Investec

OUT OF THE ORDINARY

Creating enduring worth

Investec Limited Group and Investec Bank Limited Group

Pillar III annual disclosure report 2023

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Introduction

ABOUT THIS REPORT

The 2023 combined Investec Limited group and Investec Bank Limited group Pillar III report covers the period 1 April 2022 to 31 March 2023

Scope and framework of Pillar III disclosures

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

In terms of Regulation 43(1) of the Regulations, Investec is required to disclose in its annual financial statements (AFS) and other disclosures to the public, reliable, relevant and timely qualitative and quantitative information that enables users of that information, among other things, to make an accurate assessment of the Group's financial condition, including, but not limited to, its capital adequacy position, liquidity position, financial performance, leverage ratio, ownership, governance, business activities, risk profile and risk management practices.

In this regard the Basel Committee on Banking Supervision (BCBS) issued a revised Pillar III framework in January 2015 and the consolidated and enhanced framework in March 2017, as well as the updated framework on Pillar III disclosure requirements in December 2018. The South African Prudential Authority (PA) also removed all disclosure requirements from the Regulations and previous Banks Act directives (related to Pillar III disclosure requirements) in Directive 1 of 2019 (the Directive), in order to create a single point of reference for the Pillar III disclosures, to ensure that the internationally agreed Pillar III framework is fully implemented in South Africa. The provisions of the Directive are not related to any disclosure requirements that may be required by the Johannesburg Stock Exchange Limited (JSE) in respect of the Stock Exchange News Service (SENS).

In line with the Directive, retrospective disclosures (that require the disclosure of data points for the current and previous reporting periods) are not required when metrics for new standards are reported for the first time. The Pillar III reports are published on Investec's Investor Relations website in line with the required frequency of disclosures per the Directive.

Current regulatory framework

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

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

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

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

Investec Limited's minimum CET1 requirement at 31 March 2023 is 8.0125%, comprising a 4.5% Pillar 1 minimum requirement, a 0.5% Pillar 2A add-on, a 2.5% Capital Conservation Buffer (CCB), a 0.5% Domestic Systemically Important (D-SIB) Buffer and an institution-specific Countercyclical Capital Buffer (CCyB) add-on, held for purposes of the reciprocity requirement of 0.0125% . South Africa has not announced any CCyB requirements for 2023.

Significant regulatory developments in the period

The Financial Sector Laws Amendment Act (FSLAA) was promulgated on 28 January 2022. The FSLAA aims to, amongst other things, introduce South Africa's first comprehensive deposit insurance scheme and create a new subordinated class of loss-absorbing instruments (referred to as "FLAC" instruments) to facilitate the application of the statutory bail-in power in order to assist with the implementation of the resolution framework for 'designated institutions'. The South African Reserve Bank is established as the resolution authority; and the Corporation for Deposit Insurance and a Deposit Insurance Fund is established to assist with the stability of the financial system in the event of the resolution of a designated institution.

The PA proposed to implement the outstanding Basel III regulatory reforms in South Africa on the dates set out in Guidance Note 4 of 2022. The regulatory reforms, such as the revised standardised approach and internal ratings-based approach for credit risk, are proposed for 1 January 2024. The PA initially proposed to implement the revised market risk and credit valuation adjustment (CVA) frameworks at 1 January 2024. Noting that certain countries confirmed the delayed implementation of the Basel III reforms in their respective jurisdictions, the PA confirmed in Guidance Note 8 of 2022 that they will continue to monitor progress made by other major jurisdictions and trading partners of South Africa in respect of the implementation of the respective Basel III reforms and will implement the revised market risk and CVA frameworks at a later date, which will be communicated in due course.

Investec Limited continues to assess and monitor the impact of new regulations and regulatory reforms through participation in industry quantitative impact study submissions to the PA, contributing to industry consultations, discussions at the Banking Association of South Africa and through relevant industry participation. Updates and the impact of proposed and new regulations are also presented to the various Capital Committees, BRCC's and Boards.

Pillar III assurance and disclosure policy

In accordance with the Regulations, the Board of Directors and senior management are responsible for establishing and maintaining an effective internal control structure in respect of Pillar III disclosures. In this regard, the Board and senior management have ensured that appropriate review and sign-off of the relevant Pillar III disclosures has taken place, as outlined in the Pillar III disclosure policy, prior to its release on the Investor Relations website.

Quantitative and qualitative disclosures in the Pillar III report

The following regulatory risk measurement approaches are applied by Investec for purposes of capital adequacy:

- Credit risk for Investec Bank Limited using a combination of the Internal Ratings-Based Approach (IRB), and the Standardised Approach (SA)
- Credit risk for Investec Bank Mauritius and non-bank subsidiaries using the SA
- Counterparty credit risk exposure using the SA for Counterparty Credit Risk (CCR)
- Operational risk capital requirement is calculated on the SA
- Equity risk for equity instruments in the banking book is calculated by applying the simple risk weight method
- Market risk is calculated using a combination of the Internal Models Approach (IMA) and the Standardised Approach

In this regard, all tables and disclosures may not be relevant to Investec and are excluded from this Pillar III report.

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Board-approved disclosure policy

BOARD-APPROVED DISCLOSURE POLICY

Board-approved disclosure policy

The Board of Investec Limited 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 primary stakeholders. The purpose is to help these stakeholders make meaningful assessments and informed investment decisions about Investec Limited and its subsidiaries.

Investec endeavours to:

a. Present a balanced and understandable assessment of its position by addressing material matters of significant interest and concern

b. Highlight the key risks to which it considers itself exposed and its responses to minimise the impact of the risks

c. Show a balance between the positive and negative aspects of the Group's activities in order to achieve a comprehensive and fair account of its performance.

The Board appreciates the importance of ensuring an appropriate balance in meeting the diverse needs and expectations of all the Group's stakeholders and building lasting relationships with them. Investec has developed a framework to ensure that it complies with all relevant public disclosure obligations and to uphold the Board's communication and disclosure philosophy. The Investor Relations division (IR) is responsible for working with the other divisions in the Group to ensure that the Group meets its various annual, interim and quarterly public reporting/disclosure requirements.

IR has a detailed log of all these various disclosure requirements in terms of the Banks Act or other public reporting requirements and due dates for when such disclosures are required to be made public. This log is reviewed on an annual basis. All public announcements and releases; annual, interim and quarterly disclosures are reviewed and approved by the Board and/or appropriate senior management prior to their release. The reports go through a rigorous review and sign-off process by the Board, executives, management and internal audit. On an annual basis, members of IR, company secretarial, finance, the executive, Board and Board sub-committees (where applicable) will assess the appropriateness of all information that is publicly disclosed.

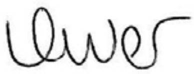
The Pillar III disclosures provided are in line with the requirements of the Basel Committee on Banking Supervision's standards on revised Pillar III disclosure requirements. These disclosures comprise certain Pillar III disclosures of Investec Limited and its banking subsidiaries on a consolidated basis as required in terms of Regulation 43 of the Regulations and/or issued Banks Act directives.

The Board is satisfied that:

a. the information provided in this report was subject to the same level of internal review and internal control processes as the information provided for financial reporting purposes

b. disclosures in this report have been prepared in accordance with the Board-agreed internal control processes related to public disclosures.

Nishlan Samujh



Vanessa Olver

30 June 2023

03

Linkage between financial statements and regulatory exposure

LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES

Tables LI1 and LI2 relate to the balance sheet of Investec Limited Group. From a regulatory risk perspective, the carrying values under the scope of regulatory consolidation between the Bank and the Group are largely the same, and disclosures related to the bank have therefore been omitted for purposes of the LI1 and LI2 tables below.

A further breakdown of columns a and b for Investec Bank Limited Group is provided on page 78.

LI1: DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK

	a	b	c	d	e	f	g
R'million	**Carrying value as reported in published financial statements[(1)(4)]**	**Carrying value under scope of regulatory consolidation[(4)]**	**Subject to credit risk framework**	**Subject to CCR framework[(2)]**	**Subject to securitisation framework**	**Subject to market risk framework[(2)]**	**Not subject to capital requirements or is subject to deduction from capital[(3)]**
31 March 2023							
Assets							
Cash and balances at central banks	22 761	22 761	22 761	—	—	—	—
Loans and advances to banks	12 323	11 387	11 387	—	—	—	—
Non-sovereign and non-bank cash placements	14 133	14 133	14 133	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	50 336	50 336	—	50 336	—	4 278	—
Sovereign debt securities	77 456	77 456	77 456	—	—	—	—
Bank debt securities	16 124	16 022	15 781	—	—	—	241
Other debt securities	11 676	11 676	10 125	—	1 551	—	—
Derivative financial instruments	16 512	16 512	—	16 512	—	16 512	—
Securities arising from customer flows	33 021	33 021	33 021	—	—	32 767	—
Investment portfolio	22 675	15 437	10 776	—	—	531	4 661
Loans and advances to customers	314 723	314 481	314 481	—	—	—	—
Own originated loans and advances to customers securitised	5 988	5 988	5 142	—	846	—	—
Other loans and advances	1	1	1	—	—	—	—
Other securitised assets	547	547	547	—	—	—	—
Interests in associated undertakings	30	38	38	—	—	—	—
Current tax assets	1	1	1	—	—	—	—
Deferred taxation assets	2 749	2 749	2 749	—	—	—	—
Other assets	14 152	13 964	13 964	—	—	—	—
Property and equipment	3 457	3 457	3 457	—	—	—	—
Investment properties	15 853	5 632	5 632	—	—	—	—
Goodwill	171	171	—	—	—	—	171
Software	131	131	—	—	—	—	131
Other acquired intangible assets	13	13	—	—	—	—	13
Loans to Group companies	—	—	—	—	—	—	—
Investment in subsidiaries	—	—	—	—	—	—	—
Non-current assets held for sale	785	—	—	—	—	—	—
	635 618	**615 914**	**541 452**	**66 848**	**2 397**	**54 088**	**5 217**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	2 433	—	—	—	—	—	—
	638 051	**615 914**	**541 452**	**66 848**	**2 397**	**54 088**	**5 217**

LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES CONTINUED

LI1: DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CONTINUED

	a	b	c	d	e	f	g
R'million	Carrying values as reported in published financial statements[(1)(4)]	Carrying value under scope of regulatory consolidation[(4)]	Subject to credit risk framework	Subject to CCR framework[(2)]	Subject to securitisation framework	Subject to market risk framework[(2)]	Not subject to capital requirements or is subject to deduction from capital[(3)]
31 March 2023							
Liabilities							
Deposits by banks	31 789	27 725	—	—	—	—	—
Derivative financial instruments	37 802	37 848	—	37 848	—	40 322	—
Other trading liabilities	3 820	3 820	—	—	—	3 514	—
Repurchase agreements and cash collateral on securities lent	17 933	17 933	—	17 933	—	3 710	—
Customer accounts (deposits)	448 513	448 513	—	—	—	—	—
Debt securities in issue	7 747	3 840	—	—	—	—	—
Liabilities arising on securitisation of own originated loans and advances	3 594	3 594	—	—	—	—	—
Liabilities arising on securitisation of other assets	—	—	—	—	—	—	—
Current taxation liabilities	941	940	—	—	—	—	—
Deferred taxation liabilities	95	95	—	—	—	—	—
Other liabilities	14 130	12 806	—	—	—	—	—
Loans from Group companies	—	—	—	—	—	—	—
	566 364	**557 114**	**—**	**55 781**	**—**	**47 546**	**—**
Liabilities to customers under investment contracts	2 378	—	—	—	—	—	2 378
Insurance liabilities, including unit-linked liabilities	55	—	—	—	—	—	55
	568 797	**557 114**	**—**	**55 781**	**—**	**47 546**	**2 433**
Subordinated liabilities	7 748	7 748	—	—	—	—	—
	576 545	**564 862**	**—**	**55 781**	**—**	**47 546**	**2 433**

1. Carrying values reported in column (a) and correspond to values reported in the financial statements net of impairments and write-offs. Values in columns (c) to (g) are based on column (b), the sum of which may not be equal to column (b) as some exposures are subject to regulatory capital charges in more than one risk category.
2. Exposures subject to the counterparty credit risk (CCR) framework in column (d) include exposures in the banking and trading books in line with regulatory requirements. CCR exposures in the trading book also considered for market risk requirements are included in both columns (d) and (f). All exposures in our trading book were disclosed as being subject to the market risk framework.
3. Intangible assets, goodwill and threshold items (investments in significant financial entities and deferred tax assets below the 10% of the specified CET1) are excluded from regulatory capital and are subject to deduction from capital.
4. The difference between columns (a) and (b) arises mainly from our investment in Investec Property Fund that is fully consolidated for accounting purposes, whereby 100% of assets and liabilities are brought onto the balance sheet and the minority portion is removed on the minority interest line. For regulatory purposes only the portion of assets and liabilities that Investec Limited holds in Investec Property Fund is brought on the regulatory balance sheet and the Investec Employee Benefits Group is also deconsolidated for regulatory purposes. There were no other differences noted between columns (a) and (b).

TABLE LIA: EXPLANATIONS OF DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY EXPOSURE AMOUNTS

The differences observed between accounting carrying value (as defined in LI1) and amounts considered for regulatory purposes are provided above. The risk management software is fully integrated with source trading systems, allowing valuation in risk and trading systems to be fully aligned. All valuation models are subject to independent validation by market risk ensuring models used for valuation and risk are validated independently of the front office.

For a description of our valuation principles and methodologies refer to pages 20 to 60 and pages 93 to 104 of the Investec Group's integrated and strategic annual report 2023 specifically to the Volume 3 for factors taken into consideration in determining fair value.

LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES CONTINUED

LI1: DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CONTINUED

	a	b	c	d	e	f	g
R'million	Carrying values as reported in published financial statements[(1)(4)]	Carrying value under scope of regulatory consolidation[(4)]	Subject to credit risk framework	Subject to CCR framework[(2)]	Subject to securitisation framework	Subject to market risk framework[(2)]	Not subject to capital requirements or is subject to deduction from capital[(3)]
31 March 2022							
Assets							
Cash and balances at central banks	11 893	11 893	11 893	—	—	60	—
Loans and advances to banks	21 014	20 427	20 427	—	—	2 058	—
Non-sovereign and non-bank cash placements	13 176	13 176	13 176	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	60 827	60 827	—	60 827	—	11 515	—
Sovereign debt securities	57 380	57 380	57 380	—	—	—	—
Bank debt securities	27 958	27 958	27 337	—	—	—	621
Other debt securities	15 417	15 417	13 814	—	1 604	—	—
Derivative financial instruments	17 778	17 778	—	17 778	—	19 891	—
Securities arising from customer flows	10 005	10 005	10 005	—	—	9 966	—
Investment portfolio	15 509	10 296	9 005	—	—	463	1 291
Loans and advances to customers	291 183	290 168	290 168	—	—	1 980	—
Own originated loans and advances to customers securitised	7 228	7 228	5 339	—	1 889	—	—
Other loans and advances	108	108	108	—	—	6	—
Other securitised assets	592	592	592	—	—	—	—
Interests in associated undertakings	5 480	5 474	4 603	—	—	—	871
Current tax assets	4	4	4	—	—	—	—
Deferred taxation assets	2 866	2 866	2 866	—	—	338	—
Other assets	18 512	18 079	18 079	—	—	12 929	—
Property and equipment	3 469	3 469	3 469	—	—	4	—
Investment properties	15 783	5 285	5 285	—	—	—	—
Goodwill	173	173	—	—	—	—	173
Software	46	46	—	—	—	—	46
Other acquired intangible assets	64	64	—	—	—	—	64
Investments in subsidiaries	—	—	—	—	—	1 333	—
Loans to Groups companies	—	—	—	—	—	—	—
Non-current assets held for sale	1 524	747	747	—	—	—	—
	597 989	**579 460**	**494 297**	**78 605**	**3 493**	**60 543**	**3 066**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	1 145	—	—	—	—	—	—
	599 134	**579 460**	**494 297**	**78 605**	**3 493**	**60 543**	**3 066**

LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES CONTINUED

LI1: DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CONTINUED

	a	b	c	d	e	f	g
R'million	Carrying values as reported in published financial statements(1)(4)	Carrying value under scope of regulatory consolidation(4)	Subject to credit risk framework	Subject to CCR framework(2)	Subject to securitisation framework	Subject to market risk framework(2)	Not subject to capital requirements or is subject to deduction from capital(3)
31 March 2022							
Liabilities							
Deposits by banks	22 236	19 559	—	—	—	—	—
Derivative financial instruments	32 265	32 368	—	32 368	—	38 318	—
Other trading liabilities	4 475	4 475	—	—	—	4 336	—
Repurchase agreements and cash collateral on securities lent	13 941	13 941	—	13 941	—	5 003	—
Customer accounts (deposits)	419 948	419 948	—	—	—	—	—
Debt securities in issue	7 607	3 809	—	—	—	—	—
Liabilities arising on securitisation of own originated loans and advances	4 585	4 585	—	—	—	—	—
Liabilities arising on securitisation of other assets	—	—	—	—	—	—	—
Current taxation liabilities	753	752	—	—	—	7	—
Deferred taxation liabilities	714	713	—	—	—	—	—
Other liabilities	18 214	17 002	—	—	—	10 551	—
Loans from Group companies	—	—	—	—	—	—	—
	524 738	**517 152**	**—**	**46 309**	**—**	**58 215**	**—**
Liabilities to customers under investment contracts	1 086	—	—	—	—	—	1 086
Insurance liabilities, including unit-linked liabilities	59	—	—	—	—	—	59
	525 883	**517 152**	**—**	**46 309**	**—**	**58 215**	**1 145**
Subordinated liabilities	10 722	10 722	—	—	—	—	—
	536 605	**527 874**	**—**	**46 309**	**—**	**58 215**	**1 145**

1. Carrying values reported in columns (a) correspond to values reported in the financial statements net of impairments and write-offs. Values in columns (c) to (g) are based on column (b), the sum of which may not be equal to column (b) as some exposures are subject to regulatory capital charges in more than one risk category.
2. Exposures subject to the counterparty credit risk (CCR) framework in column (d) include exposures in the banking and trading books in line with regulatory requirements. CCR exposures in the trading book also considered for market risk requirements are included in both columns (d) and (f). All exposures in our trading book were disclosed as being subject to the market risk framework.
3. Intangible assets, goodwill and threshold items are excluded from regulatory capital and are subject to deduction from capital.
4. The difference between columns (a) and (b) arises mainly from our investment in Investec Property Fund that is fully consolidated for accounting purposes, whereby 100% of assets and liabilities are brought onto the balance sheet and the minority portion is removed on the minority interest line. For regulatory purposes only the portion of assets and liabilities that Investec Limited holds in Investec Property Fund is brought on the regulatory balance sheet and the Investec Employee Benefits Group is also deconsolidated for regulatory purposes. There were no other differences noted between columns (a) and (b)

LINKAGES BETWEEN FINANCIAL STATEMENTS AND REGULATORY EXPOSURES CONTINUED

LI2: MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING VALUES IN FINANCIAL STATEMENTS

The table below reports the main sources of differences between the financial statements carrying value amounts and the exposure amounts used for regulatory purposes.

		b	c	d	e
		Items subject to:			
	R'million	Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
	At 31 March 2023				
1	**Asset carrying value amount under scope of regulatory consolidation (as per template LI1)**	**541 452**	**2 397**	**66 848**	**54 088**
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	—	—	(55 781)	(47 546)
3	**Net carrying value amount of exposures under scope of regulatory consolidation**	**541 452**	**2 397**	**11 067**	**6 542**
4	Less: Differences in valuations	18 907	—	—	—
5	Less: Differences due to consideration of provisions	3 298	—	—	—
6	**On-balance sheet amount under regulatory scope of consolidation before CCF and CRM**	**519 247**	**2 397**	**11 067**	**6 542**
7	Plus: Off-balance sheet amount before CCF and CRM	125 111	—	—	—
8	**Exposure amounts considered for regulatory purposes**	**644 358**	**2 397**	**11 067**	**6 542**
	At 31 March 2022				
1	**Asset carrying value amount under scope of regulatory consolidation (as per template LI1)**	**494 297**	**3 493**	**78 605**	**60 543**
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	—	—	(46 309)	(58 215)
3	**Net carrying value amount of exposures under scope of regulatory consolidation**	**494 297**	**3 493**	**32 296**	**2 328**
4	Less: Differences in valuations	15 368	—	—	—
5	Less: Differences due to consideration of provisions	2 789	—	—	—
6	**On-balance sheet amount under regulatory scope of consolidation before CCF and CRM**	**476 140**	**3 493**	**32 296**	**2 328**
7	Plus: Off-balance sheet amount before CCF and CRM	109 921	—	—	—
8	**Exposure amounts considered for regulatory purposes**	**586 061**	**3 493**	**32 296**	**2 328**

a. Column (a) was excluded above as it does not represent a value meaningful to the Group's assessment of its exposure to risk.
b. Differences in valuations for credit risk exposures relate to certain exposures being calculated on a daily average balance basis compared to a closing day balance in the financial statements as well as variances in terms of accounting netting compared to the grossing up of exposures for regulatory purposes.
c. Carrying values of exposures in the financial statements, as per LI1 are reported net of impairments whereas the regulatory exposure amounts are considered gross of impairments. The provision amount of R3.3bn consists of both the specific and portfolio impairment values.
d. The variance between the off–balance sheet exposure in CR1 of R109.7bn and the regulatory exposures pre CRM and CCF relate to the exclusion of revocable facilities.
e. Columns (d) and (e) row 8 represent counterparty credit risk and market risk values net of assets and liabilities as measured under the accounting framework. The regulatory framework to measure counterparty credit risk exposures includes potential future exposure and a market risk value at risk (VaR) number and is therefore not comparable, although the accounting values form the basis for consideration into this regulatory frameworks.

04

Overview of risk management, key prudential metrics And RWA

OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA

OVA: BANK RISK MANAGEMENT APPROACH

Refer to pages 9 to 24 of the Investec Group's 2023 integrated and strategic annual report specifically to the Investec risk and governance report for a description of the Group's strategy and how senior management and the board of directors assess and manage risks and the risk tolerance/appetite pertaining to its main activities significant risks.

The following section provides an overview of the total RWA forming the denominator of the risk-based capital requirements. Further breakdowns of RWA are presented in subsequent parts of this report.

