IBL ERC	IBL Executive Risk Committee
IBL Review ERRF	IBL Review Executive Risk Review Forum
IBM	Investec Bank of Mauritius
IBP	Investec Bank plc
ICAAP	Internal Capital Adequacy Assessment Process
ICR	Individual capital requirement
IEP	IEP Group
IFB	Investec for Business
IFC	International Finance Corporation
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard
IIA	Institute of Internal Auditors
ILAAP	Internal Liquidity Adequacy Assessment Process
IP	Investec Property
IPF	Investec Property Fund
IRB	Internal Ratings-Based
IRBA	Independent Regulatory Board for Auditors
IRRBB	Interest Rate Risk in the Banking Book
IW&I	Investec Wealth & Investment
JIBAR	Johannesburg Interbank Average Rate
JSE	Johannesburg Stock Exchange
LCR	Liquidity coverage ratio
LHS	Left hand side
LSE	London Stock Exchange
MAFR	Mandatory Audit Firm Rotation
MES	Macro-economic Scenarios
NSFR	Net stable funding ratio
NACQ	Nominal annual compounded quarterly in arrears
NSX	Namibian Stock Exchange
OCI	Other comprehensive income
PCAF	Partnership for Carbon Accounting Financials
PRA	Prudential Regulation Authority
RHS	Right hand side
ROU	Right of use asset
RPA technologies	Robotic Process Automation technologies
RWA	Risk-weighted asset
SA	South Africa
SA-CCR	Standardised Approach to Counterparty Credit Risk
SDGs	Sustainable Development Goals
SIFI	Systemically important financial institution
SME	Small and Medium-sized Enterprises
SMMEs	Small, Medium & Micro Enterprises
SOE	State-owned Enterprise
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
TCFD	Task Force on Climate-related Financial Disclosures
ToR	Terms of Reference
tCO2e	Tonnes of CO2 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

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Directorate as at 22 June 2022
Executive directors
Fani Titi (Chief Executive)
Nishlan Samujh (Group Finance Director)
Richard Wainwright (Executive Director)
Ciaran Whelan (Executive Director)

Non-executive Directors
Philip Hourquebie (Chair)
Zarina Bassa (Senior independent director)
Henrietta Baldock
David Friedland
Stephen Koseff
Nicky Newton-King
Jasandra Nyker
Philisiwe Sibiya
Khumo Shuenyane
Brian Stevenson
Vanessa Olver

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