OV1: OVERVIEW OF RWA

		a	c	b	a	c	b
		Investec Limited Group			Investec Bank Limited Group		
		RWA[(2)]	MC[(1)]	RWA	RWA	MC	RWA
R'million		31 March 2023	31 March 2023	31 March 2022	31 March 2023	31 March 2023	31 March 2022
1	**Credit risk (excluding counterparty credit risk)**	**199 630**	**23 980**	**225 124**	**200 914**	**24 134**	**226 829**
2	Of which: Standardised Approach (SA)	76 485	9 187	77 260	77 769	9 341	78 965
3	Of which: foundation internal ratings-based (FIRB) approach	18 079	2 172	103 290	18 079	2 172	103 290
4	Of which: supervisory slotting approach	24 599	2 955	4 635	24 599	2 955	4 635
5	Of which: advanced internal ratings-based (AIRB) approach	80 467	9 666	39 939	80 467	9 666	39 939
6	**Counterparty credit risk (CCR)**	**7 930**	**953**	**8 712**	**7 930**	**953**	**8 812**
7	Of which: Standardised Approach for counterparty credit risk	7 930	953	8 712	7 930	953	8 812
8	Of which: IMM	—	—	—	—	—	—
9	Of which: other CCR	—	—	—	—	—	—
10	**Credit valuation adjustment (CVA)**	**3 477**	**418**	**5 410**	**3 477**	**418**	**5 462**
11	**Equity positions under the simple risk weight approach and the Internal Model Method during the five-year linear phase-in period**	**14 283**	**1 716**	**26 513**	**10 437**	**1 254**	**12 253**
12	**Equity investments in funds – look-through approach**	**—**	**—**	**—**	**—**	**—**	**—**
13	**Equity investments in funds – mandate-based approach**	**—**	**—**	**—**	**—**	**—**	**—**
14	**Equity investments in funds – fall-back approach**	**—**	**—**	**—**	**—**	**—**	**—**
15	**Settlement risk**	**—**	**—**	**—**	**—**	**—**	**—**
16	**Securitisation exposures in banking book**	**1 668**	**200**	**1 354**	**1 668**	**200**	**1 354**
17	Of which: securitisation IRB approach (SEC-IRBA)	1 016	122	681	1 016	122	681
18	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	—	—	—	—	—	—
19	Of which: Securitisation Standardised approach (SEC-SA)	652	78	673	652	78	673
20	**Market risk[(6)]**	**6 875**	**826**	**4 547**	**5 784**	**695**	**4 010**
21	Of which Standardised Approach (SA)	1 811	218	869	720	87	332
22	Of which internal model approach (IMA)	5 064	608	3 678	5 064	608	3 678
23	**Capital charge for switch between trading book and banking book**	**—**	**—**	**—**	**—**	**—**	**—**
24	**Operational risk[(3)]**	**32 152**	**3 862**	**28 774**	**26 942**	**3 236**	**23 845**
25	**Amounts below the thresholds for deduction (subject to 250% risk weight)[(4)]**	**17 585**	**2 112**	**18 614**	**4 111**	**494**	**4 338**
26	Aggregate capital floor applied[(5)]	—	—	—	—	—	—
27	Floor adjustment (before application of transitional cap)	—	—	—	—	—	—
28	**Floor adjustment (after application of transitional cap)**	**—**	**—**	**—**	**—**	**—**	**—**
29	**Total**	**283 600**	**34 067**	**319 048**	**261 263**	**31 384**	**286 903**

(1) MC – The minimum capital requirements in column (c) are based on the SARB minimum total capital requirements for Investec of 12.0125%; however, excludes Investec's Pillar 2B add-on in line with the Banks Act Directive 5 of 2021.
(2) RWA – Risk-weighted assets are calculated according to the Basel framework, including the 1.06 scaling factor for credit and equity exposures subject to the IRB approach, and as reported in accordance with the subsequent parts of this standard. Where the regulatory framework does not refer to RWA but directly to capital charges (e.g. for market risk and operational risk), RWA is derived by multiplying the capital charge by 12.5.
(3) Operational risk is calculated using the SA and is driven by the levels of income over a three-year average period, applying specific factors applicable to the nature of the business generating the income.
(4) The RWA in this line item relates to investments in significant financial entities and deferred tax assets below the 10% of the specified CET1 threshold.
(5) The floor adjustment is calculated in line with the Banks Act Directive 3 of 2013.
(6) Market risk RWAs for internal models approach (IMA) are calculated using the historical Value at Risk (VaR) approach.

OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA
CONTINUED

Year under review- Investec Limited group

Investec Limited received approval to adopt the Advanced Internal Ratings Based (AIRB) approach for measurement of capital on the Income Producing Real Estate portfolio (IPRE). Investec also migrated the High Value Commercial Real Estate (HVCRE) portfolio to the slotting approach, a subset of the Foundation Internal Ratings Based (FIRB) approach. Combined, this increased the CET1 ratio by 242bps effective from 31 January 2023.

At 31 March 2023, the CET1 ratio increased to 14.7% from 14.0% at 31 March 2022. CET1 capital decreased by R3.0 billion to R41.8 billion, largely as a result of::

- Investec Limited executed R5.5 billion of the R7 billion Dual Listed Company (DLC) share buyback programme announced to the market in September 2022. As at 31 March 2023, CET1 reduced by R5.3 billion being R1.1 billion relating to Investec Limited treasury shares and R4.2 billion due to the deduction of Investec Limited's investment in Plc shares held at fair value.
- Positive attributable earnings of R7.1 billion post-taxation and minorities
- Total ordinary dividends paid to Investec Limited shareholders of R7.3 billion
- Foreign currency translation reserve increase of R1.5 billion
- Decrease in common equity deduction of R1.3 billion following the distribution of Ninety One shares to shareholders
- Decrease of R400 million in ordinary share capital due to treasury shares held in Investec Staff Share Schemes
- Decrease in the deduction for investment in financial entities (investment in IEP) of R415 million.

RWAs decreased by 11.1% from R319.0 billion (March 2022) to R283.6 billion (March 2023), predominantly within credit risk RWAs.

Credit risk RWAs decreased by R28.9 billion (11.2%) from 31 March 2022 to 31 March 2023. The decrease was mainly driven by the migration of IPRE to the AIRB approach and HVCRE to the slotting approach, which resulted in a R40 billion saving as of 31 January 2023, this was off-set by book growth and forex movement.

Equity risk RWAs decreased by R12.2 billion (46.1%) largely due to the distribution of Ninety One shares to shareholders.

Market risk RWAs increased by 51.2% or R2.3 billion. The increase is primarily driven by an increase in exposure in Interest Rate Derivatives. Activity has increased due to the recent increases in interest rates by the SARB as well as other central banks due to global inflation concerns.

Operational risk RWAs increased by 11.7% or R3.4 billion. This follows the bi-annual update of the 3-year rolling gross income before impairments average balance, which forms the basis of the calculation.

OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA
CONTINUED

KM1: KEY METRICS

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

		IRB scope				
		a	b	c	d	e
R'million		31 March 2023	31 December 2022	30 September 2022	30 June 2022	31 March 2022
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	41 810	46 077	44 934	44 765	44 790
1a	Fully loaded ECL accounting model[(4)]	41 810	46 077	44 934	44 765	44 790
2	Tier 1	45 022	49 146	48 001	47 830	47 854
2a	Fully loaded ECL accounting model Tier 1	45 022	49 146	48 001	47 830	47 854
3	Total capital	51 985	56 046	57 347	54 405	55 945
3a	Fully loaded ECL accounting model total capital	51 985	56 046	57 347	54 405	55 945
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)[(1)]	283 600	329 436	319 416	305 583	319 048
4a	Total risk-weighted assets (pre-floor)[(1)]	283 600	329 436	319 416	305 583	319 048
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 (%)[(2)]	14.7	14.0	14.1	14.6	14.0
5a	Fully loaded ECL accounting model Common Equity Tier 1	14.7	14.0	14.1	14.6	14.0
5b	Common Equity Tier 1 (%)(pre-floor ratio)	14.7	14.0	14.1	14.6	14.0
6	Tier 1 ratio (%)[(2)]	15.9	14.9	15.0	15.7	15.0
6a	Fully loaded ECL accounting model Tier 1 (%)	15.9	14.9	15.0	15.7	15.0
6b	Tier 1 ratio (5)(pre-floor ratio)	15.9	14.9	15.0	15.7	15.0
7	Total capital ratio (%)[(2)]	18.3	17.0	18.0	17.8	17.5
7a	Fully loaded ECL accounting model total capital ratio (%)	18.3	17.0	18.0	17.8	17.5
7b	Total capital ratio (%)(pre-floor ratio)	18.3	17.0	18.0	17.8	17.5
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	2.5	2.5
9	Countercyclical buffer requirement (%)	0.0	0.0	0.0	0.0	0.0
10	Bank G-SIB and/or D-SIB additional requirements (%)	0.5	0.5	0.5	0.5	0.5
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.0	3.0	3.0	3.0	3.0
12	CET1 available after meeting the bank's minimum capital requirements (%)	6.7	6.0	6.1	6.6	6.0
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	696 319	674 891	674 247	634 297	649 828
14	Basel III leverage ratio (%) (row 2/row 13)[(2)]	6.5	7.3	7.1	7.5	7.4
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	6.5	7.3	7.1	7.5	7.4
14b	Basel III leverage ratio (%)(excluding the impact of any applicable temporary exemption of central bank reserves)	6.5	7.3	7.1	7.5	7.4
Liquidity Coverage Ratio						
15	Total HQLA	116 421	116 145	102 879	112 410	100 268
16	Total net cash outflow	75 857	81 395	65 442	76 249	72 513
17	LCR ratio (%)[(3)]	153.6	143.6	157.7	148.1	138.9
Net Stable Funding Ratio						
18	Total available stable funding	381 822	375 796	375 775	355 728	355 250
19	Total required stable funding	328 530	323 221	324 986	311 852	315 554
20	NSFR ratio	116.2	116.3	115.6	114.1	112.6

(1) Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 31 March 2023, 55% (31 March 2022: 39%) of the portfolio applies the AIRB approach, 28% (31 March 2022: 44%) applies the FIRB approach, with the remaining balance of 17% (31 March 2022: 17%) remaining on the standardised approach.
(2) Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET 1 ratio would be 117bps lower (31 March 2022: 134bps lower) and the leverage ratio would be 49bps lower (31 March 2022: 69bps).
(3) The LCR ratio in row 17 is reported as the simple average of the daily LCR ratios over the quarter and is not derived as row 15 divided by row 16.
(4) The key difference between the 'reported' basis and the 'fully loaded' basis primarily relates to capital instruments that previously qualified as regular capital, but do not fully qualify under PA regulations. These instruments continued to be registered on a reducing basis in the 'reported' figures until 2022. The fully loaded ratio and capital amounts throughout the KM1 template assumes full adoption of IFRS 9 and is based on Basel III capital requirements as fully phased in by 2022.

OVERVIEW OF RISK MANAGEMENT, KEY PRUDENTIAL METRICS AND RWA CONTINUED

KM1: KEY METRICS CONTINUED

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

		Increased AIRB scope				
		a	b	c	d	e
	R'million	31 March 2023	31 December 2022	30 September 2022	30 June 2022	31 March 2022
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	44 798	45 876	47 115	44 672	45 206
1a	Fully loaded ECL accounting model[(4)]	44 798	45 876	47 115	44 672	45 206
2	Tier 1	47 508	48 436	49 675	47 232	47 766
2a	Fully loaded ECL accounting model Tier 1	47 508	48 436	49 675	47 232	47 766
3	Total capital	55 436	56 343	57 744	52 627	57 323
3a	Fully loaded ECL accounting model total capital	55 436	56 343	57 744	52 627	57 323
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)[(1)]	261 263	300 401	296 678	279 795	286 903
4a	Total risk-weighted assets (pre-floor)[(1)]	261 263	300 401	296 678	279 795	286 903
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 (%)[(2)]	17.1	15.3	15.9	16.0	15.8
5a	Fully loaded ECL accounting model Common Equity Tier 1	17.1	15.3	15.9	16.0	15.8
5b	Common Equity Tier 1 (%)(pre-floor ratio)	17.1	15.3	15.9	16.0	15.8
6	Tier 1 ratio (%)[(2)]	18.2	16.1	16.7	16.9	16.6
6a	Fully loaded ECL accounting model Tier 1 (%)	18.2	16.1	16.7	16.9	16.6
6b	Tier 1 ratio (5)(pre-floor ratio)	18.2	16.1	16.7	16.9	16.6
7	Total capital ratio (%)[(2)]	21.2	18.8	19.5	18.8	20.0
7a	Fully loaded ECL accounting model total capital ratio (%)	21.2	18.8	19.5	18.8	20.0
7b	Total capital ratio (%)(pre-floor ratio)	21.2	18.8	19.5	18.8	20.0
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	2.5	2.5
9	Countercyclical buffer requirement (%)	0.0	0.0	0.0	0.0	0.0
10	Bank G-SIB and/or D-SIB additional requirements (%)	0.5	0.5	0.5	0.5	0.5
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	3.0	3.0	3.0	3.0	3.0
12	CET1 available after meeting the bank's minimum capital requirements (%)	9.1	7.3	7.9	8.0	7.8
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	662 702	632 262	636 860	594 783	608 062
14	Basel III leverage ratio (%) (row 2/row 13)[(2)]	7.2	7.7	7.8	7.9	7.9
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a/row 13)	7.2	7.7	7.8	7.9	7.9
14b	Basel III leverage ratio (%)(excluding the impact of any applicable temporary exemption of central bank reserves)	7.2	7.7	7.8	7.9	7.9
	Liquidity coverage ratio					
15	Total HQLA	116 421	116 145	102 879	112 410	100 268
16	Total net cash outflow	75 857	81 395	65 442	76 249	72 513
17	LCR ratio (%)[(3)]	153.6	143.6	157.7	148.1	138.9
	Net stable funding ratio					
18	Total available stable funding	381 822	375 796	375 775	355 728	355 250
19	Total required stable funding	328 530	323 221	324 986	311 852	315 554
20	NSFR ratio	116.2	116.3	115.6	114.1	112.6

(1) Investec Bank Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 31 March 2023, 55% (31 March 2022: 39%) of the portfolio applies the AIRB approach, 28% (31 March 2022: 44%) applies the FIRB approach, with the remaining balance of 17% (31 March 2022: 17%) remaining on the standardised approach.
(2) Investec Bank Limited's capital information included unappropriated profits at 31 March 2023. If unappropriated profits had been excluded from capital information, Investec Bank Limited's CET 1 ratio would have be 164bps lower (March 2022: 69bps lower) and the leverage ratio would be 65bps lower (31 March 2022: 33bps).
(3) The LCR ratio in row 17 is reported as the simple average of the daily LCR ratios over the quarter and is not derived as row 15 divided by row 16.
(4) The key difference between the 'reported' basis and the 'fully loaded' basis primarily relates to capital instruments that previously qualified as regular capital, but do not fully qualify under PA regulations. These instruments continued to be registered on a reducing basis in the 'reported' figures until 2022. The fully loaded ratio and capital amounts throughout the KM1 template assumes full adoption of IFRS 9 and is based on Basel III capital requirements as fully phased in by 2022.

05

Leverage ratio

LEVERAGE RATIO

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

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

		a	a	a	a
		Investec Limited Group		Investec Bank Limited Group	
R'million		31 March 2023	31 March 2022	31 March 2023	31 March 2022
1	Total consolidated assets as per published financial statements[(1)]	639 947	600 367	599 071	555 106
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(2 433)	(1 145)	—	—
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	—	—	—	—
4	Adjustments for temporary exemption of central bank reserves (if applicable)	—	—	—	—
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	—	—	—	—
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	—	—	—	—
7	Adjustment for eligible cash pooling transactions	—	—	—	—
8	Adjustments for derivative financial instruments	4 686	5 581	4 748	5 702
9	Adjustments for securities financing transactions (i.e. repos and similar secured lending)	2 495	928	2 495	928
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	58 845	48 248	58 836	48 239
11	Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(2 177)	(1 491)	(2 120)	(1 461)
12	Other adjustments	(5 044)	(2 660)	(328)	(452)
13	**Leverage ratio exposure measure**	**696 319**	**649 828**	**662 702**	**608 062**

(1) Adjusted for impairments.

(2) The value reflected in line 2 for March 2022 was appropriately reclassified from line 5.

LEVERAGE RATIO
CONTINUED

LR2: LEVERAGE RATIO COMMON DISCLOSURE TEMPLATE

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

		a	a	a	a
		Investec Limited Group		**Investec Bank Limited Group**	
R'million		**31 March 2023**	**31 March 2022**	**31 March 2023**	**31 March 2022**
On-balance sheet exposures					
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	570 665	520 611	532 625	481 007
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	—	—	—	—
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	—	—	—	—
4	(Adjustment for securities received for cash variation margin provided in derivative transactions)	—	—	—	—
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Basel III Tier 1 capital)	(1 897)	(1 230)	(1 897)	(1 230)
6	(Asset amounts deducted in determining Basel III Tier 1 capital)	(5 323)	(2 921)	(551)	(683)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**563 445**	**516 460**	**530 177**	**479 094**
Derivative exposures		—		—	
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	9 168	9 044	9 168	9 044
9	Add-on amounts for potential future exposure (PFE) associated with all derivatives transactions	15 658	14 340	15 658	14 340
10	(Exempted CCP leg of client-cleared trade exposures)	(9 082)	(4 580)	(9 082)	(4 580)
11	Adjusted effective notional amount of written credit derivatives	5 454	4 556	5 454	4 556
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	—	—	—	—
13	**Total derivative exposures (sum of rows 8 to 12)**	**21 198**	**23 360**	**21 198**	**23 360**
Securities financing transaction exposures		—		—	
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	50 337	60 831	49 996	56 441
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	—	—	—	—
16	CCR exposure for SFT assets	2 495	928	2 495	928
17	Agent transaction exposures	—	—	—	—
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**	**52 832**	**61 759**	**52 491**	**57 369**
Other off-balance sheet exposures		—		—	
19	Off-balance sheet exposure at gross notional amount	125 111	109 921	125 026	109 827
20	(Adjustments for conversion to credit equivalent amounts)	(66 267)	(61 672)	(66 190)	(61 588)
21	(Specific and general provisions associated with off-balance sheet exposures that are deducted from Basel III Tier 1 capital)	—	—	—	—
22	**Off-balance sheet items (sum of rows 19 to 21)**	**58 844**	**48 249**	**58 836**	**48 239**
Capital and total exposures		—		—	
23	Tier 1 capital[(1)]	45 022	47 854	47 508	47 766
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**696 319**	**649 828**	**662 702**	**608 062**
Leverage ratio		—		—	
25	**Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)[(1)]**	**6.5**	**7.4**	**7.2**	**7.9**
25a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	6.5	7.4	7.2	7.9
26	**National minimum ratio requirements**	**4.0**	**4.0**	**4.0**	**4.0**
27	**Applicable leverage buffers**	**2.5**	**3.4**	**3.2**	**3.9**

(1) Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 117bps (31 March 2022: 134bps) and 164bps (31 March 2022: 69bps) lower respectively and the leverage would be 49bps (31 March 2022: 69bps) and 65bps (31 March 2022: 33bps) lower respectively.

06

Liquidity risk

LIQUIDITY RISK

LIQA: LIQUIDITY RISK MANAGEMENT

Refer to pages 66 to 75 of the Investec Group's 2023 integrated and strategic annual report specifically to the Investec risk and governance report for a description of the Bank's liquidity risk management framework and liquidity positions.

LIQUIDITY COVERAGE RATIO (LCR)

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

LIQ1: LIQUIDITY COVERAGE RATIO (LCR)

		a	b	a	b
		31 March 2023		31 March 2022	
R'million		**Total unweighted value (average)**	**Total weighted value (average)**	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets (HQLAs)					
1	Total HQLAs		116 421		100 268
Cash outflows					
2	**Retail deposits and deposits from small business customers, of which:**	**118 936**	**11 034**	**92 789**	**9 279**
3	Stable deposits	—	—	—	—
4	Less stable deposits	118 936	11 034	92 789	9 279
5	**Unsecured wholesale funding, of which:**	**130 672**	**96 993**	**134 049**	**99 119**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	—	—	—	—
7	Non-operational deposits (all counterparties)	128 728	95 049	131 719	96 789
8	Unsecured debt	1 944	1 944	2 330	2 330
9	**Secured wholesale funding**	**—**	**412**		**509**
10	**Additional requirements, of which:**	**87 831**	**16 012**	**89 511**	**20 192**
11	Outflows related to derivative exposures and other collateral requirements	14 704	8 076	21 732	12 784
12	Outflows related to loss of funding on debt products	163	163	—	—
13	Credit and liquidity facilities	72 964	7 773	67 779	7 408
14	**Other contractual funding obligations**	**301**	**301**	**169**	**169**
15	**Other contingent funding obligations**	**115 651**	**7 341**	**109 152**	**6 035**
16	**Total cash outflows**		**132 093**		**135 303**
Cash inflows					
17	Secured lending	43 957	15 968	33 255	14 790
18	Inflows from fully performing exposures	43 397	35 788	48 103	42 968
19	Other cash inflows	4 084	4 482	4 893	5 032
20	**Total cash inflow**	**91 438**	**56 238**	**86 251**	**62 790**
		Total adjusted value		**Total adjusted value**	
21	Total HQLAs		116 421		100 268
22	Total net cash outflows		75 857		72 513
23	**Liquidity coverage ratio (%)[(1)]**		**153.6**		**138.9**

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

LIQUIDITY RISK
CONTINUED

LIQUIDITY COVERAGE RATIO (LCR)

The objective of the LCR is to promote the short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient HQLAs to survive a significant stress scenario lasting 30 calendar days. The values in the table are calculated as the simple average of the 90 calendar daily values over the period 1 January 2023 to 31 March 2023.

Key LCR principles:

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

The composition of HQLAs:

- HQLAs comprise primarily South African sovereign and central bank Rand-denominated securities and debt instruments, which are eligible for South African Reserve Bank (SARB) repos.
- On average, Level 2 assets contributed 4% of total HQLAs.
- Some foreign-denominated government securities are included in the HQLAs, subject to regulatory limitations.

NET STABLE FUNDING RATIO (NSFR)

The objective of the NSFR is to promote resilience in the banking sector by requiring banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities on an ongoing structural basis. By ensuring that banks do not embark on excessive maturity transformation that is not sustainable, the NSFR is intended to reduce the likelihood that disruptions to a bank's funding sources would erode its liquidity position, increasing its risk of failure and potentially lead to broader systemic risk. In accordance with the provisions of section 6(6) of the Banks Act, banks are directed to comply with the relevant NSFR disclosure requirements. This disclosure template LIQ2 is in accordance with Pillar III of the Basel III liquidity accord, as specified by Directive 11/2015 and Directive 01/2018.

The minimum NSFR requirement is 100%.

Key NSFR principles:

- The asset class, customer type and residual maturity of deposits which are the key drivers of available stable funding, in particular those from either retail and small business customers or with maturity greater than a year. Capital issued is also a significant contributor
- The customer type and residual maturity of loans, as well as holdings in securities eligible as HQLA, are the key drivers of required stable funding. Lower weightings apply to mortgages, shorter-term loans and especially HQLAs
- Notwithstanding a reduction in term wholesale funding, the NSFR remains comfortably above the minimum requirement and within the range set by the Board.
- Only banking and/or deposit-taking entities are included, and the Group data represents a consolidation of the relevant individual assets, liabilities and off-balance sheet items.

LIQUIDITY RISK
CONTINUED

The purpose of the LIQ2 table below is to provide details of a bank's NSFR and selected details of its NSFR components.

LIQ2: NET STABLE FUNDING RATIO (NSFR)

		a	b	c	d	e
		Unweighted value by residual maturity				
R'million		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value
At March 2023						
Available stable funding (ASF) item						
1	**Capital:**	**42 080**	**746**	**1 319**	**5 683**	**47 762**
2	Regulatory capital	42 080	746	1 319	5 683	47 762
3	Other capital instruments	—	—	—	—	—
4	**Retail deposits and deposits from small business customers:**	**115 469**	**5 888**	**4 363**	**2 156**	**115 305**
5	Stable deposits	—	—	—	—	—
6	Less stable deposits	115 469	5 888	4 363	2 156	115 305
7	**Wholesale funding:**	**128 249**	**100 387**	**43 689**	**108 471**	**214 264**
8	Operational deposits	—	—	—	—	—
9	Other wholesale funding	128 249	100 387	43 689	108 471	214 264
10	Liabilities with matching interdependent assets	—	—	—	—	—
11	**Other liabilities:**	**4 067**	**2 113**	**—**	**34 093**	**4 491**
12	NSFR derivative liabilities	—	—	—	33 242	—
13	All other liabilities and equity not included in the above categories	4 067	2 113	—	851	4 491
14	**Total ASF**					**381 822**
Required stable funding (RSF) item						
15	**Total NSFR HQLA**					**11 770**
16	**Deposits held at other financial institutions for operational purposes**	**—**	**—**	**—**	**—**	**—**
17	**Performing loans and securities:**	**27 855**	**107 642**	**33 333**	**270 632**	**279 708**
18	Performing loans to financial institutions	—	22 912	—	52	2 343
19	Performing loans to financial institutions secured by non-Level 1 HQLAs and unsecured performing loans to financial institutions	18 764	42 638	8 380	55 328	68 772
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	6 840	37 313	23 547	124 182	141 001
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	—	—	—	2 054	1 335
22	Performing residential mortgages, of which:	—	790	555	76 968	50 702
23	With a risk weight of less than or equal to 35% under Basel II Standardised Approach for credit risk	—	790	555	76 968	50 702
24	Securities that are not in default and do not qualify as HQLAs, including exchange-traded equities	2 251	3 989	851	14 102	16 890
25	**Assets with matching interdependent liabilities**	**—**	**—**	**—**	**—**	**—**
26	**Other assets:**	**22 803**	**621**	**406**	**58 598**	**31 099**
27	Physical traded commodities, including gold	—	—	—	—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	—	—	—	3 326	2 827
29	NSFR derivative assets	—	—	—	16 450	—
30	NSFR derivative liabilities before deduction of variation margin posted	—	—	—	37 481	3 748
31	All other assets not included in the above categories	22 803	621	406	1 341	24 524
32	**Off-balance sheet items**	**—**	**222 206**	**—**	**—**	**5 953**
33	**Total RSF**					**328 530**
34	**Net stable funding ratio (%)**					**116.2**

LIQUIDITY RISK
CONTINUED

		a	b	c	d	e
		Unweighted value by residual maturity				
R'million		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value
At 31 March 2022						
Available stable funding (ASF) item						
1	**Capital:**	**42 770**	**4 342**	**625**	**5 743**	**48 513**
2	Regulatory capital	42 770	4 342	625	5 743	48 513
3	Other capital instruments	—	—	—	—	—
4	**Retail deposits and deposits from small business customers:**	**98 437**	**4 613**	**2 906**	**1 693**	**97 053**
5	Stable deposits	—	—	—	—	—
6	Less stable deposits	98 437	4 613	2 906	1 693	97 053
7	**Wholesale funding:**	**122 631**	**106 767**	**44 478**	**88 667**	**200 606**
8	Operational deposits	—	—	—	—	—
9	Other wholesale funding	122 631	106 767	44 478	88 667	200 606
10	**Liabilities with matching interdependent assets**	**—**	**—**	**—**	**—**	**—**
11	**Other liabilities:**	**11 616**	**1 580**	**—**	**29 595**	**9 078**
12	NSFR derivative liabilities	—	—	—	28 912	—
13	All other liabilities and equity not included in the above categories	11 616	1 580	—	683	9 078
14	**Total ASF**					**355 250**
Required stable funding (RSF) item						
15	**Total NSFR high-quality liquid assets (HQLA)**					**7 409**
16	**Deposits held at other financial institutions for operational purposes**	**—**	**—**	**—**	**—**	**—**
17	**Performing loans and securities:**	**20 092**	**114 350**	**35 803**	**257 608**	**269 658**
18	Performing loans to financial institutions	—	31 623	—	52	3 214
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	10 658	38 422	8 932	47 981	59 819
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	7 094	33 950	24 010	124 412	139 944
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	—	—	—	2 287	1 487
22	Performing residential mortgages, of which:	—	612	592	73 497	48 375
23	With a risk weight of less than or equal to 35% under Basel II Standardised Approach for credit risk	—	612	592	73 497	48 375
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	2 340	9 743	2 269	11 666	18 306
25	**Assets with matching interdependent liabilities**					
26	**Other assets:**	**26 375**	**236**	**5**	**57 383**	**33 250**
27	Physical traded commodities, including gold	—	—	—	—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	—	—	—	3 468	2 948
29	NSFR derivative assets	—	—	—	17 659	—
30	NSFR derivative liabilities before deduction of variation margin posted	—	—	—	35 068	3 507
31	All other assets not included in the above categories	26 375	236	5	1 188	26 795
32	**Off-balance sheet items**	**—**	**208 128**	**—**	**—**	**5 237**
33	**Total RSF**					**315 554**
34	**Net stable funding ratio (%)**					**112.6**

07

Credit risk

CREDIT RISK

CRA: GENERAL QUALITATIVE INFORMATION ABOUT CREDIT RISK

Refer to pages 27 to 30 of the Investec Group's 2023 integrated and strategic annual report specifically to the Investec risk and governance report for a description of the Group's main characteristics and elements of credit risk management (business model and credit risk profile, organisation and functions involved in credit risk management and risk management reporting).

The purpose of the CR1 table below is to provide an overview of the credit quality of the Group's (on- and off-balance sheet) assets.

CR1: CREDIT QUALITY OF ASSETS

		a	b	c	d	e	f	g
		Gross carrying values of			of which ECL accounting provisions for credit losses on SA[7] exposures			
R'million		Defaulted exposures[6]	Non-defaulted exposures	Allowances/ impairments[3]	Allocated in regulatory category of specific	Allocated in regulatory category of general	Of which ECL accounting provisions for credit losses on IRB exposures	Net values (a+b-c)[5]
At 31 March 2023								
1	Loans[1]	8 857	315 098	(3 243)	(551)	(137)	(2 555)	320 712
2	Debt securities[2]	18	119 526	(155)	(26)	(7)	(122)	119 389
3	Off-balance sheet exposures[4]	1 555	108 161	(64)	(11)	(3)	(50)	109 652
4	**Total**	**10 430**	**542 785**	**(3 462)**	**(588)**	**(146)**	**(2 728)**	**549 753**
At 31 March 2022								
1	Loans	5 541	295 697	(2 719)	(771)	(231)	(1 717)	298 519
2	Debt securities	2	114 055	(126)	(36)	(11)	(79)	113 931
3	Off-balance sheet exposures	970	92 178	(70)	(20)	(6)	(44)	93 078
4	**Total**	**6 513**	**501 930**	**(2 915)**	**(827)**	**(248)**	**(1 840)**	**505 528**

(1) Loans represent core loans and advances plus own originated and other loans and advances as reported in the total gross credit and counterparty exposure in the financial statements.
(2) Debt securities are made up of non-sovereign and non-bank cash placements, sovereign debt securities, bank debt securities and other debt securities as reported in the total gross credit and counterparty exposure in the financial statements.
(3) Allowances/impairments include the total ECL for loans, debt securities and off-balance sheet items as reported in the financial statements.
(4) Off-balance sheet exposures are reported gross of credit risk mitigation (CRM) and credit conversion factors (CCFs) and exclude revocable commitments.
(5) Net values reported in CR1 column (g) above are reported as the carrying accounting values per the annual financial statements, whereas values in table CR3 represent the Exposure at Default (EAD) measured for regulatory purposes.
(6) The Group applies a consistent definition to default for regulatory and accounting purposes.
(7) SA: Standardised Approach for credit risk.

The purpose of the CR2 table below is to identify the changes in the Bank's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.

CR2: CHANGES IN STOCK OF DEFAULTED LOANS AND DEBT SECURITIES

		a	a
R'million		31 March 2023	31 March 2022
1	**Defaulted loans and debt securities at end of 31 March 2022**	**5 543**	**7 655**
2	Loans and debt securities that have defaulted since the last reporting period	4 097	2 502
3	Returned to non-defaulted status	(346)	(2 642)
4	Amounts written off	(56)	(239)
5	Other changes	(364)	(1 733)
6	**Defaulted loans and debt securities at end of 31 March 2023 (1+2-3-4+5)[1]**	**8 874**	**5 543**

(1) The defaulted exposures line 6 column (a) represents defaulted on-balance sheet loans and debt securities; it therefore differs from the total represented in the CR1 table line 4 column (a) due to off-balance sheet exposures.

CRB: Additional disclosure related to the credit quality of assets

Refer to pages 31 to 43 of the Investec Group's 2023 integrated and strategic annual report specifically to the Investec risk and governance report for additional information on the credit quality of a bank's assets.

Credit risk mitigation

CRC: QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO CREDIT RISK MITIGATION TECHNIQUES

Refer to pages 29 to 30 of the Investec Group's 2023 integrated and strategic annual report specifically to the Investec risk and governance report for additional information on the mitigation of credit risk.

CR3: CREDIT RISK MITIGATION TECHNIQUES[(2)]

		a	b	c	d	e	f	g
R'million		Exposures unsecured: carrying amount[(1)]	Exposures secured by collateral[(4)]	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives[(3)]	Exposures secured by credit derivatives, of which: secured amount
At 31 March 2023								
1	Loans	133 244	262 154	206 197	23 510	23 510	—	—
2	Debt securities	94 773	9 405	9 405	6 155	6 155	—	—
	Off-balance sheet	37 284	11 641	54 546	3 365	3 365	—	—
3	**Total**	**265 301**	**283 200**	**270 148**	**33 030**	**33 030**	**—**	**—**
4	Of which defaulted	2 664	4 879	4 239	0	0	—	—
At 31 March 2022[(5)]								
1	Loans	133 835	240 597	200 670	13 595	13 595	—	—
2	Debt securities	92 849	7 212	7 205	0	0	—	—
	Off-balance sheet	34 795	17 337	49 406	1 974	1 974	—	—
3	**Total**	**261 479**	**265 145**	**257 281**	**15 569**	**15 569**	**—**	**—**
4	Of which defaulted	1 627	3 102	2 943	83	83	—	—

(1) Exposure values above represent the gross credit exposure, i.e. exposure gross of any credit conversion factors and eligible CRM, but net of allowances/specific impairments. Exposures, not secured by either collateral or financial guarantees used to reduce capital requirements, are reported as unsecured.
(2) The table above includes all credit risk mitigation (CRM) techniques used to reduce capital requirements and disclose all secured and unsecured exposures, irrespective of whether the SA or IRB approach is used for risk-weighted assets calculation.
(3) The Group does not make use of any unfunded credit derivative instruments for purposes of reducing capital requirements. We have credit-linked notes (CLNs) that serve as protection against credit exposures; however, since these CLNs are fully funded, they function as cash collateral and are reported as such in the table.
(4) The Group does not make use of any on- and off-balance sheet netting for purposes of mitigating regulatory credit risk exposures.
(5) March 2022 comparatives were restated to appropriately reclassify unsecured exposures to secured exposures

Credit risk under the Standardised Approach

CRD: QUALITATIVE DISCLOSURES ON BANKS' USE OF EXTERNAL CREDIT RATINGS UNDER THE STANDARDISED APPROACH FOR CREDIT RISK

We measure credit risk for Investec Bank Mauritius and non-bank subsidiaries using the Standardised Approach. 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.

CREDIT RISK
CONTINUED

Credit risk under Standardised Approach

The purpose of the CR4 table below is to illustrate the effect of the comprehensive approach used for collateral under the Standardised Approach capital requirements' calculations.

CR4: STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION (CRM) EFFECTS

		a	b	c	d	e	f
		Exposures before CCF and CRM[4]		Exposures post-CCF and CRM[2]		RWA and RWA density	
	R'million	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density[1]
	At 31 March 2023						
	Asset classes						
1	Sovereigns and their central banks	7 965	288	7 965	144	714	8.8%
2	Non-central government public sector entities	—	—	—	—	—	0.0%
3	Multilateral development banks	—	—	—	—	—	0.0%
4	Banks	9 084	1 185	9 084	321	4 803	51.1%
	of which: securities firms and other financial institutions	—	—	—	—	—	0.0%
5	Covered bonds	—	—	—	—	—	0.0%
6	Corporates	58 623	21 137	49 671	3 511	50 930	95.8%
	of which: securities firms and other financial institutions	12 487	3 435	10 320	931	10 287	91.4%
	of which: specialised lending	1 200	2	1 200	1	1 201	100.0%
7	Subordinated debt, equity and other capital	—	—	—	—	—	0.0%
8	Retail	129	120	55	3	43	74.1%
9	Real estate	4 144	45	3 994	21	3 253	81.0%
	of which: general RRE	1 348	45	1 305	21	564	42.5%
	of which: IPRRE	—	—	—	—	—	0.0%
	of which: general CRE	2 796	—	2 689	—	2 689	100.0%
	of which: IPCRE	—	—	—	—	—	0.0%
	of which: land acquisition, development and construction	—	—	—	—	—	0.0%
10	Default exposures[3]	2 995	134	1 987	44	2 773	136.5%
11	Other assets[5]	38 766	—	38 766	—	13 969	36.0%
12	**Total**	**121 706**	**22 909**	**111 522**	**4 044**	**76 485**	**66.2%**

(1) RWA density provides a synthetic metric on riskiness of each portfolio and is derived by dividing RWAs in column (e) with the sum of columns (c) and (d).
(2) Columns (c) and (d) represent the substituted asset class as a result of eligible guarantees. Credit exposures post-CCF and post-CRM are the amounts to which risk-weighted assets are applied to.
(3) Past-due assets are disclosed separately independent of asset class. Past-due loans reported follows the same definition of default as applied in table CR1 but includes revocable facilities and average balances where relevant.
(4) The on-balance sheet exposures in column (a) are reported gross of impairment, CCF and CRM. Off-balance sheet exposures in column (b) include revocable facilities.
(5) Other assets include cash placements with the central bank that are risk-weighted at 0% in table CR5.

CREDIT RISK
CONTINUED

		a	b	c	d	e	f
		Exposures before CCF and CRM[4]		Exposures post-CCF and CRM[2]		RWA and RWA density	
	R'million	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density[1]
	At 31 March 2022						
	Asset classes						
1	Sovereigns and their central banks	207	149	207	149	423	118.8%
2	Non-central government public sector entities	1 564	167	1 564	25	318	20.0%
3	Multilateral development banks	—	—	—	—	—	0.0%
4	Banks	8 996	423	8 996	26	4 297	47.6%
	of which: securities firms and other financial institutions	—	—	—	—	—	0.0%
5	Covered bonds	—	—	—	—	—	0.0%
6	Corporates	57 423	24 224	47 597	4 088	50 143	97.0%
	of which: securities firms and other financial institutions	10 679	3 051	7 940	598	7 913	92.7%
	of which: specialised lending	10 983	3 503	10 730	550	11 280	100.0%
7	Subordinated debt, equity and other capital	—	—	—	—	—	0.0%
8	Retail	275	281	56	17	54	74.0%
9	Real estate	6 057	112	5 886	27	5 642	95.4%
	of which: general RRE	1 002	112	952	27	708	72.3%
	of which: IPRRE	—	—	—	—	—	0.0%
	of which: general CRE	5 055	—	4 934	—	4 934	100.0%
	of which: IPCRE	—	—	—	—	—	0.0%
	of which: land acquisition, development and construction	—	—	—	—	—	0.0%
10	Default exposures[3]	2 583	117	1 392	1	1 851	132.9%
11	Other assets[5]	27 588	—	27 588	—	14 536	52.7%
12	**Total**	**104 693**	**25 473**	**93 286**	**4 333**	**77 264**	**79.1%**

(1) RWA density provides a synthetic metric on riskiness of each portfolio and is derived by dividing RWAs in column (e) with the sum of columns (c) and (d).
(2) Columns (c) and (d) represent the substituted asset class as a result of eligible guarantees. Credit exposures post-CCF and post-CRM are the amounts to which risk-weighted assets are applied to.
(3) Past-due assets are disclosed separately independent of asset class. Past-due loans reported follows the same definition of default as applied in table CR1 but includes revocable facilities and average balances where relevant.
(4) The on-balance sheet exposures in column (a) are reported gross of impairment, CCF and CRM. Off-balance sheet exposures in column (b) include revocable facilities.
(5) Other assets include cash placements with the central bank that are risk-weighted at 0% in table CR5.

CREDIT RISK
CONTINUED

The purpose of the CR5 table below is to present the breakdown of credit risk exposures under the Standardised Approach by asset class and risk weight (corresponding to the riskiness attributed to the exposure according to the Standardised Approach).

CR5: STANDARDISED APPROACH – EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS

R'million		0%	20%	50%	100%	150%	Other	Total credit exposures amount(1)
At March 2023								
1	Sovereigns and their central banks	7 396	—	—	713	—	—	8 109

		20%	50%	100%	150%	Other	Total credit exposures amount(1)
2	Non-central government public sector entities	—	—	—	—	—	—

		0%	20%	30%	50%	100%	150%	Other	Total credit exposures amount(1)
3	Multilateral development bank	—	—	—	—	—	—	—	—

		20%	30%	40%	50%	75%	100%	150%	Other	Total credit exposures amount(1)
4	Banks	5 274	—	—	1 914	—	1 069	1 148	—	9 405
4	of which: securities firms and other financial institutions	—	—	—	—	—	—	—	—	—

		10%	15%	20%	25%	35%	50%	100%	Other	Total credit exposures amount(1)
5	Covered bonds	—	—	—	—	—	—	—	—	—

		20%	50%	65%	75%	80%	85%	100%	130%	150%	Other	Total credit exposures amount(1)
6	Corporates	—	2 136	—	—	—	—	50 966	—	80	—	53 182
	of which: securities firms and other financial institutions	—	1 996	—	—	—	—	9 187	—	68	—	11 251
	of which: specialised lending	—	—	—	—	—	—	1 201	—	—	—	1 201

		100%	150%	250%	400%	Other	Total credit exposures amount(1)
7	Subordinated debt, equity and other capital	—	—	—	—	—	—

		45%	75%	100%	Other	Total credit exposures amount(1)
8	Retail	—	—	—	58	58

(1) Exposure values reported in table CR5 (post-CCF and CRM) reconcile to the aggregate exposure of columns (c) and (d) in table CR4 allocated across specified risk-weight bands.

CREDIT RISK
CONTINUED

		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposures amount[(1)]
9	Real estate	—	—	—	1 151	—	—	—	—	—	—	—	50	—	—	2 814	—	—	—	—	4 015
	of which: general RRE	—	—	—	1 151		—		—		—	—	50	—		125			—	—	1 326
	of which: no loan splitting applied	—	—	—	—		—		—		—	—	—	—		—			—	—	—
	of which: loan splitting applied (secured)		—																	—	—
	of which loan splitting applied (unsecured)	—	—		—		—		—		—		—	—		—			—	—	—
	of which: IPRRE				—	—	—	—	—	—	—		—	—		—	—		—	—	—
	of which: general CRE	—	—		—		—		—	—	—		—	—		2 689			—	—	2 689
	of which: no loan splitting applied	—	—		—		—		—	—										—	—
	of which: loan splitting applied (secured)									—										—	—
	of which loan splitting applied (unsecured)	—	—		—		—		—	—	—		—	—		—			—	—	—
	of which: IPCRE											—			—			—	—	—	—
	of which: land acquisition, development and construction															—			—	—	—

		50%	100%	150%	Other	Total credit exposures amount[(1)]
10	Defaulted exposures	101	346	1 584	—	2 031

		0%	20%	100%	1250%	Other	Total credit exposures amount[(1)]
11	Other assets	24 323	—	14 443	—	—	38 766

(1) Exposure values reported in table CR5 (post-CCF and CRM) reconcile to the aggregate exposure of columns (c) and (d) in table CR4 allocated across specified risk-weight bands.

CREDIT RISK
CONTINUED

	R'million	**0%**	**20%**	**50%**	**100%**	**150%**	**Other**	**Total credit exposures amount[1]**
	At March 2022							
1	Sovereigns and their central banks	—	—	—	221	135	—	356

		20%	**50%**	**100%**	**150%**	**Other**	**Total credit exposures amount[1]**
2	Non-central government public sector entities	1 589	—	—	—	—	1 589

		0%	**20%**	**30%**	**50%**	**100%**	**150%**	**Other**	**Total credit exposures amount[1]**
3	Multilateral development bank	—	—	—	—	—	—	—	—

		20%	**30%**	**40%**	**50%**	**75%**	**100%**	**150%**	**Other**	**Total credit exposures amount[1]**
4	Banks	5 405	—	—	875	—	2 668	74	—	9 022
4	of which: securities firms and other financial institutions	—	—	—	—	—	—	—	—	—

		10%	**15%**	**20%**	**25%**	**35%**	**50%**	**100%**	**Other**	**Total credit exposures amount[1]**
5	Covered bonds	—	—	—	—	—	—	—	—	—

		20%	**50%**	**65%**	**75%**	**80%**	**85%**	**100%**	**130%**	**150%**	**Other**	**Total credit exposures amount[1]**
6	Corporates	21	1 250	—	—	—	—	50 414	—	—	—	51 685
	of which: securities firms and other financial institutions	—	1 250	—	—	—	—	7 288	—	—	—	8 538
	of which: specialised lending	21	—	—	—	—	—	11 259	—	—	—	11 280

CREDIT RISK
CONTINUED

		100%	150%	250%	400%	Other	Total credit exposures amount[1]
7	Subordinated debt, equity and other capital	—	—	—	—	—	—

		45%	75%	100%	Other	Total credit exposures amount[1]
8	Retail	—	—	—	73	73

		0%	20%	25%	30%	35%	40%	45%	50%	60%	65%	70%	75%	85%	90%	100%	105%	110%	150%	Other	Total credit exposures amount[1]
9	Real estate	—	—	—	400	—	—	—	—	—	—	—	15	—	—	5 498	—	—	—	—	5 913
	of which: general RRE	—	—	—	400		—		—		—	—	15	—		564			—	—	979
	of which: no loan splitting applied	—	—	—	—		—		—		—	—	—	—		—			—	—	—
	of which: loan splitting applied (secured)		—																	—	—
	of which loan splitting applied (unsecured)	—	—		—		—		—		—		—	—		—			—	—	—
	of which: IPRRE				—	—	—	—		—			—	—			—		—	—	—
	of which: general CRE	—	—		—		—		—	—	—		—	—		4 934			—	—	4 934
	of which: no loan splitting applied	—	—		—		—		—	—										—	—
	of which: loan splitting applied (secured)									—										—	—
	of which loan splitting applied (unsecured)	—	—		—		—		—		—		—	—		—			—	—	—
	of which: IPCRE											—			—			—	—	—	—
	of which: land acquisition, development and construction															—			—	—	—

		50%	100%	150%	Other	Total credit exposures amount[1]
10	Defaulted exposures	105	267	1 021	—	1 393

		0%	20%	100%	1250%	Other	Total credit exposures amount[1]
11	Other assets	12 588	—	15 000	—	—	27 588

CREDIT RISK
CONTINUED

Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures

		a	b	c	d
R'million		On-balance sheet exposure (pre-CCF and pre-CRM)	Off-balance sheet exposure (pre-CCF and pre-CRM)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
At March 2023					
	Risk Weight				
1	Less than 40%	24 856	6 648	59%	13 822
2	40-70%	4 301	391	5 %	4 152
3	75%	—	—	0 %	—
4	85%	105	29	10 %	108
5	90-100%	89 641	15 706	25%	94 670
6	105-130%	—	—	0%	—
7	150%	—	—	—%	—
8	250%	2 803	135	33%	2 812
9	400%	—	—	0%	—
10	1250%	—	—	0%	—
11	**Total exposures**	**121 706**	**22 909**		**115 564**
At March 2022					
	Risk Weight				
1	Less than 40%	19 286	5 996	24%	7 416
2	40-70%	2 420	—	0 %	2 231
3	75%	98	124	0 %	115
4	85%	—	—	0 %	—
5	90-100%	81 630	19 178	75%	86 627
6	105-130%	—	—	0%	—
7	150%	1 259	175	1%	1 230
8	250%	—	—	0%	—
9	400%	—	—	0%	—
10	1250%	—	—	0%	—
11	**Total exposures**	**104 693**	**25 473**		**97 619**

* Weighting is based on off-balance sheet exposures (pre-CCF)

Credit risk under internal risk-based (IRB) approaches

The purpose of the table below is to provide the main parameters used for the calculation of capital requirements for IRB models. CCR exposures are excluded from the table below and are reported in table CCR4.

CR6: IRB – CREDIT RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE

	a	b	c	d	e	f	g	h	i	j	k	l
PD scale	Original on-balance sheet gross exposure (R'm)	Off-balance sheet exposures pre-CCF (R'm)	Average CCF (%)	EAD (R'm)	Average PD (%)	Number of obligors[(3)]	Average LGD (%)	Average maturity (years)[(1)]	RWA (R'm)	RWA density (%)	EL (R'm)[(2)]	Provisions (R'm)[(4)]
At 31 March 2023												
Banks												
0.00 to <0.15	9 066	7 343	100.0%	16 408	0.04%	63	35.4%	2.5	3 303	20.1%	3	—
0.15 to <0.25	732	—	0.0%	732	0.23%	6	0.0%	2.5	—	0.0%	—	—
0.25 to <0.50	370	—	0.0%	370	0.45%	5	45.0%	2.5	261	70.5%	1	—
0.50 to <0.75	4 631	231	75.0%	4 804	0.64%	9	17.4%	2.5	1 978	41.2%	5	—
0.75 to <2.50	278	—	0.0%	278	1.27%	9	45.0%	2.5	297	106.8%	2	—
2.50 to <10.00	616	10	75.0%	624	3.02%	6	45.0%	2.5	849	136.1%	8	—
10.00 to <100.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
100.00 (Default)	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
Sub-total	**15 693**	**7 584**	**99.2%**	**23 216**	**0.27%**	**96**	**31.1%**	**2.5**	**6 688**	**28.8%**	**19**	**—**
Corporate												
0.00 to <0.15	24 959	16 559	71.2%	36 753	0.07%	1 251	29.1%	2.2	5 060	13.8%	7	—
0.15 to <0.25	11 590	8 512	60.7%	16 753	0.19%	1 712	25.4%	2.1	3 635	21.7%	8	—
0.25 to <0.50	16 855	5 258	84.9%	21 321	0.38%	954	20.5%	2.1	5 372	25.2%	16	—
0.50 to <0.75	9 004	3 128	56.3%	10 766	0.64%	611	27.4%	2.1	5 000	46.4%	19	—
0.75 to <2.50	8 691	1 572	85.4%	10 033	1.17%	1 661	23.2%	2.0	4 484	44.7%	27	—
2.50 to <10.00	5 285	1 064	88.5%	6 227	3.08%	951	17.6%	2.4	2 840	45.6%	34	—
10.00 to <100.00	363	32	111.9%	398	13.38%	152	25.6%	1.5	350	87.8%	14	—
100.00 (Default)	1 344	86	158.3%	1 480	100.00%	41	10.1%	1.5	670	45.3%	720	720
Sub-total	**78 091**	**36 211**	**70.8%**	**103 731**	**1.98%**	**7 295**	**25.0%**	**2.1**	**27 411**	**26.4%**	**845**	**720**
Public sector entities												
0.00 to <0.15	3 152	789	99.0%	3 934	0.02%	7	29.5%	3.5	336	8.5%	—	—
0.15 to <0.25	—	248	100.0%	248	0.16%	2	30.1%	1.3	50	19.9%	—	—
0.25 to <0.50	958	—	0.0%	972	0.32%	1	31.1%	4.6	550	56.5%	1	—
0.50 to <0.75	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
0.75 to <2.50	655	—	0.0%	655	1.28%	1	41.0%	2.5	634	97.0%	3	—
2.50 to <10.00	59	7	26.3%	60	3.62%	1	30.1%	4.7	70	115.4%	1	—
10.00 to <100.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
100.00 (Default)	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
Sub-total	**4 824**	**1 044**	**100.2%**	**5 869**	**0.25%**	**9**	**31.1%**	**3.5**	**1 640**	**27.9%**	**5**	**—**

(1) Average maturity in table CR6 represents the obligor maturity in years, weighted by EAD, as used in the RWA calculation.
(2) EL in CR6 represents the regulatory expected losses as calculated according to the Basel framework.
(3) Represents the number of unique obligors. The total number of unique obligors will not equal the sum of the obligors in the underlying asset classes since an obligor may be present in more than one asset class.
(4) Provisions represent the specific impairment amounts for defaulted exposures.

CREDIT RISK
CONTINUED

PD scale	Original on-balance sheet gross exposure (R'm)	Off-balance sheet exposures pre- CCF (R'm)	Average CCF (%)	EAD (R'm)	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA (R'm)	RWA density (%)	EL (R'm)	Provisions (R'm)
At 31 March 2023												
Retail – mortgages												
0.00 to <0.15	24 074	21 137	94.0%	43 939	0.07%	17 925	11.7%	4.9	1 033	2.4%	3	—
0.15 to <0.25	21 888	6 799	98.8%	28 603	0.20%	11 939	12.5%	4.8	1 644	5.7%	7	—
0.25 to <0.50	14 513	3 162	102.0%	17 739	0.38%	6 807	12.9%	4.7	1 700	9.6%	9	—
0.50 to <0.75	5 869	778	109.7%	6 722	0.64%	2 458	12.9%	4.7	933	13.9%	6	—
0.75 to <2.50	10 570	1 559	109.3%	12 274	1.25%	4 973	12.7%	4.7	2 606	21.2%	20	—
2.50 to <10.00	6 023	965	109.5%	7 080	4.10%	3 231	12.8%	4.7	3 026	42.7%	37	—
10.00 to <100.00	2 884	130	149.1%	3 077	22.34%	1 346	12.7%	4.8	2 385	77.5%	88	—
100.00 (Default)	1 167	49	237.4%	1 283	100.00%	545	13.0%	4.4	723	56.3%	238	238
Sub-total	**86 988**	**34 578**	**97.5%**	**120 717**	**2.16%**	**49 047**	**12.3%**	**4.8**	**14 050**	**11.6%**	**408**	**238**
Retail – other												
0.00 to <0.15	1 588	588	85.3%	2 090	0.07%	4 254	30.7%	3.3	127	6.1%	—	—
0.15 to <0.25	1 978	203	105.7%	2 192	0.20%	5 293	31.8%	3.6	297	13.6%	1	—
0.25 to <0.50	1 181	132	101.9%	1 316	0.38%	2 981	31.8%	3.4	271	20.6%	2	—
0.50 to <0.75	409	14	131.2%	428	0.64%	1 042	32.1%	3.6	120	27.9%	1	—
0.75 to <2.50	708	53	120.6%	771	1.27%	1 747	31.1%	3.3	279	36.1%	3	—
2.50 to <10.00	380	4	281.8%	392	3.86%	929	32.2%	3.5	191	48.6%	5	—
10.00 to <100.00	165	1	700.3%	170	20.81%	461	31.4%	3.3	120	70.6%	11	—
100.00 (Default)	74	—	0.0%	78	100.00%	376	31.2%	2.8	36	46.6%	47	47
Sub-total	**6 482**	**996**	**95.9%**	**7 437**	**2.04%**	**17 053**	**31.5%**	**3.4**	**1 441**	**19.4%**	**70**	**47**
Retail – revolving credit												
0.00 to <0.15	208	2 030	92.2%	2 080	0.07%	29 541	32.8%	1.0	31	1.5%	—	—
0.15 to <0.25	250	1 397	91.7%	1 532	0.19%	27 249	29.5%	1.0	49	3.2%	1	—
0.25 to <0.50	325	890	90.6%	1 132	0.38%	17 666	29.8%	1.0	64	5.7%	1	—
0.50 to <0.75	146	377	90.7%	489	0.64%	8 639	28.9%	1.0	41	8.4%	1	—
0.75 to <2.50	365	744	90.3%	1 037	1.30%	17 298	27.6%	1.0	140	13.5%	4	—
2.50 to <10.00	270	204	88.6%	450	3.93%	7 632	28.5%	1.0	138	30.6%	5	—
10.00 to <100.00	129	11	91.2%	139	20.51%	2 506	30.9%	1.0	111	79.8%	9	—
100.00 (Default)	65	8	143.2%	76	100.00%	1 573	28.8%	1.0	60	78.7%	39	39
Sub-total	**1 758**	**5 662**	**91.4%**	**6 935**	**2.13%**	**111 101**	**30.2%**	**1.0**	**634**	**9.1%**	**60**	**39**

CREDIT RISK
CONTINUED

PD scale	Original on-balance sheet gross exposure (R'm)	Off-balance sheet exposures pre- CCF (R'm)	Average CCF (%)	EAD (R'm)	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA (R'm)	RWA density (%)	EL (R'm)	Provisions (R'm)
At 31 March 2023												
SME – retail												
0.00 to <0.15	481	261	92.5%	723	0.09%	5 782	21.0%	2.5	34	4.7%	—	—
0.15 to <0.25	969	317	93.0%	1 264	0.19%	5 738	18.3%	2.7	96	7.6%	—	—
0.25 to <0.50	918	238	95.5%	1 145	0.39%	2 933	16.7%	2.9	124	10.8%	1	—
0.50 to <0.75	421	81	97.5%	499	0.64%	1 438	16.7%	2.8	73	14.6%	1	—
0.75 to <2.50	873	235	94.1%	1 094	1.22%	4 127	15.8%	2.6	197	18.1%	2	—
2.50 to <10.00	617	149	96.7%	761	4.12%	2 530	14.5%	2.6	167	21.9%	4	—
10.00 to <100.00	224	44	100.3%	268	23.39%	508	14.2%	2.2	89	33.2%	9	—
100.00 (Default)	**21**	**—**	**0.0%**	**22**	**100.00%**	**198**	**21.6%**	**1.8**	**7**	**30.8%**	**9**	**9**
Sub-total	**4 524**	**1 325**	**94.6%**	**5 776**	**2.42%**	**23 115**	**17.0%**	**2.7**	**787**	**13.6%**	**26**	**9**
Sovereign												
0.00 to <0.15	74 223	—	0.0%	74 223	0.01%	6	44.0%	2.5	6 984	9.4%	5	—
0.15 to <0.25	4 403	—	0.0%	4 403	0.16%	3	37.2%	2.5	1 496	34.0%	3	—
0.25 to <0.50	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
0.50 to <0.75	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
0.75 to <2.50	274	—	0.0%	274	1.28%	1	23.1%	2.5	150	54.7%	1	—
2.50 to <10.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
10.00 to <100.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
100.00 (Default)	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
Sub-total	**78 900**	**—**	**0.0%**	**78 900**	**0.03%**	**9**	**43.5%**	**2.5**	**8 630**	**10.9%**	**8**	**—**
Specialised lending												
0.00 to <0.15	2 943	990	96.9%	3 901	0.10%	293	11.9%	2.4	243	6.2%	—	—
0.15 to <0.25	5 607	1 365	96.6%	6 925	0.20%	315	13.4%	2.3	723	10.4%	2	—
0.25 to <0.50	8 796	1 147	94.9%	9 885	0.40%	358	14.6%	2.6	1 760	17.8%	6	—
0.50 to <0.75	8 453	987	93.6%	9 376	0.64%	227	16.1%	2.7	2 427	25.9%	10	—
0.75 to <2.50	33 286	2 333	89.9%	35 383	1.34%	555	19.0%	2.5	13 140	37.1%	91	—
2.50 to <10.00	21 182	895	96.0%	22 042	3.94%	301	24.3%	2.7	14 331	65.0%	224	—
10.00 to <100.00	1 411	35	101.2%	1 446	11.82%	31	31.7%	2.4	1 651	114.1%	54	—
100.00 (Default)	2 649	100	284.0%	2 933	100.00%	20	20.3%	1.4	2 990	101.9%	411	411
Sub-total	**84 327**	**7 852**	**96.3%**	**91 891**	**4.97%**	**1 892**	**19.0%**	**2.5**	**37 265**	**40.6%**	**798**	**411**
Slotting exposure												
Sub-total	**18 263**	**6 948**	**75.0%**	**23 474**	**0.00%**	**282**	**0.0%**	**—**	**24 599**	**104.8%**	**324**	**55**
Total (all portfolios)	**379 850**	**102 200**	**86.2%**	**467 946**	**2.09%**	**153 748**	**22.9%**	**2.9**	**123 145**	**26.3%**	**2 563**	**1 519**

CREDIT RISK
CONTINUED

	a	b	c	d	e	f	g	h	i	j	k	l
PD scale	Original on-balance sheet gross exposure (R'm)	Off-balance sheet exposures pre-CCF (R'm)	Average CCF (%)	EAD (R'm)	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA (R'm)	RWA density (%)	EL (R'm)	Provisions (R'm)
At 31 March 2022												
Bank												
0.00 to <0.15	35 165	4 378	93.1%	39 243	0.05%	70	42.5%	2.5	10 757	27.4%	9	—
0.15 to <0.25	1 294	—	0.0%	1 294	0.19%	10	31.7%	2.5	476	36.8%	1	—
0.25 to <0.50	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
0.50 to <0.75	3 317	—	0.0%	3 317	0.64%	11	38.5%	2.5	3 025	91.2%	8	—
0.75 to <2.50	13	—	0.0%	14	0.95%	9	44.2%	2.5	16	114.3%	—	—
2.50 to <10.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
10.00 to <100.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
100.00 (Default)	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
Sub-total	**39 789**	**4 378**	**93.1%**	**43 868**	**0.10%**	**100**	**41.9%**	**2.5**	**14 274**	**32.5%**	**18**	**—**
Corporate												
0.00 to <0.15	20 519	14 820	65.9%	30 283	0.07%	1 277	28.7%	2.1	3 903	12.9%	6	—
0.15 to <0.25	7 747	5 530	84.6%	12 426	0.20%	1 685	22.1%	1.9	2 351	18.9%	5	—
0.25 to <0.50	15 162	3 668	57.7%	17 278	0.38%	918	22.5%	2.1	4 835	28.0%	15	—
0.50 to <0.75	8 942	1 847	73.6%	10 302	0.64%	593	26.8%	2.2	4 594	44.6%	18	—
0.75 to <2.50	14 224	3 273	82.9%	16 938	1.21%	1 751	24.0%	2.2	8 196	48.4%	49	—
2.50 to <10.00	3 859	1 509	78.2%	5 039	3.53%	919	14.5%	1.7	1 933	38.4%	27	—
10.00 to <100.00	552	115	75.8%	639	11.73%	157	18.7%	4.4	601	94.1%	14	—
100.00 (Default)	721	1	10616.1%	780	100.00%	34	12.5%	2.0	141	18.1%	305	305
Sub-total	**71 726**	**30 763**	**71.4%**	**93 685**	**1.51%**	**7 295**	**24.7%**	**2.1**	**26 554**	**28.3%**	**439**	**305**
Public sector entities												
0.00 to <0.15	3 983	700	106.9%	4 732	0.01%	8	30.8%	3.4	389	8.2%	—	—
0.15 to <0.25	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
0.25 to <0.50	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
0.50 to <0.75	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
0.75 to <2.50	1 781	—	0.0%	1 783	1.62%	2	30.7%	4.0	1 542	86.5%	8	—
2.50 to <10.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
10.00 to <100.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
100.00 (Default)	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
Sub-total	**5 764**	**700**	**107.2%**	**6 515**	**0.45%**	**10**	**30.8%**	**3.5**	**1 931**	**29.7%**	**8**	**—**

CREDIT RISK
CONTINUED

PD scale	a Original on-balance sheet gross exposure (R'm)	b Off-balance sheet exposures pre-CCF (R'm)	c Average CCF (%)	d EAD (R'm)	e Average PD (%)	f Number of obligors	g Average LGD (%)	h Average maturity (years)	i RWA (R'm)	j RWA density (%)	k EL (R'm)	l Provisions (R'm)
At 31 March 2022												
Retail – mortgages												
0.00 to <0.15	24 325	19 238	93.4%	42 295	0.07%	17 795	11.6%	4.9	896	2.1%	3	—
0.15 to <0.25	20 607	6 491	96.3%	26 859	0.20%	11 324	12.3%	4.8	1 440	5.4%	6	—
0.25 to <0.50	13 279	3 019	98.3%	16 246	0.38%	6 080	12.9%	4.7	1 512	9.3%	8	—
0.50 to <0.75	5 046	790	100.9%	5 844	0.64%	2 136	12.7%	4.7	772	13.2%	5	—
0.75 to <2.50	9 721	1 365	102.8%	11 124	1.24%	4 516	12.7%	4.7	2 216	19.9%	18	—
2.50 to <10.00	5 510	759	103.8%	6 298	4.04%	2 599	12.7%	4.7	2 407	38.2%	32	—
10.00 to <100.00	2 211	127	119.3%	2 363	21.63%	1 085	12.6%	4.8	1 643	69.5%	65	—
100.00 (Default)	989	21	347.4%	1 061	100.00%	445	12.7%	4.2	428	40.3%	192	192
Sub-total	**81 688**	**31 810**	**95.6%**	**112 090**	**1.91%**	**45 826**	**12.2%**	**4.8**	**11 314**	**10.1%**	**329**	**192**
Retail – other												
0.00 to <0.15	1 272	394	(2.7%)	1 261	0.07%	2 455	30.4%	2.9	74	5.9%	—	—
0.15 to <0.25	1 045	167	94.7%	1 203	0.20%	2 647	30.8%	3.5	157	13.0%	1	—
0.25 to <0.50	604	141	88.4%	729	0.38%	1 509	31.1%	3.1	147	20.1%	1	—
0.50 to <0.75	218	19	97.7%	236	0.64%	526	30.8%	3.3	63	26.8%	—	—
0.75 to <2.50	555	46	(204.1%)	462	1.32%	924	30.1%	2.9	165	35.6%	2	—
2.50 to <10.00	261	5	(350.0%)	245	3.63%	578	30.5%	3.2	112	45.7%	3	—
10.00 to <100.00	65	—	—%	67	20.62%	186	28.5%	3.2	42	63.3%	4	—
100.00 (Default)	33	3	132.5%	36	100.00%	296	32.8%	2.7	17	47.2%	23	23
Sub-total	**4 053**	**775**	**24.2%**	**4 239**	**1.71%**	**9 107**	**30.6%**	**3.1**	**777**	**18.3%**	**34**	**23**
Retail – revolving credit												
0.00 to <0.15	190	2 040	92.3%	2 072	0.07%	29 150	33.0%	1.0	31	1.5%	—	—
0.15 to <0.25	230	1 327	91.8%	1 448	0.19%	25 286	29.6%	1.0	47	3.2%	1	—
0.25 to <0.50	287	832	90.7%	1 041	0.38%	16 191	29.9%	1.0	59	5.7%	1	—
0.50 to <0.75	136	372	90.8%	474	0.64%	7 918	28.8%	1.0	39	8.3%	1	—
0.75 to <2.50	328	719	90.3%	977	1.32%	15 515	27.4%	1.0	132	13.5%	3	—
2.50 to <10.00	243	165	87.5%	388	3.87%	6 672	28.5%	1.0	118	30.4%	4	—
10.00 to <100.00	113	9	77.9%	120	19.71%	2 033	29.8%	1.0	91	75.9%	7	—
100.00 (Default)	45	7	109.5%	53	100.00%	966	28.5%	1.0	26	49.2%	32	32
Sub-total	**1 572**	**5 471**	**91.4%**	**6 573**	**1.76%**	**102 864**	**30.3%**	**1.0**	**543**	**8.3%**	**49**	**32**

CREDIT RISK
CONTINUED

PD scale	a Original on-balance sheet gross exposure (R'm)	b Off-balance sheet exposures pre-CCF (R'm)	c Average CCF (%)	d EAD (R'm)	e Average PD (%)	f Number of obligors	g Average LGD (%)	h Average maturity (years)	i RWA (R'm)	j RWA density (%)	k EL (R'm)	l Provisions (R'm)
At 31 March 2022												
SME – retail												
0.00 to <0.15	458	244	91.0%	680	0.09%	5 113	20.0%	2.6	28	4.1%	—	—
0.15 to <0.25	801	281	81.7%	1 031	0.19%	4 966	17.0%	2.5	72	7.0%	—	—
0.25 to <0.50	858	238	91.1%	1 075	0.38%	2 570	14.4%	2.8	101	9.4%	1	—
0.50 to <0.75	351	72	90.0%	416	0.64%	1 239	15.0%	2.5	55	13.1%	—	—
0.75 to <2.50	705	197	92.1%	886	1.23%	3 685	14.2%	2.6	144	16.2%	2	—
2.50 to <10.00	577	160	90.3%	722	4.25%	2 143	14.1%	2.4	155	21.4%	4	—
10.00 to <100.00	248	38	96.8%	285	22.33%	427	13.6%	2.1	91	31.9%	9	—
100.00 (Default)	31	1	177.5%	33	100.00%	122	17.9%	1.5	9	28.7%	9	9
Sub-total	**4 029**	**1 231**	**89.2%**	**5 128**	**2.87%**	**20 138**	**15.6%**	**2.6**	**655**	**12.7%**	**25**	**9**
Sovereign												
0.00 to <0.15	62 296	—	0.0%	62 296	0.01%	9	43.7%	2.5	5 865	9.4%	4	—
0.15 to <0.25	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
0.25 to <0.50	3 818	—	0.0%	3 818	0.32%	2	37.5%	2.5	1 893	49.6%	5	—
0.50 to <0.75	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
0.75 to <2.50	32	—	0.0%	32	1.28%	1	45.0%	2.5	34	106.5%	—	—
2.50 to <10.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
10.00 to <100.00	—	—	0.0%	—	0.00%	—	0.0%	—	—	0.0%	—	—
100.00 (Default)	3	—	0.0%	3	100.00%	1	45.0%	2.5	11	380.9%	1	1
Sub-total	**66 149**	**—**	**0.0%**	**66 149**	**0.04%**	**11**	**43.3%**	**2.5**	**7 803**	**11.8%**	**10**	**1**
Specialised lending												
0.00 to <0.15	3 717	993	72.7%	4 440	0.10%	323	45.0%	2.5	1 089	24.5%	2	—
0.15 to <0.25	5 767	1 068	69.7%	6 512	0.20%	326	42.6%	2.5	2 282	35.0%	6	—
0.25 to <0.50	12 700	1 493	73.3%	13 794	0.40%	384	45.0%	2.5	7 617	55.2%	25	—
0.50 to <0.75	7 857	594	71.1%	8 279	0.64%	199	45.0%	2.5	5 516	66.6%	24	—
0.75 to <2.50	29 557	2 217	74.9%	31 217	1.40%	490	45.0%	2.5	27 863	89.3%	197	—
2.50 to <10.00	20 578	2 109	72.4%	22 105	4.08%	271	44.9%	2.5	25 505	115.4%	405	—
10.00 to <100.00	2 667	61	74.5%	2 713	17.10%	48	45.0%	2.5	4 888	180.2%	209	—
100.00 (Default)	1 245	104	75.0%	1 323	100.00%	13	45.0%	2.5	4 621	349.4%	251	251
Sub-total	**84 088**	**8 639**	**72.8%**	**90 383**	**3.60%**	**1 837**	**44.8%**	**2.5**	**79 381**	**87.8%**	**1 119**	**251**
Slotting exposure												
Sub-total	**5 476**	**676**	**75.0%**	**5 983**	**0.00%**	**21**	**0.0%**	**—**	**4 635**	**77.5%**	**30**	**—**
Total (all portfolios)	**364 334**	**84 443**	**83.2%**	**434 613**	**1.67%**	**142 045**	**30.0%**	**3.0**	**147 867**	**34.0%**	**2 061**	**813**

CREDIT RISK
CONTINUED

The purpose of the table below is to Illustrate the effect of credit derivatives on the IRB approach capital requirements' calculations.

CR7: IRB – EFFECT ON RWA OF CREDIT DERIVATIVES USED AS CRM TECHNIQUES

		a	b	a	b
		31 March 2023		31 March 2022	
R'million		Pre-credit derivatives RWA[1]	Actual RWA[2]	Pre-credit derivatives RWA	Actual RWA
1	Sovereign – FIRB	9 336	9 336	8 534	8 534
2	Sovereign – AIRB	934	934	1 201	1 201
3	Banks – FIRB	6 688	6 688	14 274	14 274
5	Corporate – FIRB	2 055	2 055	101 049	101 049
6	Corporate – AIRB	62 621	62 621	4 885	4 885
9	Retail – qualifying revolving (QRRE)	634	634	543	543
10	Retail – residential mortgage exposures	14 050	14 050	11 314	11 314
11	Retail –SME	787	787	655	655
12	Other retail exposures	1 441	1 441	777	777
17	**Total**	**98 546**	**98 546**	**143 232**	**143 232**
	Slotting exposure	24 599	24 599	4 635	4 635
	Total including slotting exposure [3]	**123 145**	**123 145**	**147 867**	**147 867**

(1) The Group has not used any unfunded credit derivatives to reduce RWAs.
(2) RWA excludes risk-weighted assets related to CCR exposures, equity exposures and securitisation exposures.
(3) Rows excluded above are not relevant.

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

CR8: RWA FLOW STATEMENTS OF CREDIT RISK EXPOSURES UNDER IRB

		a	a	a	a	a
R'million		31 March 2023	31 December 2022	30 September 2022	30 June 2022	31 March 2022
1	**RWA as at end of previous reporting period**[1]	**153 068**	**150 358**	**145 979**	**147 867**	**147 040**
2	Asset size	(2 802)	(634)	1 342	(1 522)	(3 562)
3	Asset quality	(422)	2 525	3 094	(677)	(760)
4	Model updates[3]	(26 501)	1 113	—	—	—
5	Methodology and policy	—	21	(8)	22	—
6	Acquisitions and disposals	—	(159)	85	260	5 585
7	Foreign exchange movements	622	(481)	543	1 106	(1 172)
8	Other[2]	(820)	325	(677)	(1 077)	736
9	**RWA as at end of reporting period**	**123 145**	**153 068**	**150 358**	**145 979**	**147 867**

(1) The table above excludes risk-weighted asset movements related to CCR exposures.
(2) Other represents movements not related to any of the specified rows above, such as changes in RWAs due to changes in LGD percentages or maturity factor changes.
(3) March 2023 relates to the net impact of the benefit of migrating IPRE to AIRB and the migration of HVCRE from STD to FIRB: Slotting.

CRE: QUALITATIVE DISCLOSURES RELATED TO IRB MODELS

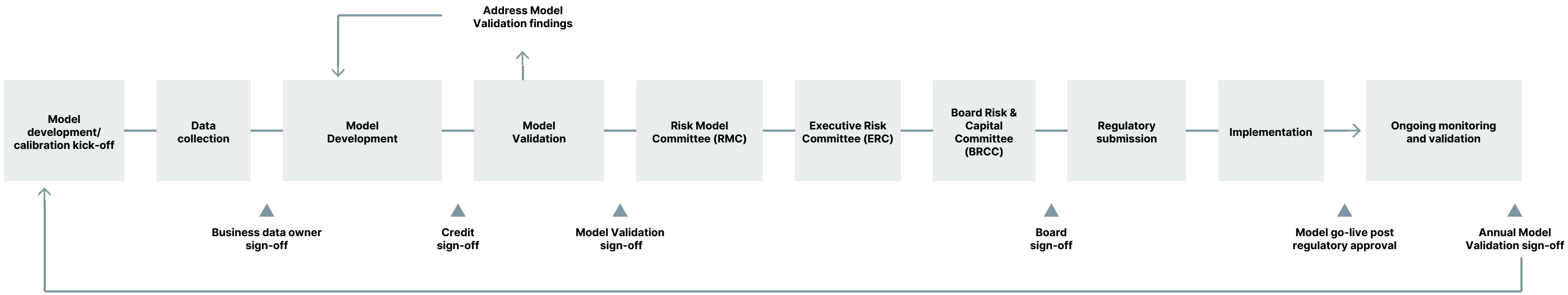
Credit risk approaches across Investec Bank Limited

Credit systems are in place for the AIRB, FIRB and SA approaches, to calculate credit RWA under Basel III, together with sound governance processes to ensure that credit ratings are applied consistently across the Bank. Investec Bank Limited, makes up circa 98% of the total credit extended by Investec Limited and applies a combination of the AIRB, FIRB and SA approaches. The risk estimates generated from internal models are used across the credit process in the business. The Bank uses ratings from eligible external credit assessment institutions (ECAIs) or export credit agencies (ECA) where applicable for deals on the SA approach.

Credit risk assessment

The Bank's approach to capital management utilises both regulatory capital and internal capital, which is an internal risk- based assessment of capital requirements. Capital management primarily relates to management of the interaction of both, with the emphasis on regulatory capital for managing portfolio level capital sufficiency and on internal capital for ensuring that returns are appropriate given the level of risk taken at an individual transaction or business unit level.

The diagram shows the internal model development and governance lifecycle:



CREDIT RISK
CONTINUED

Investec's credit rating policy governs all the credit rating models utilised in Investec Bank Limited (IBL) as part of the credit risk management and decision-making process. The objective of this policy is to set out the basic governance around how the credit model outputs are derived, updated, used and monitored. The following committees are part of the credit rating model governance process:

- **Credit:** The Credit function ensures that all relevant risk drivers are taken into account during the model development process, and that the inherent model assumptions and model limitations are understood and considered acceptable. The Credit function confirms that the model will produce outputs that will inform credit decisions at origination and throughout ongoing credit risk monitoring.
- **Risk Model Committee (RMC)** is mandated by the IBL Board Risk and Capital Committee (IBL BRCC) to ensure the soundness of models used in risk management processes including the calculation of impairments, regulatory and internal capital.
- **IBL Executive Risk Committee (IBL ERC):** IBL ERC is mandated by the Board of Directors of IBL to be the Executive Risk Committee of the Bank. IBL ERC reviews credit rating models and makes the necessary recommendation to the IBL BRCC with regard to the approval thereof.
- **IBL Board Risk and Capital Committee (IBL BRCC):** The Board of IBL has delegated risk management oversight of the Bank to the IBL BRCC. This is the most senior Risk Management Committee of the Bank and comprises both executive and non-executive membership. IBL BRCC approves all material aspects of the Bank's rating and risk estimation processes as set out in the Banks Act Regulations.

Group risk management is responsible for the independent validation and second line monitoring of credit rating models. The model validation unit forms part of the Group risk function with reporting lines up to the Chief Risk Officer. The model development team, responsible for the development of the AIRB models, reports to the Chief Finance Director. Therefore, for credit risk models, the development and validation teams have independent reporting lines up to an executive level.

Members of the validation unit are restricted from having any direct involvement with the development of models. Indirect involvement, such as advising on regulatory requirements or limitations of a certain methodology or approach, is encouraged to avoid rejection of models based on faulty methodology or non-compliance with the minimum standards.

All models are subjected to initial validation prior to acceptance and implementation. Once implemented, the implementation is reviewed to ensure that the model has been implemented as built and that it is processing data correctly.

Models may be implemented for internal risk assessment prior to being used in the calculation of regulatory capital. The performance of all implemented models is monitored on an ongoing basis. Finally, any re-calibration or re-build of a model will require a separate validation process.

Credit risk measurement and methodology

The Bank's AIRB and FIRB credit methodology is materially implemented across all major credit portfolios. Under this methodology credit risk is essentially measured by several components.

Probability of Default (PD): measures the likelihood of a client defaulting on credit obligations within the next 12 months. Basel III requires that banks use a through-the-cycle (TTC) PD which will limit volatility.

Loss Given Default (LGD): is the economic loss the Bank expects to incur on a facility should the client default. Basel III requires that banks use downturn LGD estimates in regulatory capital calculations, as PD and LGD may be correlated. LGD measures the losses expected during economic downturn conditions.

Exposure at Default (EAD): quantifies the expected exposure on a facility at the time of default. EAD models consider the likelihood that a client would draw down against available facilities in the period leading up to default.

Expected loss (EL) is a 12-month estimate based on the long-run annual average level of credit losses through a full credit cycle based on historical data. LGD is calculated using data during the downturn period, whereas the PD is determined using TTC data.

The credit risk parameters, together with the relevant Basel III capital requirement formulas per asset class and the effective maturity calculation where required, culminate in the minimum regulatory capital requirements for credit risk.

Retail models are developed using a statistical scorecard-based methodology, primarily driven by the client's account behaviour characteristics and credit bureau information. Wholesale models, on the other hand, use a combination of statistical regression-based scorecards, external data (where available and deemed representative) and expert judgement. Model inputs are typically a combination of quantitative financial information and qualitative inputs.

Whenever possible, PD and downturn LGD models are calibrated to long-run observed default and loss rates, ensuring that capital estimates meet regulatory requirements. For low-default portfolios where internal default and loss data is scarce or non-existent, representative external benchmarks and specific low-default portfolio calibration techniques are included to ensure appropriate calibration points.

CREDIT RISK
CONTINUED

The table below provides an overview of the rating approaches adopted across the various portfolios:

Portfolios	Number of models	Type of model	Modelling Framework
Corporate & SME Corporate	4	PD	Regression based scorecard model developed on a combination of internal data, external data (where available and representative) and expert judgment. Model inputs are a combination of quantitative financial information and qualitative inputs.
		LGD	LGDs are derived by discounting the amount recovered on secured and unsecured claims across different resolution states. The economic loss as a percentage of the exposure at default is measured as the LGD.
		EAD	EADs are derived by considering the facilities' current credit limit and applying a credit conversion factor to estimate the likelihood of further drawdowns prior to default. Credit conversion factors are based on a combination of internal data, external data (where available and representative) and expert judgement.
Specialised Lending: IPRE	3	PD	Simulation based cash flow model that measures LTV and debt service of interest and capital relative to the available income.
		LGD	Regression based scorecard that derived LGDs across different resolution states. The economic loss, a percentage of EAD, is estimated considering a number of internal factors, including LTV and explicit support.
		EAD	EADs are derived by considering the facilities' current credit limit and applying a credit conversion factor to estimate the likelihood of further drawdowns prior to default. Credit conversion factors are based on a combination of internal data, external data (where available and representative) and expert judgement.
Bank & Sovereigns	2	PD	Regression based scorecard model developed on a combination of internal data, external data (where available and representative) and expert judgement. Model inputs are a combination of quantitative financial information and qualitative inputs.
Insurance	1	PD	Regression based scorecard model developed on a combination of internal data, external data (where available and representative) and expert judgment. Model inputs are a combination of quantitative financial information and qualitative inputs.
Retail	5	PD	Statistical scorecard models that use internal account behaviour characteristics of the client as well as credit bureau characteristics (where available) to determine a client specific PD which is calibrated to the observed long-run default rates.
		LGD	LGDs are derived by discounting the amount recovered on secured and unsecured claims across different resolution states. The economic loss as a percentage of the exposure at default is measured as the LGD.
		EAD	EADs are derived by considering the facilities' current credit limit and applying a credit conversion factor to estimate the likelihood of further drawdowns prior to default. Credit conversion factors are based on a combination of internal data, external data (where available and representative) and expert judgement.

CREDIT RISK
CONTINUED

CR9: IRB – BACKTESTING OF PD PER PORTFOLIO

The purpose of the table below is to provide backtesting data to validate the reliability of the PD calculations. In particular, the template compares the PD used in IRB capital calculations with the effective default rates of bank obligors.

a	b	c	d	e	f		g	h	i
					Number of obligors[3]				
Portfolio	PD Range	External rating equivalent	Weighted average PD[1]	Arithmetic average PD by obligors[2]	End of previous year	End of the year	Defaulted obligors in the year[4]	of which: new defaulted obligors in the year[5]	Average historical annual default rate[6]
At 31 March 2023									
Banks	0.00 to <0.15	AAA+, AA+	0.045%	0.051%	70	63	—	—	0.000%
	0.15 to <0.25	AA	0.226%	0.204%	10	6	—	—	0.000%
	0.25 to <0.50	AA-/A+	0.453%	0.400%	—	5	—	—	0.000%
	0.50 to <0.75	A	0.640%	0.640%	11	9	—	—	0.000%
	0.75 to <2.50	A-/BBB+	1.265%	1.391%	9	9	—	—	0.000%
	2.50 to <10.00	BBB to BB	3.021%	2.737%	—	6	—	—	0.000%
	10.00 to <100.00	BB- and below	0.000%	—%	—	—	—	—	0.000%
	100.00 (Default)	Default	0.000%	—%	—	—			
Sub-total			**0.275%**	**0.429%**	**100**	**98**	**—**	**—**	**0.000%**
Corporate	0.00 to <0.15	AAA+, AA+	0.070%	0.092%	1 277	1 251	—	—	0.030%
	0.15 to <0.25	AA	0.185%	0.185%	1 685	1 712	1	—	0.378%
	0.25 to <0.50	AA-/A+	0.385%	0.387%	918	954	2	—	0.082%
	0.50 to <0.75	A	0.640%	0.640%	593	611	—	—	0.025%
	0.75 to <2.50	A-/BBB+	1.168%	1.303%	1 751	1 661	3	—	0.208%
	2.50 to <10.00	BBB to BB	3.082%	3.770%	919	951	1	—	0.375%
	10.00 to <100.00	BB- and below	13.385%	17.511%	157	152	1	—	3.862%
	100.00 (Default)	Default	100.000%	100.000%	34	41			
Sub-total			**1.976%**	**1.878%**	**7 334**	**7 333**	**8**	**—**	**0.200%**
Public sector entities	0.00 to <0.15	AAA+, AA+	0.016%	0.037%	8	7	—	—	0.000%
	0.15 to <0.25	AA	0.160%	0.193%	—	2	—	—	0.000%
	0.25 to <0.50	AA-/A+	0.320%	0.320%	—	1	—	—	0.000%
	0.50 to <0.75	A	0.000%	—%	—	—	—	—	0.000%
	0.75 to <2.50	A-/BBB+	1.280%	1.280%	2	1	—	—	0.000%
	2.50 to <10.00	BBB to BB	3.620%	3.620%	—	1	—	—	0.000%
	10.00 to <100.00	BB- and below	0.000%	—%	—	—	—	—	0.000%
	100.00 (Default)	Default	0.000%	—%	—	—			
Sub-total			**0.251%**	**0.651 %**	**10**	**12**	**—**	**—**	**0.000%**

(1) Weighted average PD – the EAD weighted PD as reported in table CR6.
(2) Arithmetic average PD by obligors – PD within range divided by number of obligors within the range.
(3) Number of obligors – the number of obligors within the PD range at the beginning and end of the observation period.
(4) Defaulted obligors in the year – the total number of obligors in default at any point within the observation period.
(5) New obligors defaulted in the year – the number of obligors that were new during the observation period and went into default within the observation period.
(6) Average historical annual default rate – an average of the previous two years' annual default rates since inception of reporting on the IRB approach.

CREDIT RISK
CONTINUED

a	b	c	d	e	f		g	h	i
					Number of obligors				
Portfolio	PD Range	External rating equivalent	Weighted average PD	Arithmetic average PD by obligors	End of previous year	End of the year	Defaulted obligors in the year	of which: new defaulted obligors in the year	Average historical annual default rate
At 31 March 2023									
Retail – mortgage	0.00 to <0.15	AAA+, AA+	0.067%	0.064%	17 795	17 925	9	1	0.020%
	0.15 to <0.25	AA	0.197%	0.196%	11 324	11 939	6	2	0.028%
	0.25 to <0.50	AA-/A+	0.382%	0.382%	6 080	6 807	18	—	0.126%
	0.50 to <0.75	A	0.640%	0.640%	2 136	2 458	5	1	0.062%
	0.75 to <2.50	A-/BBB+	1.251%	1.264%	4 516	4 973	22	1	0.288%
	2.50 to <10.00	BBB to BB	4.104%	4.033%	2 599	3 231	60	2	1.332%
	10.00 to <100.00	BB- and below	22.342%	22.622%	1 085	1 346	298	9	20.782%
	100.00 (Default)	Default	100.000%	100.000%	445	545			
Sub-total			**2.163%**	**2.282%**	**45 980**	**49 224**	**418**	**16**	**0.761%**
Retail – other	0.00 to <0.15	AAA+, AA+	0.070%	0.071%	2 455	4 254	4	3	0.032%
	0.15 to <0.25	AA	0.199%	0.199%	2 647	5 293	5	3	0.028%
	0.25 to <0.50	AA-/A+	0.382%	0.386%	1 509	2 981	3	2	0.128%
	0.50 to <0.75	A	0.640%	0.640%	526	1 042	—	—	0.114%
	0.75 to <2.50	A-/BBB+	1.273%	1.261%	924	1 747	11	6	0.228%
	2.50 to <10.00	BBB to BB	3.858%	3.935%	578	929	27	9	1.265%
	10.00 to <100.00	BB- and below	20.808%	22.513%	186	461	123	46	24.981%
	100.00 (Default)	Default	100.000%	100.000%	296	376			
Sub-total			**2.038%**	**3.343%**	**9 121**	**17 083**	**173**	**69**	**0.659%**
Retail – revolving credit	0.00 to <0.15	AAA+, AA+	0.070%	0.070%	29 150	29 541	12	1	0.021%
	0.15 to <0.25	AA	0.192%	0.196%	25 286	27 249	14	2	0.039%
	0.25 to <0.50	AA-/A+	0.379%	0.373%	16 191	17 666	37	6	0.117%
	0.50 to <0.75	A	0.640%	0.640%	7 918	8 639	13	1	0.082%
	0.75 to <2.50	A-/BBB+	1.299%	1.231%	15 515	17 298	193	22	0.503%
	2.50 to <10.00	BBB to BB	3.927%	3.764%	6 672	7 632	412	37	5.878%
	10.00 to <100.00	BB- and below	20.511%	20.762%	2 033	2 506	846	63	28.844%
	100.00 (Default)	Default	100.000%	100.000%	966	1 573			
Sub-total			**2.128%**	**2.510 %**	**103 731**	**112 104**	**1 527**	**132**	**1.206%**

CREDIT RISK
CONTINUED

a	b	c	d	e	f		g	h	i
					Number of obligors				
Portfolio	PD Range	External rating equivalent	Weighted average PD	Arithmetic average PD by obligors	End of previous year	End of the year	Defaulted obligors in the year	of which: new defaulted obligors in the year	Average historical annual default rate
At 31 March 2023									
SME – retail	0.00 to <0.15	AAA+, AA+	0.091%	0.095%	5 113	5 782	1	—	0.012%
	0.15 to <0.25	AA	0.190%	0.187%	4 966	5 738	5	3	0.029%
	0.25 to <0.50	AA-/A+	0.385%	0.379%	2 570	2 933	2	1	0.041%
	0.50 to <0.75	A	0.640%	0.640%	1 239	1 438	3	—	0.109%
	0.75 to <2.50	A-/BBB+	1.222%	1.283%	3 685	4 127	32	2	0.431%
	2.50 to <10.00	BBB to BB	4.123%	3.762%	2 143	2 530	77	5	2.028%
	10.00 to <100.00	BB- and below	23.391%	18.856%	427	508	55	3	7.232%
	100.00 (Default)	Default	100.000%	100.000%	122	198			
Sub-total			**2.424%**	**2.070%**	**20 265**	**23 254**	**175**	**14**	**0.743%**
Sovereign	0.00 to <0.15	AAA+, AA+	0.014%	0.013%	9	6	—	—	12.698%
	0.15 to <0.25	AA	0.160%	0.160%	—	3	—	—	0.000%
	0.25 to <0.50	AA-/A+	0.000%	—%	2	—	—	—	0.000%
	0.50 to <0.75	A	0.000%	—%	—	—	—	—	0.000%
	0.75 to <2.50	A-/BBB+	1.280%	1.280%	1	1	—	—	0.000%
	2.50 to <10.00	BBB to BB	0.000%	—%	—	—	—	—	0.000%
	10.00 to <100.00	BB- and below	0.000%	—%	—	—	—	—	0.000%
	100.00 (Default)	Default	0.000%	—%	1	—			
Sub-total			**0.026%**	**0.204%**	**13**	**10**	**—**	**—**	**10.823%**
Specialised lending	0.00 to <0.15	AAA+, AA+	0.099%	0.095%	323	293	—	—	0.215%
	0.15 to <0.25	AA	0.195%	0.199%	326	315	1	—	0.215%
	0.25 to <0.50	AA-/A+	0.403%	0.392%	384	358	5	—	0.464%
	0.50 to <0.75	A	0.640%	0.640%	199	227	1	—	0.799%
	0.75 to <2.50	A-/BBB+	1.336%	1.293%	490	555	3	—	0.545%
	2.50 to <10.00	BBB to BB	3.943%	3.729%	271	301	4	—	0.953%
	10.00 to <100.00	BB- and below	11.819%	13.807%	48	31	1	1	1.402%
	100.00 (Default)	Default	100.000%	100.000%	13	20	—	—	0.000%
Sub-total			**4.966%**	**2.455 %**	**2 054**	**2 100**	**15**	**1**	**0.515%**

CREDIT RISK
CONTINUED

a	b	c	d	e	f		g	h	i
					Number of obligors[3]				
Portfolio	PD Range	External rating equivalent	Weighted average PD[1]	Arithmetic average PD by obligors[2]	End of previous year	End of the year	Defaulted obligors in the year[4]	of which: new defaulted obligors in the year[5]	Average historical annual default rate[6]
At 31 March 2022									
Banks	0.00 to <0.15	AAA+, AA+	0.054%	0.053%	55	70	—	—	0.000%
	0.15 to <0.25	AA	0.187%	0.206%	3	10	—	—	0.000%
	0.25 to <0.50	AA-/A+	0.321%	0.409%	4	3	—	—	0.000%
	0.50 to <0.75	A	0.640%	0.640%	10	11	—	—	0.000%
	0.75 to <2.50	A-/BBB+	0.947%	1.290%	9	9	—	—	0.000%
	2.50 to <10.00	BBB to BB	2.560%	2.560%	5	4	—	—	0.000%
	10.00 to <100.00	BB- and below	0.000%	—%	—	—	—	—	0.000%
	100.00 (Default)	Default	0.000%	—%	—	—			
Sub-total			**0.103%**	**0.359%**	**86**	**107**	**—**	**—**	**0.000%**
Corporate	0.00 to <0.15	AAA+, AA+	0.072%	0.091%	540	1 277	—	—	0.040%
	0.15 to <0.25	AA	0.197%	0.186%	281	1 685	1	—	0.445%
	0.25 to <0.50	AA-/A+	0.377%	0.383%	786	918	—	—	0.000%
	0.50 to <0.75	A	0.640%	0.640%	424	593	—	—	0.033%
	0.75 to <2.50	A-/BBB+	1.211%	1.281%	2 773	1 751	—	—	0.126%
	2.50 to <10.00	BBB to BB	3.535%	3.842%	3 589	919	8	—	0.443%
	10.00 to <100.00	BB- and below	11.730%	16.745%	98	157	2	—	4.826%
	100.00 (Default)	Default	100.000%	100.000%	39	34			
Sub-total			**1.511%**	**1.777%**	**8 530**	**7 334**	**11**	**—**	**0.274%**
Public sector entities	0.00 to <0.15	AAA+, AA+	0.015%	0.024%	6	8	—	—	0.000%
	0.15 to <0.25	AA	0.000%	—%	1	—	—	—	0.000%
	0.25 to <0.50	AA-/A+	0.000%	—%	—	—	—	—	0.000%
	0.50 to <0.75	A	0.000%	—%	1	—	—	—	0.000%
	0.75 to <2.50	A-/BBB+	1.617%	1.545%	1	2	—	—	0.000%
	2.50 to <10.00	BBB to BB	7.241%	7.241%	—	1	—	—	0.000%
	10.00 to <100.00	BB- and below	0.000%	—%	—	—	—	—	0.000%
	100.00 (Default)	Default	0.000%	—%	—	—			
Sub-total			**0.453%**	**1.053 %**	**9**	**11**	**—**	**—**	**0.000%**

(1) Weighted average PD – the EAD weighted PD as reported in table CR6.
(2) Arithmetic average PD by obligors – PD within range divided by number of obligors within the range.
(3) Number of obligors – the number of obligors within the PD range at the beginning and end of the observation period.
(4) Defaulted obligors in the year – the total number of obligors in default at any point within the observation period.
(5) New obligors defaulted in the year – the number of obligors that were new during the observation period and went into default within the observation period.
(6) Average historical annual default rate – an average of the previous 2 years' annual default rates since inception of reporting on the IRB approach.

CREDIT RISK
CONTINUED

a	b	c	d	e	f		g	h	i
					Number of obligors				
Portfolio	PD Range	External rating equivalent	Weighted average PD	Arithmetic average PD by obligors	End of previous year	End of the year	Defaulted obligors in the year	of which: new defaulted obligors in the year	Average historical annual default rate
At 31 March 2022									
Retail – mortgage	0.00 to <0.15	AAA+, AA+	0.065%	0.063%	17 599	17 795	4	—	0.009%
	0.15 to <0.25	AA	0.196%	0.196%	4 973	11 324	3	—	0.022%
	0.25 to <0.50	AA-/A+	0.382%	0.383%	3 652	6 080	7	—	0.083%
	0.50 to <0.75	A	0.640%	0.640%	3 568	2 136	—	—	0.018%
	0.75 to <2.50	A-/BBB+	1.244%	1.265%	7 029	4 516	23	—	0.242%
	2.50 to <10.00	BBB to BB	4.039%	4.087%	5 881	2 599	57	4	1.112%
	10.00 to <100.00	BB- and below	21.634%	21.658%	1 113	1 085	223	6	21.493%
	100.00 (Default)	Default	100.000%	100.000%	531	445			
Sub-total			**1.914%**	**1.994%**	**44 346**	**45 980**	**317**	**10**	**0.753%**
Retail – other	0.00 to <0.15	AAA+, AA+	0.068%	0.069%	2 825	2 455	1	—	0.018%
	0.15 to <0.25	AA	0.197%	0.198%	706	2 647	1	—	0.011%
	0.25 to <0.50	AA-/A+	0.379%	0.383%	579	1 509	—	—	0.143%
	0.50 to <0.75	A	0.640%	0.640%	508	526	1	—	0.152%
	0.75 to <2.50	A-/BBB+	1.324%	1.276%	1 058	924	2	—	0.132%
	2.50 to <10.00	BBB to BB	3.626%	3.708%	767	578	9	1	0.885%
	10.00 to <100.00	BB- and below	20.621%	22.600%	149	186	47	5	26.685%
	100.00 (Default)	Default	100.000%	100.000%	320	296			
Sub-total			**1.709%**	**4.253%**	**6 912**	**9 121**	**61**	**6**	**0.599%**
Retail – revolving credit	0.00 to <0.15	AAA+, AA+	0.069%	0.069%	38 039	29 150	5	—	0.013%
	0.15 to <0.25	AA	0.192%	0.195%	11 447	25 286	6	1	0.034%
	0.25 to <0.50	AA-/A+	0.378%	0.372%	11 095	16 191	16	—	0.084%
	0.50 to <0.75	A	0.640%	0.640%	6 415	7 918	5	—	0.057%
	0.75 to <2.50	A-/BBB+	1.316%	1.240%	17 741	15 515	89	14	0.288%
	2.50 to <10.00	BBB to BB	3.874%	3.774%	9 467	6 672	512	32	6.188%
	10.00 to <100.00	BB- and below	19.713%	20.178%	816	2 033	514	58	29.905%
	100.00 (Default)	Default	100.000%	100.000%	758	966			
Sub-total			**1.758%**	**1.945%**	**95 778**	**103 731**	**1 147**	**105**	**1.138%**

CREDIT RISK
CONTINUED

a	b	c	d	e	f		g	h	i
					Number of obligors				
Portfolio	PD Range	External rating equivalent	Weighted average PD	Arithmetic average PD by obligors	End of previous year	End of the year	Defaulted obligors in the year	of which: new defaulted obligors in the year	Average historical annual default rate
At 31 March 2022									
SME – retail	0.00 to <0.15	AAA+, AA+	0.086%	0.094%	1 110	5 113	1	—	0.009%
	0.15 to <0.25	AA	0.191%	0.186%	2 226	4 966	1	—	0.008%
	0.25 to <0.50	AA-/A+	0.384%	0.379%	1 704	2 570	2	—	0.030%
	0.50 to <0.75	A	0.640%	0.640%	1 097	1 239	1	—	0.074%
	0.75 to <2.50	A-/BBB+	1.232%	1.277%	5 001	3 685	19	6	0.325%
	2.50 to <10.00	BBB to BB	4.245%	3.785%	5 501	2 143	51	3	1.745%
	10.00 to <100.00	BB- and below	22.326%	19.405%	460	427	34	8	6.465%
	100.00 (Default)	Default	100.000%	100.000%	105	122			
Sub-total			**2.869%**	**1.811%**	**17 204**	**20 265**	**109**	**17**	**0.810%**
Sovereign	0.00 to <0.15	AAA+, AA+	0.014%	0.012%	6	9	2	2	16.931%
	0.15 to <0.25	AA	0.000%	—%	1	—	—	—	0.000%
	0.25 to <0.50	AA-/A+	0.320%	0.320%	2	2	—	—	0.000%
	0.50 to <0.75	A	0.000%	—%	1	—	—	—	0.000%
	0.75 to <2.50	A-/BBB+	1.280%	1.280%	1	1	—	—	0.000%
	2.50 to <10.00	BBB to BB	0.000%	—%	—	—	—	—	0.000%
	10.00 to <100.00	BB- and below	0.000%	—%	—	—	—	—	0.000%
	100.00 (Default)	Default	100.000%	100.000%	1	1			
Sub-total			**0.037%**	**9.276%**	**12**	**13**	**2**	**2**	**10.823%**
Specialised lending	0.00 to <0.15	AAA+, AA+	0.099%	0.097%	266	323	—	—	0.287%
	0.15 to <0.25	AA	0.200%	0.194%	309	326	—	—	0.191%
	0.25 to <0.50	AA-/A+	0.398%	0.389%	386	384	1	—	0.176%
	0.50 to <0.75	A	0.640%	0.640%	207	199	2	—	0.906%
	0.75 to <2.50	A-/BBB+	1.404%	1.300%	483	490	1	—	0.533%
	2.50 to <10.00	BBB to BB	4.082%	3.784%	268	271	4	—	0.771%
	10.00 to <100.00	BB- and below	17.100%	18.234%	48	48	1	—	0.758%
	100.00 (Default)	Default	100.000%	100.000%	14	13	—	—	0.000%
Sub-total			**3.598%**	**2.291%**	**1 981**	**2 054**	**9**	**—**	**0.428%**

CREDIT RISK
CONTINUED

CR10: IRB (SPECIALISED LENDING AND EQUITIES UNDER THE SLOTTING APPROACH)

The purpose of the table below is to provide quantitative disclosures of the Group's specialised lending – slotting approach and equity exposures using the simple risk-weight approach.

R'million		Specialised lending – slotting approach							
		Other than HVCRE[3]							
					Exposure amount				
Regulatory categories	**Remaining maturity**	**On-balance sheet amount**	**Off-balance sheet amount**	**RW**	**PF[1]**	**OF[2]**	**Total**	**RWA**	**Expected losses**
At 31 March 2023									
Strong	Less than 2.5 years	360	508	70%	381	360	741	550	3
	Equal to or more than 2.5 years	5 263	1 948	70%	6 414	310	6 724	4 934	27
Good	Less than 2.5 years	394	20	70%	409	—	409	390	3
	Equal to or more than 2.5 years	1 356	138	90%	1 460	—	1 460	1 275	11
Satisfactory		360	—	115%	306	54	360	438	10
Weak		—	—	250%	—	—	—	—	—
Default		355	—	—	355	—	355	—	178
Total		**8 088**	**2 614**		**9 325**	**724**	**10 049**	**7 587**	**232**

		HVCRE[3]					
Regulatory categories	**Remaining maturity**	**On-balance sheet amount**	**Off-balance sheet amount**	**RW**	**Exposure amount**	**RWA**	**Expected losses**
Strong	Less than 2.5 years	392	37	70%	420	423	2
	Equal to or more than 2.5 years	201	50	70%	238	240	1
Good	Less than 2.5 years	7 054	3 700	90%	9 829	12 503	38
	Equal to or more than 2.5 years	1 761	461	90%	2 107	2 679	8
Satisfactory		744	56	115%	786	1 167	—
Weak		—	—	250%	—	—	—
Default		22	31	—	45	—	22
Total		**10 174**	**4 334**		**13 425**	**17 012**	**71**

(1) PF: Specialised lending – Project finance asset class
(2) OF: Specialised lending – Object finance asset class
(3) HVCRE: High-volatility commercial real estate

CREDIT RISK
CONTINUED

R'million		Specialised lending – slotting approach							
		Other than HVCRE(3)							
					Exposure amount				
Regulatory categories	**Remaining maturity**	**On-balance sheet amount**	**Off-balance sheet amount**	**RW**	**PF[(1)]**	**OF[(2)]**	**Total**	**RWA**	**Expected losses**
At 31 March 2022									
Strong	Less than 2.5 years	344	56	50%	262	124	386	286	2
	Equal to or more than 2.5 years	3 648	599	70%	3 840	257	4 097	3 017	16
Good	Less than 2.5 years	130	3	70%	132	—	132	126	1
	Equal to or more than 2.5 years	1 308	18	90%	1 322	—	1 322	1 150	10
Satisfactory		46	—	115%	—	46	46	56	1
Weak		—	—	250%	—	—	—	—	—
Default		—	—	—	—	—	—	—	—
Total		**5 476**	**676**	**—%**	**5 556**	**427**	**5 983**	**4 635**	**30**

08

Counterparty credit risk

COUNTERPARTY CREDIT RISK

CCRA: QUALITATIVE DISCLOSURE RELATED TO COUNTERPARTY CREDIT RISK

Refer to pages 27 to 30 of the Investec Group's 2023 integrated and strategic annual report specifically to the Investec risk and governance report for additional information on the main characteristics of counterparty credit risk management.

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, or guarantor, is positively correlated with the probability of default of the borrower or counterparty. 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. SA-CCR methodology is used to calculate capital requirements for derivatives.

The purpose of the table below is to provide a view of the methods used to calculate counterparty credit risk regulatory requirements and the main parameters used within each method.

CCR1: ANALYSIS OF COUNTERPARTY CREDIT RISK (CCR) EXPOSURE BY APPROACH

		a	b	c	d	e	f
R'million		Replacement cost[1]	Potential future exposure	EEPE	Alpha used for computing regulatory EAD[3]	EAD post-CRM	RWA
At 31 March 2023							
1	SA-CCR (for derivatives)[2]	8 114	7 677		1.4	19 886	7 252
2	Internal Model Method (for derivatives and SFTs)			—	—	—	—
3	Simple Approach for credit risk mitigation (for SFTs)					—	—
4	Comprehensive Approach for credit risk mitigation (for SFTs)[4]					2 495	516
5	VaR for SFTs					—	—
6	**Total [4]**						**7 768**
At 31 March 2022							
1	SA-CCR (for derivatives)	7 935	4 222		1.4	15 196	7 751
2	Internal Model Method (for derivatives and SFTs)			—	—	—	—
3	Simple Approach for credit risk mitigation (for SFTs)					—	—
4	Comprehensive Approach for credit risk mitigation (for SFTs)					4 086	871
5	VaR for SFTs					—	—
6	**Total**						**8 622**

(1) Replacement cost in column (a) is reported as the net replacement cost where ISDA agreements exist.
(2) Counterparty credit risk exposures reported above include OTC derivative exposures but exclude CVA charges or exposures cleared through a CCP.
(3) Alpha is in line with SA-CCR requirements.
(4) SFT exposures are mainly as a result of repurchase and resale agreements.

Credit valuation adjustment (CVA) in the regulatory context is a capital charge to take into account possible volatility in the value of derivative instruments due to changes in the credit quality of the Bank's counterparty. Exchange-traded and centrally cleared derivatives are exempt from the CVA capital framework. We currently apply the SA to the calculation of the CVA capital requirement. The Group's exposure to unexpected changes to the CVA reserve is generally expected to be low, as the trading of OTC derivatives is predominantly for hedging purposes and transacted with high credit quality financial counterparties largely on a collateralised basis.

COUNTERPARTY CREDIT RISK

The purpose of the table below is to show the CVA regulatory exposure and RWAs.

CCR2: CREDIT VALUATION ADJUSTMENT (CVA) CAPITAL CHARGE

		a	b	a	b
		31 March 2023		31 March 2022	
R'million		**EAD**	**RWA**	EAD	RWA
	Total portfolios subject to the Advanced CVA capital charge				
1	(i) VaR component (including the 3 × multiplier)		—		—
2	(ii) Stressed VaR component (including the 3×multiplier)		—		—
3	All portfolios subject to the standardised CVA capital charge	13 905	3 477	10 080	5 410
4	**Total subject to the CVA capital charge**	**13 905**	**3 477**	**10 080**	**5 410**

The purpose of the table below is to provide a breakdown of counterparty credit risk exposures calculated according to the SA by portfolio (type of counterparties) and by risk weight (riskiness attributed according to SA).

CCR3: STANDARDISED APPROACH OF CCR EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS

	a	b	c	d	e	f	g	h	i
R'million	**0%**	**10%**	**20%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposure**
At 31 March 2023									
Regulatory portfolio									
Sovereigns									
Non-central government public sector entities (PSEs)									
Multilateral development banks (MDBs)									
Banks	5 760	—	968	986	—	—	—	—	7 714
Securities firms	—	—	—	418	—	—	—	—	418
Corporates	4 847	—	—	765	—	2 421	—	—	8 033
Regulatory retail portfolios	—	—	—	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	—	—	—
Total	**10 607**	**—**	**968**	**2 169**	**—**	**2 421**	**—**	**—**	**16 165**
At 31 March 2022									
Regulatory portfolio									
Sovereigns	—	—	—	—	—	—	—	—	—
Non-central government public sector entities (PSEs)	—	—	—	—	—	—	—	—	—
Multilateral development banks (MDBs)	—	—		—	—	—	—	—	—
Banks	1 776	—	506	396	—	—	—	—	2 678
Securities firms	191	—	—	264	—	8	—	—	463
Corporates	6 543	—	77	45	—	2 313	—	—	8 978
Regulatory retail portfolios	—	—	—	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	—	—	—
Total	**8 510**	**—**	**583**	**705**	**—**	**2 321**	**—**	**—**	**12 119**

COUNTERPARTY CREDIT RISK
CONTINUED

The purpose of the table below is to provide all relevant parameters used for the calculation of counterparty credit risk capital requirements for IRB models.

CCR4: IRB – CCR EXPOSURES BY PORTFOLIO AND PD SCALE

		a	b	c	d	e	f	g
R'million	**PD scale**	**EAD (R'm)**	**Average PD (%)**	**Number of obligors(2)**	**Average LGD (%)**	**Average maturity (years)(1)**	**RWA (R'm)**	**RWA density (%)**
At 31 March 2023								
Banks	0.00 to <0.15	7 063	0.055%	36	41.0%	2.1	1 648	23.3%
	0.15 to <0.25	826	0.160%	4	45.0%	0.8	287	34.7%
	0.25 to <0.50	2	0.320%	2	0.0%	1.0	—	0.0%
	0.50 to <0.75	7	0.640%	6	45.0%	2.5	8	109.4%
	0.75 to <2.50	4	1.810%	1	45.0%	2.5	5	127.5%
	2.50 to <10.00	—	0.000%	—	0.0%	—	—	0.0%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**7 902**	**0.067%**	**49**	**41.4%**	**2.0**	**1 948**	**24.6%**
Corporate	0.00 to <0.15	2 859	0.044%	34	43.1%	2.3	645	22.5%
	0.15 to <0.25	839	0.197%	40	36.2%	1.5	252	30.1%
	0.25 to <0.50	1 840	0.328%	59	29.8%	2.2	688	37.4%
	0.50 to <0.75	1 345	0.640%	45	12.7%	1.6	297	22.1%
	0.75 to <2.50	68	1.383%	62	39.8%	1.2	52	75.8%
	2.50 to <10.00	29	3.334%	31	33.1%	1.9	26	90.2%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**6 980**	**0.281%**	**273**	**32.8%**	**2.0**	**1 960**	**28.1%**
Public sector entities	0.00 to <0.15	4	0.080%	1	30.1%	1.1	—	12.5%
	0.15 to <0.25	—	0.000%	—	0.0%	—	—	0.0%
	0.25 to <0.50	—	0.000%	—	0.0%	—	—	0.0%
	0.50 to <0.75	—	0.000%	—	0.0%	—	—	0.0%
	0.75 to <2.50	—	0.000%	—	0.0%	—	—	0.0%
	2.50 to <10.00	58	3.620%	1	30.1%	1.0	49	83.1%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**62**	**3.377%**	**2**	**30.1%**	**1.0**	**49**	**78.1%**
SME - retail	0.00 to <0.15	1	0.113%	3	37.7%	1.0	—	10.4%
	0.15 to <0.25	1	0.226%	1	37.7%	1.0	—	9.2%
	0.25 to <0.50	—	0.000%	—	0.0%	—	—	0.0%
	0.50 to <0.75	—	0.000%	—	0.0%	—	—	0.0%
	0.75 to <2.50	—	0.000%	—	0.0%	—	—	0.0%
	2.50 to <10.00	—	0.000%	—	0.0%	—	—	0.0%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**2**	**0.153%**	**4**	**37.7%**	**1.0**	**—**	**13.2%**
Sovereign	0.00 to <0.15	—	0.000%	—	0.0%	—	—	0.0%
	0.15 to <0.25	1 916	0.160%	1	6.4%	2.5	111	5.8%
	0.25 to <0.50	—	0.000%	—	0.0%	—	—	0.0%
	0.50 to <0.75	—	0.000%	—	0.0%	—	—	0.0%
	0.75 to <2.50	—	0.000%	—	0.0%	—	—	0.0%
	2.50 to <10.00	—	0.000%	—	0.0%	—	—	0.0%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		1 916	0.160%	1	6.4%	3.0	111	5.8%
portfolios)		16 862	0.178%	318	33.8%	2.0	4 068	24.1%

(1) Average maturity represents the obligor maturity in years, weighted by EAD, as used in the RWA calculation.
(2) Represents the number of unique obligors. The total number of unique obligors will not equal the sum of the obligors in the underlying asset classes since an obligor may be present in more than one asset class.

COUNTERPARTY CREDIT RISK
CONTINUED

		a	b	c	d	e	f	g
R'million	PD scale	EAD (R'm)	average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA (R'm)	RWA density (%)
At 31 March 2022								
Banks	0.00 to <0.15	5 020	0.061%	44	44.8%	1.9	1 253	25.0%
	0.15 to <0.25	32	0.166%	3	45.0%	2.5	17	54.3%
	0.25 to <0.50	—	0.000%	—	0.0%	—	—	0.0%
	0.50 to <0.75	321	0.640%	6	44.8%	0.5	235	73.1%
	0.75 to <2.50	31	1.810%	2	45.0%	2.5	37	119.8%
	2.50 to <10.00	—	0.000%	—	0.0%	—	—	0.0%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**5 404**	**0.106%**	**55**	**44.8%**	**1.8**	**1 542**	**28.5%**
Corporate	0.00 to <0.15	3 792	0.062%	42	42.8%	1.4	651	17.2%
	0.15 to <0.25	1 883	0.223%	23	40.3%	2.8	913	48.5%
	0.25 to <0.50	461	0.373%	56	33.1%	1.7	181	39.2%
	0.50 to <0.75	1 277	0.640%	35	31.9%	2.6	770	60.3%
	0.75 to <2.50	220	1.260%	62	35.6%	1.2	146	66.4%
	2.50 to <10.00	142	4.162%	33	34.0%	1.0	128	89.9%
	10.00 to <100.00	1	40.961%	1	37.7%	1.0	2	225.5%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**7 776**	**0.330%**	**252**	**39.5%**	**2.0**	**2 791**	**35.9%**
Public sector entities	0.00 to <0.15	55	0.057%	1	30.1%	1.4	6	10.5%
	0.15 to <0.25	—	0.000%	—	0.0%	—	—	0.0%
	0.25 to <0.50	—	0.000%	—	0.0%	—	—	0.0%
	0.50 to <0.75	—	0.000%	—	0.0%	—	—	0.0%
	0.75 to <2.50	11	1.810%	1	30.1%	1.0	7	65.2%
	2.50 to <10.00	1 125	3.620%	1	30.1%	1.0	934	83.0%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**1 191**	**3.443%**	**3**	**30.1%**	**1.0**	**947**	**79.5%**
Sovereign	0.00 to <0.15	—	0.000%	—	0.0%	—	—	0.0%
	0.15 to <0.25	—	0.000%	—	0.0%	—	—	0.0%
	0.25 to <0.50	1 169	0.320%	1	35.8%	2.5	555	47.4%
	0.50 to <0.75	—	0.000%	—	0.0%	—	—	0.0%
	0.75 to <2.50	—	0.000%	—	0.0%	—	—	0.0%
	2.50 to <10.00	—	0.000%	—	0.0%	—	—	0.0%
	10.00 to <100.00	—	0.000%	—	0.0%	—	—	0.0%
	100.00 (Default)	—	0.000%	—	0.0%	—	—	0.0%
Sub-total		**1 169**	**0.320%**	**1**	**35.8%**	**2.5**	**555**	**47.4%**
Total (all portfolios)		**15 540**	**0.490%**	**311**	**40.3%**	**1.9**	**5 835**	**37.5%**

COUNTERPARTY CREDIT RISK
CONTINUED

The purpose of the table below is to provide a breakdown of all types of collateral posted or received by banks to support or reduce the counterparty credit risk exposures related to derivative transactions or to SFTs, including transactions cleared through a CCP.

CCR5: COMPOSITION OF COLLATERAL FOR CCR EXPOSURE

	a	b	c	d	e	f
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral			
R'million	Segregated[1]	Unsegregated	Segregated[1]	Unsegregated	Fair value of collateral received	Fair value of posted collateral
At 31 March 2023						
Cash – domestic currency	1 920	—	1 023	—	—	14 280
Cash – other currencies	1 026	—	2 195	—	—	33 322
Domestic sovereign debt	—	—	—	—	—	—
Corporate bonds	—	—	—	—	6 801	—
Equity securities	—	—	—	—	—	—
Other collateral	—	—	—	—	40 804	—
Total	**2 946**	**—**	**3 218**	**—**	**47 605**	**47 602**
At 31 March 2022						
Cash – domestic currency	812	—	2 589	—	—	27 366
Cash – other currencies	1 325	—	2 644	—	—	28 130
Domestic sovereign debt	—	—	—	—	—	—
Corporate bonds	—	—	—	—	6 572	—
Equity securities	507	—	—	—	—	—
Other collateral	—	—	—	—	48 234	—
Total	**2 644**	**—**	**5 233**	**—**	**54 806**	**55 496**

(1) Segregated refers to collateral which is held in a bankruptcy-remote manner that will be returned upon any default.

The purpose of the table below is to illustrate the extent of a bank's exposures to credit derivative transactions broken down between derivatives bought or sold.

CCR6: CREDIT DERIVATIVES EXPOSURES

The Group does not make use of any unfunded credit derivative instruments for purposes of reducing capital requirements. We have credit-linked notes (CLNs) that serve as protection against credit exposures, however, since these CLNs are fully funded, they function as cash collateral and are reported as such. Credit derivative instruments are mainly concluded in the banking book and within single name structures.

	a	b	a	b
	31 March 2023		31 March 2022	
R'million	Protection bought	Protection sold	Protection bought	Protection sold
Notionals				
Single-name credit default swaps	943	6 302	587	4 412
Total notionals	**943**	**6 302**	**587**	**4 412**
Fair values				
Positive fair value (asset)	12	2	—	2
Negative fair value (liability)	(5)	(88)	(4)	(46)

COUNTERPARTY CREDIT RISK
CONTINUED

The purpose of the table below is to provide a comprehensive picture of the Bank's exposures to central counterparties. In particular, the template includes all types of exposures (due to operations, margins, contributions to default funds) and related capital requirements.

CCR8: EXPOSURES TO CENTRAL COUNTERPARTIES

		a	b	a	b
		31 March 2023		31 March 2022	
R'million		EAD post-CRM	RWA	EAD post-CRM	RWA
1	**Exposures to QCCPs[1] (total)**	**8 025**	**162**	**6 060**	**90**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions), of which	4 727	95	2 091	42
3	(i) OTC derivatives			—	—
4	(ii) Exchange-traded derivatives	4 727	95	2 091	42
5	(iii) Securities financing transactions			—	—
6	(iv) Netting sets where cross-product netting has been approved			—	—
7	Segregated initial margin	3 278		3 952	
8	Non-segregated initial margin	—	—	—	—
9	Pre-funded default fund contributions	20	67	17	48
10	Unfunded default fund contributions	—	—	—	—
11	**Exposures to non-QCCPs[2] (total)**	**—**	**—**	**—**	**—**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions), of which			—	—
13	(i) OTC derivatives			—	—
14	(ii) Exchange-traded derivatives			—	—
15	(iii) Securities financing transactions			—	—
16	(iv) Netting sets where cross-product netting has been approved			—	—
17	Segregated initial margin			—	
18	Non-segregated initial margin			—	—
19	Pre-funded default fund contributions			—	—
20	Unfunded default fund contributions			—	—

(1) QCCPs – Qualifying Central Clearing Parties.
(2) Investec had no exposures to non-QCCPs for the period under review.

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Securitisation risk

SECURITISATION RISK

SECA: QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO SECURITISATION EXPOSURES

Refer to pages 59 to 60 of the Investec Group's 2023 integrated and strategic annual report specifically to the Investec risk and governance report for additional information on the Group's strategy and risk management with respect to its securitisation activities.

Exposures where the Bank has acted as the originator relate to retained positions of issued notes and first loss positions provided to the securitisation structures. Securitisation exposures where the Bank has acted as an investor are the investment positions purchased in third party deals. The purpose of the table below is to present a Bank's securitisation exposures in its banking book.

SEC1: SECURITISATION EXPOSURES IN THE BANKING BOOK

		a	c	i	k
		Bank acts as originator		Banks acts as investor	
R'million		**Traditional**	**Sub-total**	**Traditional**	**Sub-total**
At 31 March 2023(1)(2)					
1	**Retail (total) – of which**	**671**	**671**	**1 551**	**1 551**
2	residential mortgage	671	671	1 339	1 339
4	other retail exposures	—	—	212	212
6	**Wholesale (total) – of which**	**174**	**174**	**—**	**—**
7	Loans to corporates	—	—	—	—
8	Commercial mortgages	174	174	—	—
At 31 March 2022					
1	**Retail (total) – of which**	**1 889**	**1 889**	**1 582**	**1 582**
2	residential mortgage	1 889	1 889	1 582	1 582
4	other retail exposures	—	—	—	—
6	**Wholesale (total) – of which**	**—**	**—**	**22**	**22**
7	Loans to corporates	—	—	22	22
8	Commercial mortgages	—	—	—	—

(1) Asset classes/rows reported above are classified based on the underlying exposure pool.
(2) Certain rows above were excluded as the Group only transacts in traditional securitisation schemes and none of the underlying assets or exposures relate to re-securitised assets. In addition, the Group does not make use of the internal assessment approach for capital purposes.

SECURITISATION RISK
CONTINUED

The purpose of the table below is to present securitisation exposures in the banking book where the Bank acted as originator and the associated capital requirements.

SEC3: SECURITISATION EXPOSURES IN THE BANKING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS – BANK ACTING AS ORIGINATOR

		a	b	d	e	f	h	j	n
		Exposure values (by RW bands)				Exposure values		RWA	Capital charge after cap
R'million		≤20% RW	>20% to 50% RW	>100% to <1 250% RW	1 250% RW	IRB RBA (including IAA)	SA and RBA	IRB (LTA)	IRB (LTA)
At 31 March 2023									
1	**Total exposures**	**—**	**671**	**175**	**—**	**846**	**—**	**1 016**	**122**
2	**Traditional securitisation**	**—**	**671**	**175**	**—**	**846**	**—**	**1 016**	**122**
3	Of which securitisation	—	671	175	—	846	—	1 016	122
4	Of which retail underlying	—	671	—	—	671	—	199	24
5	Of which wholesale	—	—	175	—	174	—	817	98
6	Of which re-securitisation	—	—	—	—	—	—	—	—
7	Of which senior	—	—	—	—	—	—	—	—
8	Of which non-senior	—	671	175	—	846	—	1 016	122
9	**Synthetic securitisation**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
At 31 March 2022									
1	**Total exposures**	**967**	**514**	**408**	**—**	**—**	**1 889**	**681**	**78**
2	**Traditional securitisation**	**967**	**514**	**408**	**—**	**—**	**1 889**	**681**	**78**
3	Of which securitisation	967	514	408	—	—	1 889	681	78
4	Of which retail underlying	967	514	408	—	—	1 889	681	78
5	Of which wholesale	—	—	—	—	—	—	—	—
6	Of which re-securitisation	—	—	—	—	—	—	—	—
7	Of which senior	—	—	—	—	—	—	—	—
8	Of which non-senior	—	—	—	—	—	—	—	—
9	**Synthetic securitisation**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

(1) Columns (a) to (e) are defined in relation to regulatory risk weights applied to retained exposures. The Bank applied the look-through approach by applying capital requirements to the underlying assets in the scheme.
(2) IRB LTA – Internal ratings-based approach using the look-through approach.

SECURITISATION RISK
CONTINUED

The purpose of the table below is to present securitisation exposures in the banking book where the Bank acts as investor and the associated capital requirements.

SEC4: SECURITISATION EXPOSURES IN THE BANKING BOOK AND ASSOCIATED CAPITAL REQUIREMENTS – BANK ACTING AS INVESTOR

		a	b	C	d	h	l	p
		Exposure values (by RW bands)[(2)]				Exposure values	RWA	Capital charge after cap
R'million		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	SA and RBA[(1)]	SA and RBA	SA and RBA
At 31 March 2023								
1	**Total exposures**	**—**	**1 339**	**212**	**—**	**1 551**	**652**	**78**
2	**Traditional securitisation**	**—**	**1 339**	**212**	**—**	**1 551**	**652**	**78**
3	Of which securitisation	—	1 339	212	—	1 551	652	78
4	Of which retail underlying	—	1 339	212	—	1 551	652	78
5	Of which wholesale	—	—	—	—	—	—	—
6	Of which re-securitisation	—	—	—	—	—	—	—
7	Of which senior	—	1 339	212	—	1 551	652	78
8	Of which non-senior	—	—	—	—	—	—	—
9	**Synthetic securitisation**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
At 31 March 2022								
1	**Total exposures**	**—**	**1 582**	**—**	**22**	**1 604**	**673**	**77**
2	**Traditional securitisation**	**—**	**1 582**	**—**	**22**	**1 604**	**673**	**77**
3	Of which securitisation	—	1 582	—	22	1 604	673	77
4	Of which retail underlying	—	1 582	—	—	1 582	580	67
5	Of which wholesale	—	—	—	22	22	93	11
6	Of which re-securitisation	—	—	—	—	—	—	—
7	Of which senior	—	—	—	—	—	—	—
8	Of which non-senior	0	1 582	0	22	1 604	673	77
9	**Synthetic securitisation**	**—**	**—**	**—**	**—**	**—**	**—**	**—**

(1) SA and RBA – Standardised Approach and ratings-based approach.
(2) Columns (a) to (d) include the investments positions purchased in third party Special Purpose Institution exposures. The Bank applied the look-through approach to calculate RWAs for senior investment exposures and the RBA where securitisation exposures are rated.

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Market risk

MARKET RISK

MRA: QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO MARKET RISK

Traded market risk is the risk of potential changes in the value of 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. 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. Only market risk approved products are permissible to be traded. Each desk's market risk is detailed and reported daily, capturing both spot exposures and stressed exposures. In line with the bank's strategic intent, conservative risk limits are approved, ensuring that the majority of the trading activity is hedged.

Both the Value at Risk (VaR) and Stressed Value at Risk (sVaR) calculations stress all risk factors individually rather than using one asset class, market, industry sector or index as proxy. Therefore, any basis risk, for example bond/swap basis, relative value single stock trades or index vs. single stock hedges and any imperfect hedges, will be captured in both VaR and sVaR. VaR limits are implemented on an overall and trading desk level. The policies governing traded market risks are the Market Risk Policy, the Trading Book Policy Statement and the Market Risk Model Validation and Control Policy.

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 analysis 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 ever-changing market environments. Stress scenarios are run daily with analysis presented to IBL Review Executive Risk Review Forum (ERRF) weekly and IBL BRCC when the committees meet or more often should market conditions require this.

MRB: QUALITATIVE DISCLOSURES FOR BANKS USING THE INTERNAL MODELS APPROACH (IMA)

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 past 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 following types of market risks are covered by the VaR/SVaR models:

- Equity price risk
- Interest rate risk
- Foreign exchange risk
- Commodity risk

We have internal model approval from the PA for general market risk for the majority of the trading desks, with the other desks capitalised under the Standardised Approach. Issuer risk in the trading book is calculated under the standardised specific risk methodology. Risks not in VaR are immaterial relative to the current capital requirements.

The VaR model used is based on 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 their 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, and 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 as is the worst case loss in the VaR distribution.

sVaR is calculated using the VaR model but based on a one-year period through which the relevant market factors experienced stress. This is calculated for a continuous 250 day historical period within the period starting 1 January 2007 to the current. The time series data used in the historical simulation is updated on a daily basis. A two-year historical period is used for the VaR calculation and a continuous 250-day historical period within the period starting 1 January 2007 to the current is used for the sVaR period. No weighting scheme is used as all risk factor changes are applied on an equal basis.

The Bank follows common practice and scales the one-day VaR using the square root of time rule. The Bank uses the Standardised Approach to calculate the specific risk as a standalone charge and the total capital charge is a simple sum of general market risk and specific market risk. The Bank uses a full revaluation approach in the calculation of VaR.

MARKET RISK
CONTINUED

A mixed approach is used when simulating potential movements in risk factors which incorporates both absolute and relative returns. The Bank follows common practice and scales the one-day sVaR using the square root of time rule. The historical period used for sVaR is determined using the one-year period with the greatest negative deviation. This is calculated for a continuous one-year historical period within the period starting 1 January 2007 to the current. The Bank uses a full revaluation approach in the calculation of sVaR. Stress testing is used in conjunction with the VaR measures to gain a better understanding of extreme tail risks. While VaR and sVaR is limited to the historical period used, stress testing highlights event risk that may be not be captured in these measures. Generally, two types of stress tests are performed, namely scenario-based (historical disaster scenario and hypothetical scenarios) and asset class scenario analysis.

The performance of the VaR model is regularly monitored through backtesting. This is done by comparing daily actual profit and loss and 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 purpose of the MR1 table below is to provide the components of the capital charge under the SA for market risk.

MR1: MARKET RISK UNDER SA

		a	a
		Capital charge in SA	
R'million		**31 March 2023**	**31 March 2022**
Outright products[(1)]			
1	Interest rate risk (general and specific)	534	168
2	Equity risk (general and specific)	1 277	701
9	**Total**	**1 811**	**869**

(1) The SA for market risk is only applied to outright products and therefore rows related to RWAs for options are excluded from the table.

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

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

		a	b	f
R'million		**VaR**	**Stressed VaR**	**Total RWA[(1)(2)]**
At 31 March 2023				
1	**RWA at previous quarter end**	**2 208**	**4 148**	**6 356**
2	Movement in risk levels	-264	-1 028	-1 292
8	**RWA at end of reporting period**	**1 944**	**3 120**	**5 064**
At 31 March 2022				
1	**RWA at previous quarter end**	**1 345**	**1 359**	**2 704**
2	Movement in risk levels	446	528	974
8	**RWA at end of reporting period**	**1 791**	**1 887**	**3 678**

(1) Total RWAs in this table are derived by multiplying the capital required by 12.5.
(2) There were no incremental and comprehensive risk capital charges under IMA and columns (c) to (e) are therefore excluded from the table above.

The table below displays the values (maximum, minimum, average, and period ending for the reporting period) resulting from the different types of models used for computing the regulatory capital charge at the Group level, before any additional capital charge is applied by the jurisdiction. Summary statistics were calculated on the 10-day VaR and sVaR figures for the quarter ended 31 March 2023. The 10-day figures were obtained by multiplying the one-day figures by SQRT(10).

MR3: IMA VALUES FOR TRADING PORTFOLIOS[(1)]

		a	a
R'million		**31 March 2023**	**31 March 2022**
VaR (10-day 99%)			
1	Maximum value	62	85
2	Average value	45	43
3	Minimum value	25	27
4	Period end	52	28
Stressed VaR (10-day 99%)			
5	Maximum value	113	71
6	Average value	73	45
7	Minimum value	46	23
8	Period end	73	48

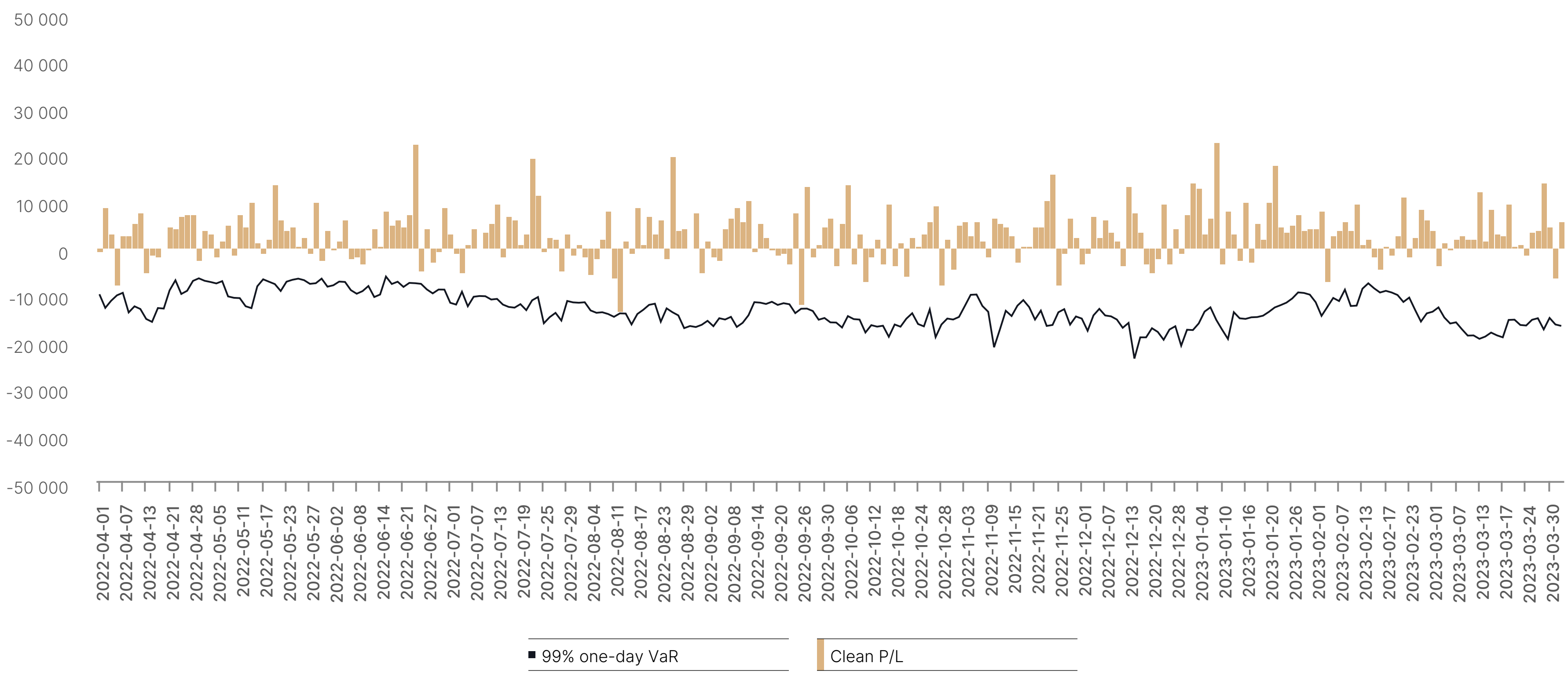
(1) There were no incremental and comprehensive risk capital charges under IMA and rows are therefore excluded from the table above.

TABLE MR4: COMPARISON OF VAR ESTIMATES WITH GAINS/LOSSES

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 graphs that follow show 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 99% VaR figures.

99% one-day VaR backtesting (R'000)



Average 95% VaR for the year ended 31 March 2023 in the South African trading book was higher than the 31 March 2022 year end. Using hypothetical (clean) profit and loss data for backtesting resulted in no exceptions (as shown in the graph above), which is below the expected number of two to three exceptions per annum as implied by the 99% VaR model.

11

Capital adequacy

CAPITAL ADEQUACY

Capital management and allocation

Investec Limited (and its subsidiaries) and Investec plc (and its subsidiaries) are managed independently and have their respective capital bases ring-fenced, however, the governance of capital management is consistent across the two Groups. The DLC structure requires the two Groups to independently manage each group's balance sheet and capital is managed on this basis.

This approach is overseen by the DLC BRCC (via the Investec DLC capital committee) which is a Board sub-committee with ultimate responsibility for the capital adequacy of both Investec Limited and Investec plc.

A summary of capital adequacy and leverage ratios

	IRB scope[1]			
	31 March 2023[2]		31 March 2022[2]	
	Investec Limited Group	Investec Bank Limited Group	**Investec Limited Group**	Investec Bank Limited Group
Common Equity Tier 1 ratio	14.7%	17.1%	14.0%	15.8%
Common Equity Tier 1 ratio (fully loaded)	14.7%	17.1%	14.0%	15.8%
Tier 1 ratio	15.9%	18.2%	15.0%	16.6%
Total capital ratio	18.3%	21.2%	17.5%	20.0%
Risk-weighted assets (million)	283 600	261 263	319 048	286 903
Leverage exposure measure (million)	696 319	662 702	649 828	608 062
Leverage ratio	6.5%	7.2%	7.4%	7.9%
Leverage ratio (fully loaded)	6.5%	7.2%	7.4%	7.9%

(1) Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 31 March 2023, 55% (31 March 2022: 39%) of the portfolio applies the AIRB approach, 28% (31 March 2022: 44%) applies the FIRB approach and the remaining 17% (31 March 2022: 17%) of the portfolio is subject to the standardised approach.
(2) Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 117bps (31 March 2022: 134bps) and 164bps (31 March 2022: 69bps) lower respectively. The leverage would be 49bps (31 March 2022: 69bps) and 65bps (31 March 2022: 33bps) lower respectively.

Capital philosophy and approach

Investec's approach to capital management utilises both regulatory capital as appropriate to that jurisdiction and internal capital, which is an internal risk-based assessment of capital requirements. Capital management primarily relates to management of the interaction of both, with the emphasis on regulatory capital for managing portfolio-level capital sufficiency and on internal capital for ensuring that returns are appropriate given the level of risk taken at an individual transaction or business unit level.

We intend to maintain a sufficient level of capital to satisfy regulatory requirements and our internal target ratios. We target a total capital adequacy ratio range of greater 15%, and we target a minimum Tier 1 ratio of greater than 12.5% and a CET1 ratio between 11.5% and 12.5%.

The determination of target capital is driven by our risk profile, strategy and risk appetite, taking into account the regulatory and market factors applicable to the Group. At the most fundamental level, we seek to balance our capital consumption between prudent capitalisation in the context of the Group's risk profile and optimisation of shareholder returns.

Our internal capital framework is designed to manage and achieve this balance.

The internal capital framework is based on the Group's risk identification, review and assessment processes and is used to provide a risk-based approach to capital allocation, performance and structuring of our balance sheet. The objectives of the internal capital framework are to quantify the minimum capital required to:

a. Maintain sufficient capital to satisfy the board's risk appetite across all risks faced by the Group
b. Provide protection to depositors against losses arising from risks inherent in the business
c. Provide sufficient capital surplus to ensure that the Group is able to retain its going concern basis under relatively severe operating conditions
d. Inform the setting of minimum regulatory capital through the ICAAP. The ICAAP documents the approach to capital management, including the assessment of the regulatory and internal capital position the Group. The ICAAP is reviewed and approved by the Board.

The framework has been approved by the Board and is managed by the Investec Limited Capital Committee, which is responsible for oversight of the management of capital on a regulatory and an internal capital basis.

Capital planning and stress/scenario testing

A capital plan is prepared for Investec and maintained to facilitate discussion of the impact of business strategy and market conditions on capital adequacy. This plan is designed to assess capital adequacy under a range of economic and internal conditions over the medium term (three years), with the impact on earnings, asset growth, risk appetite and liquidity considered. The plan provides the Board with an input into strategy and the setting of risk appetite by considering business risks and potential vulnerabilities, capital usage and funding requirements given constraints where these exist.

The goal of capital planning is to provide insight into potential sources of vulnerability of capital adequacy by way of market, economic or internal events.

As such, the three-year capital plans are stressed based on conditions most likely to cause Investec Limited duress. The conditions are agreed by the Investec Limited Capital Committee after the key vulnerabilities have been determined through the stress-testing workshops. Such plans are used by management to formulate balance sheet strategy and agree management actions and trigger points and influence the determination of our risk appetite. At a minimum level, each capital plan assesses the impact on our capital adequacy in an expected case and in downturn scenarios.

Reverse stress testing is performed annually as part of the ICAAP process.

On the basis of the results of this analysis, the Investec Limited Capital Committee is presented with the potential variability in capital adequacy and is responsible for consultation with the Board, in considering the appropriate response.

CAPITAL ADEQUACY
CONTINUED

CAPITAL STRUCTURE AND CAPITAL ADEQUACY

	IRB scope[(1)]			
	31 March 2023[(2)]		31 March 2022[(2)]	
R'million	Investec Limited Group	Investec Bank Limited Group	Investec Limited Group	Investec Bank Limited Group
Shareholders' equity	**45 929**	**44 016**	**46 232**	**44 280**
Shareholders' equity excluding non-controlling interests	48 374	44 016	49 118	44 280
Perpetual preference share capital and share premium	(2 445)	—	(2 886)	—
Non-controlling interests	**—**	**—**	**—**	**—**
Non-controlling interests per balance sheet	9 872	—	10 301	—
Non-controlling interests excluded for regulatory purposes	(9 872)	—	(10 301)	—
Regulatory adjustments to the accounting basis	**1 054**	**1 111**	**1 348**	**1 378**
Additional value adjustments	(280)	(223)	(261)	(231)
Gains or losses on liabilities at fair value resulting from changes in our credit standing	(15)	(15)	(12)	(12)
Cash flow hedging reserve	1 349	1 349	1 621	1 621
Deductions	**(5 173)**	**(329)**	**(2 790)**	**(452)**
Goodwill and intangible assets net of deferred tax	(315)	(311)	(283)	(282)
Investment in financial entity	(456)	—	(871)	—
Shortfall of eligible provisions compared to expected loss	(18)	(18)	(170)	(170)
Investment in capital of financial entities above 10% threshold	—	—	(1 291)	—
Other regulatory adjustments	(4 384)	—	(175)	—
Common Equity Tier 1 capital	**41 810**	**44 798**	**44 790**	**45 206**
Additional Tier 1 capital	**3 212**	**2 710**	**3 064**	**2 560**
Additional Tier 1 instruments	5 705	2 710	5 996	2 560
Phase-out of non-qualifying Additional Tier 1	(2 445)	—	(2 886)	—
Non-qualifying surplus capital attributable to non-controlling interest	(48)	—	(46)	—
Tier 1 capital	**45 022**	**47 508**	**47 854**	**47 766**
Tier 2 capital	**6 963**	**7 928**	**8 091**	**9 557**
Collective impairment allowances	365	365	425	424
Tier 2 instruments	7 563	7 563	10 722	9 133
Non-qualifying surplus capital attributable to non-controlling interests	(851)	—	(2 435)	—
Investment in capital of financial entities above 10% threshold	(114)	—	(621)	—
Total regulatory capital	**51 985**	**55 436**	**55 945**	**57 323**
Risk-weighted assets	**283 600**	**261 263**	**319 048**	**286 903**

(1) Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 31 March 2023, 55% (31 March 2022: 39%) of the portfolio applies the AIRB approach, 28% (31 March 2022: 44%) applies the FIRB approach and the remaining 17% (31 March 2022: 17%) of the portfolio is subject to the standardised approach.
(2) Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 117bps (31 March 2022: 134bps) and 164bps (31 March 2022: 69bps) lower respectively. The leverage would be 49bps (31 March 2022: 69bps) and 65bps (31 March 2022: 33bps) lower respectively.

CAPITAL ADEQUACY
CONTINUED

TOTAL REGULATORY CAPITAL FLOW STATEMENT

	IRB scope[1]			
	31 March 2023[2]		31 March 2022[2]	
R'million	**Investec Limited Group**	Investec Bank Limited Group	**Investec Limited Group**	Investec Bank Limited Group
Opening Common Equity Tier 1 capital	**44 790**	**45 206**	**42 935**	**43 817**
Ordinary share buy-back	(1 191)	—	(720)	—
Dividends paid to ordinary shareholders and Additional Tier 1 security holders	(7 765)	(8 956)	(2 872)	(5 707)
Profit after taxation	7 052	6 792	5 507	5 505
Treasury shares	(347)	—	(487)	—
Distribution to shareholders	—	—	—	—
Share-based payment adjustments	424	225	415	—
Employee benefit liability recognised	(93)	(85)	79	—
Movement in other comprehensive income	1 600	1 758	(9)	691
Investment in financial entity	415	—	122	669
Investment in capital of financial entities above 10% threshold	(2 914)	—	(301)	—
15% limit deduction	—	—	—	—
Shortfall of eligible provisions compared to expected loss	152	151	177	177
Goodwill and intangible assets (deduction net of related taxation liability)	(32)	(29)	142	106
Gains or losses on liabilities at fair value resulting from changes in own credit standing	2	2	1	1
Other, including regulatory adjustments and other transitional arrangements	(283)	(266)	(199)	(53)
Closing Common Equity Tier 1 capital	**41 810**	**44 798**	**44 790**	**45 206**
Opening Additional Tier 1 capital	**3 064**	**2 560**	**2 142**	**1 336**
Issued capital	500	500	1 377	1 377
Redeemed capital	(791)	(350)	(1 634)	(1 481)
Other, including regulatory adjustments and transitional arrangements	439	—	1 179	1 328
Investment in capital of financial entities above 10% threshold	—	—	—	—
Closing Additional Tier 1 capital	**3 212**	**2 710**	**3 064**	**2 560**
Closing Tier 1 capital	**45 022**	**47 508**	**47 854**	**47 766**
Opening Tier 2 capital	**8 091**	**9 557**	**10 956**	**13 370**
Issued capital	2 570	2 431	1 500	1 500
Redeemed capital	(5 936)	(4 347)	(5 485)	(5 485)
Collective impairment allowances	(59)	(59)	(11)	(10)
Investment in capital of financial entities above 10% threshold	507	—	(75)	—
Other, including regulatory adjustments and other transitional arrangements	1 790	346	1 206	182
Closing Tier 2 capital	**6 963**	**7 928**	**8 091**	**9 557**
Closing total regulatory capital	**51 985**	**55 436**	**55 945**	**57 323**

(1) Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 31 March 2023, 55% (31 March 2022: 39%) of the portfolio applies the AIRB approach, 28% (31 March 2022: 44%) applies the FIRB approach and the remaining 17% (31 March 2022: 17%) of the portfolio is subject to the standardised approach.
(2) Investec Limited's and IBL's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's and IBL's CET1 ratio would be 117bps (31 March 2022: 134bps) and 164bps (31 March 2022: 69bps) lower respectively. The leverage would be 49bps (31 March 2022: 69bps) and 65bps (31 March 2022: 33bps) lower respectively.

CAPITAL ADEQUACY
CONTINUED

COMPOSITION OF CAPITAL

The purpose of the CC1 table below is to provide a breakdown of the constituent elements of a Group's capital.

CC1: COMPOSITION OF REGULATORY CAPITAL

		a	a	a	a
		Investec Limited Group		Investec Bank Limited Group	
R'million		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Common Equity Tier 1 capital: instruments and reserves					
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	854	2 395	14 281	14 281
2	Retained earnings	42 547	41 757	27 619	29 642
3	Accumulated other comprehensive income (and other reserves)	2 350	1 905	2 116	357
4	Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)	—	—		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in Group CET1)	—	—	—	—
6	**Common Equity Tier 1 capital before regulatory adjustments**	**45 751**	**46 057**	**44 016**	**44 280**
Common Equity Tier 1 capital: regulatory adjustments		—	—		
7	Prudent valuation adjustments	280	261	223	231
8	Goodwill (net of related tax liability)	171	173	171	172
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	144	110	140	110
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	—	—	—	—
11	Cash flow hedge reserve	(1 349)	(1 621)	(1 349)	(1 621)
12	Shortfall of provisions to expected losses	18	170	18	170
13	Securitisation gain on sale (as set out in paragraph 36 of the Basel III Securitisation Framework)	—	—	—	—
14	Gains and losses due to changes in own credit risk on fair valued liabilities	15	12	15	12
15	Defined benefit pension fund net assets	—	—	—	—
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	4 206	—	—	—
17	Reciprocal cross-holdings in common equity	—	—	—	—
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	—	1 291	—	—
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	456	871	—	—
20	Mortgage servicing rights (amount above 10% threshold)	—	—	—	—
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	—	—	—	—
22	Amount exceeding the 15% threshold	—	—	—	—
23	Of which: significant investments in the common stock of financials	—	—	—	—
24	Of which: mortgage servicing rights	—	—	—	—
25	Of which: deferred tax assets arising from temporary differences	—	—	—	—
26	National specific regulatory adjustments	—	—	—	—
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	—	—	—	—
28	**Total regulatory adjustments to Common Equity Tier 1**	**3 941**	**1 267**	**(782)**	**(926)**
29	**Common Equity Tier 1 capital (CET1) (row 6 minus row 28)**	**41 810**	**44 790**	**44 798**	**45 206**

CAPITAL ADEQUACY
CONTINUED

		a	a	a	a
		Investec Limited Group		Investec Bank Limited Group	
R'million		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Additional Tier 1 capital: instruments					
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	3 150	3 000	2 710	2 560
31	Of which: classified as equity under applicable accounting standards	3 150	3 000	2 710	2 560
32	Of which: classified as liabilities under applicable accounting standards	—	—	—	—
33	Directly issued capital instruments subject to phase-out from Additional Tier 1	—	—	—	—
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in Group AT1)	62	64	—	—
35	Of which: instruments issued by subsidiaries subject to phase-out	—	—	—	—
36	**Additional Tier 1 capital before regulatory adjustments**	**3 212**	**3 064**	**2 710**	**2 560**
Additional Tier 1 capital: regulatory adjustments					
37	Investments in own Additional Tier 1 instruments	—	—	—	—
38	Reciprocal cross-holdings in Additional Tier 1 instruments	—	—	—	—
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	—	—	—	—
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	—	—	—	—
41	National specific regulatory adjustments	—	—	—	—
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	—	—	—	—
43	**Total regulatory adjustments to Additional Tier 1 capital**	**—**	**—**	**—**	**—**
44	**Additional Tier 1 capital (AT1)**	**3 212**	**3 064**	**2 710**	**2 560**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**45 022**	**47 854**	**47 508**	**47 766**
Tier 2 capital: instruments and provisions					
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	5 567	4 725	7 563	9 133
47	Directly issued capital instruments subject to phase-out from Tier 2	—	—	—	—
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in Group Tier 2)	1 145	3 562	—	—
49	Of which: instruments issued by subsidiaries subject to phase-out	—	—	—	—
50	Provisions	365	425	365	424
51	**Tier 2 capital before regulatory adjustments**	**7 077**	**8 712**	**7 928**	**9 557**

CAPITAL ADEQUACY
CONTINUED

R'million	Investec Limited Group a 31 March 2023	Investec Limited Group a 31 March 2022	Investec Bank Limited Group a 31 March 2023	Investec Bank Limited Group a 31 March 2022
Tier 2 capital: regulatory adjustments				
52 Investments in own Tier 2 instruments	—	—	—	—
53 Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	—	—	—	—
54 Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	114	621	—	—
54a Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	—	—	—	—
55 Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	—	—	—	—
56 National specific regulatory adjustments	—	—	—	—
57 **Total regulatory adjustments to Tier 2 capital**	**114**	**621**	**—**	**—**
58 **Tier 2 capital (T2)**	**6 963**	**8 091**	**7 928**	**9 557**
59 **Total regulatory capital (TC = T1 + T2)**	**51 985**	**55 945**	**55 436**	**57 323**
60 **Total risk-weighted assets**	**283 600**	**319 048**	**261 263**	**286 903**
Capital ratios and buffers				
61 **Common Equity Tier 1 (as a percentage of risk-weighted assets)**	**14.7%**	**14.0%**	**17.1%**	**15.8%**
62 **Tier 1 (as a percentage of risk-weighted assets)**	**15.9%**	**15.0%**	**18.2%**	**16.6%**
63 **Total capital (as a percentage of risk-weighted assets)**	**18.3%**	**17.5%**	**21.2%**	**20.0%**
64 Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	8.0%	8.0%	8.0%	8.0%
65 Of which: capital conservation buffer requirement	2.5%	2.5%	2.5%	2.5%
66 Of which: bank-specific countercyclical buffer requirement	0.0%	0.0%	0.0%	0.0%
67 Of which: higher loss absorbency requirement	0.5%	0.5%	0.5%	0.5%
68 **Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements**	**6.7%**	**6.0%**	**9.1%**	**7.8%**
National minima (if different from Basel III)				
69 National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	8.0%	8.0%	8.0%	8.0%
70 National Tier 1 minimum ratio (if different from Basel III minimum)	9.8%	9.8%	9.8%	9.8%
71 National total capital minimum ratio (if different from Basel III minimum)	12.0%	12.0%	12.0%	12.0%
Amounts below the thresholds for deduction (before risk weighting)				
72 Non-significant investments in the capital and other TLAC liabilities of other financial entities	—	—	—	—
73 Significant investments in the common stock of financial entities	4 829	5 175	—	—
74 Mortgage servicing rights (net of related tax liability)	—	—	—	—
75 Deferred tax assets arising from temporary differences (net of related tax liability)	2 239	2 271	1 644	1 735

CAPITAL ADEQUACY
CONTINUED

		a	a	a	a
		Investec Limited Group		Investec Bank Limited Group	
R'million		31 March 2023	31 March 2022	31 March 2023	31 March 2022
Applicable caps on the inclusion of provisions in Tier 2					
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to Standardised Approach (prior to application of cap)	365	425	365	424
77	Cap on inclusion of provisions in Tier 2 under standardised approach	836	425	952	424
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	—	—	—	—
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	—	—	—	—
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2018 and 1 January 2022)					
80	Current cap on CET1 instruments subject to phase-out arrangements	—	—	—	—
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	—	—	—	—
82	Current cap on AT1 instruments subject to phase-out arrangements	—	—	—	—
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	—	—	—	—
84	Current cap on T2 instruments subject to phase-out arrangements	—	—	—	—
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	—	—	—	—

CAPITAL ADEQUACY
CONTINUED

The purpose of the CC2 table is to identify the differences between the scope of accounting consolidation and the scope of regulatory consolidation, and to show the link between the balance sheet in its published financial statements and the numbers that are used in the composition of the capital disclosure template set out in template CC2 below.

CC2 – RECONCILIATION OF REGULATORY CAPITAL TO BALANCE SHEET

	a	b	a	b
	Investec Limited Group		**Investec Bank Limited Group**	
R'million	**Balance sheet as in published financial statements**	**Under regulatory scope of consolidation**	**Balance sheet as in published financial statements**	**Under regulatory scope of consolidation**
At 31 March 2023				
Assets				
Cash and balances at central banks	22 761	22 761	22 761	22 761
Loans and advances to banks	12 323	11 387	10 502	10 502
Non-sovereign and non-bank cash placements	14 133	14 133	14 133	14 133
Reverse repurchase agreements and cash collateral on securities borrowed	50 336	50 336	49 995	49 995
Sovereign debt securities	77 456	77 456	77 456	77 456
Bank debt securities	16 124	16 022	16 019	16 019
Other debt securities	11 676	11 676	11 676	11 676
Derivative financial instruments	16 512	16 512	16 449	16 449
Securities arising from trading activities	33 021	33 021	6 735	6 735
Investment portfolio	22 675	15 437	2 926	2 926
Loans and advances to customers	314 723	314 481	312 164	312 164
Own originated loans and advances to customers securitised	5 988	5 988	5 988	5 988
Other loans and advances	1	1	1	1
Other securitised assets	547	547	547	547
Interests in associated undertakings	30	38	33	33
Current tax asset	1	1	1	1
Deferred taxation assets	2 749	2 749	2 077	2 077
Other assets	14 152	13 964	6 334	6 334
Property and equipment	3 457	3 457	3 306	3 306
Investment properties	15 853	5 632	—	—
Goodwill	171	171	171	171
Software	131	131	127	127
Other acquired intangible assets	13	13	13	13
Loan to Group companies	—	—	37 760	37 760
Investment in subsidiaries	—	—	—	—
Non-current assets held for sale	785	—	—	—
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	2 433	—	—	—
Total assets	**638 051**	**615 914**	**597 174**	**597 174**
Liabilities				
Deposits by banks	31 789	27 725	26 420	26 420
Derivative financial instruments	37 802	37 848	33 242	33 242
Other trading liabilities	3 820	3 820	1 542	1 542
Repurchase agreements and cash collateral on securities lent	17 933	17 933	17 933	17 933
Customer accounts (deposits)	448 513	448 513	448 718	448 718
Debt securities in issue	7 747	3 840	2 585	2 585
Liabilities arising on securitisation of own originated loans and advances	3 594	3 594	3 594	3 594
Current taxation liabilities	941	940	848	848
Deferred taxation liabilities	95	95	19	19
Other liabilities	14 130	12 806	7 087	7 087
Loans from Group companies and subsidiaries	—	—	712	712
Liabilities to customers under investment contracts	2 378	—	—	—
Insurance liabilities, including unit-linked liabilities	55	—	—	—
Subordinated liabilities	7 748	7 748	7 748	7 748
Total liabilities	**576 545**	**564 862**	**550 448**	**550 448**
Shareholders' equity				
Ordinary share capital	1	(8 427)	32	32
Share premium	4 885	1 627	14 250	14 250
Treasury shares	(3 854)	(3 854)	—	—
Other reserves	3 066	3 066	2 910	2 910
Retained income	41 831	43 063	26 824	26 824
Additional Tier 1 capital issued	3 260	3 260	2 710	2 710
Preference shareholders	2 445	2 445	—	—
Minority shareholders	9 872	9 872	—	—
Total shareholders' equity	**61 506**	**51 052**	**46 726**	**46 726**

CAPITAL ADEQUACY
CONTINUED

	a	b	a	b
	Investec Limited Group		Investec Bank Limited Group	
R'million	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Balance sheet as in published financial statements	Under regulatory scope of consolidation
At 31 March 2022				
Assets				
Cash and balances at central banks	11 893	11 893	11 893	11 893
Loans and advances to banks	21 014	20 427	19 609	19 609
Non-sovereign and non-bank cash placements	13 176	13 176	13 176	13 176
Reverse repurchase agreements and cash collateral on securities borrowed	60 827	60 827	56 437	56 437
Sovereign debt securities	57 380	57 380	57 380	57 380
Bank debt securities	27 958	27 958	27 955	27 955
Other debt securities	15 417	15 417	15 439	15 439
Derivative financial instruments	17 778	17 778	17 658	17 658
Securities arising from trading activities	10 005	10 005	2 276	2 276
Investment portfolio	15 509	10 296	2 865	2 865
Loans and advances to customers	291 183	290 168	287 529	287 529
Own originated loans and advances to customers securitised	7 228	7 228	7 228	7 228
Other loans and advances	108	108	108	108
Other securitised assets	592	592	592	592
Interests in associated undertakings	5 480	5 474	31	31
Current taxation assets	4	4	2	2
Deferred taxation assets	2 866	2 866	2 255	2 255
Other assets	18 512	18 079	5 746	5 746
Property and equipment	3 469	3 469	3 427	3 427
Investment properties	15 783	5 285	1	1
Goodwill	173	173	172	172
Software	46	46	46	46
Other acquired intangible assets	64	64	64	64
Loans to Group companies	—	—	21 489	21 489
Investment in subsidiaries	—	—	—	—
Non-current assets held for sale	1 524	747	498	498
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	1 145	—	—	—
Total assets	**599 134**	**579 460**	**553 876**	**553 876**
Liabilities				
Deposits by banks	22 236	19 559	18 721	18 721
Derivative financial instruments	32 265	32 368	27 551	27 551
Other trading liabilities	4 475	4 475	3 309	3 309
Repurchase agreements and cash collateral on securities lent	13 941	13 941	12 091	12 091
Customer accounts (deposits)	419 948	419 948	420 072	420 072
Debt securities in issue	7 607	3 809	2 845	2 845
Liabilities arising on securitisation of own originated loans and advances	4 585	4 585	4 585	4 585
Current taxation liabilities	753	752	557	557
Deferred taxation liabilities	714	713	17	17
Other liabilities	18 214	17 002	7 089	7 089
Loans from Group companies and subsidiaries	—	—	1 066	1 066
Liabilities to customers under investment contracts	1 086	—	—	—
Insurance liabilities, including unit-linked liabilities	59	—	—	—
Subordinated liabilities	10 722	10 722	9 133	9 133
Total liabilities	**536 605**	**527 874**	**507 036**	**507 036**
Shareholders' equity				
Ordinary share capital	1	(8 427)	32	32
Share premium	6 076	2 818	14 250	14 250
Treasury shares	(3 507)	(3 507)	—	—
Other reserves	2 489	2 489	1 017	1 017
Profit and loss account	41 173	41 916	28 981	28 981
Additional Tier 1 capital issued	3 110	3 110	2 560	2 560
Preference shareholders	2 886	2 886	—	—
Minority shareholders	10 301	10 301	—	—
Total shareholders' equity	**62 529**	**51 586**	**46 840**	**46 840**

CAPITAL ADEQUACY
CONTINUED

The purpose of the CCyB1 table below is to provide an overview of the geographical distribution of private sector credit exposures relevant for the calculation of the countercyclical buffer (CCyB)

CCYB1 – GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES USED IN THE COUNTERCYCLICAL CAPITAL BUFFER

	a	b	c	d	e
		Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer			
R'million	Countercyclical capital buffer rate	Exposure values	Risk-weighted assets	Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount[(1)]
At 31 March 2023					
Total adjustment	**0.0%**	**—**	**—**	**0.0125%**	**—**
At 31 March 2022					
Total adjustment	**0.0%**	**—**	**—**	**0.0000%**	**—**

(1) The countercyclical buffer amount is the bank-specific countercyclical capital buffer rate multiplied by total risk-weighted assets.

The CCyB add-on for South Africa is 0% and is subject to a one-year pre-announced date before implementation. CCyBs are incorporated into a weighted average calculation based on jurisdictional reciprocity. Reciprocity ensures that the application of the CCyB in each jurisdiction does not distort the level playing field between domestic banks and foreign banks with exposures to counterparties in the same jurisdiction. As at 31 March 2023, Investec had a jurisdictional reciprocity CCyB add-on of 0.0125%.

CCA – MAIN FEATURES OF REGULATORY CAPITAL INSTRUMENTS AND OTHER TLAC-ELIGIBLE INSTRUMENTS

The main features of the Group's regulatory capital instruments are disclosed on our Investor Relations website.

Operational risk

Refer to pages 76 to 77 of the Investec Group's 2023 integrated and strategic annual report specifically to the Investec risk and governance report for qualitative disclosure requirements related to operational risk.

Interest rate risk in the banking book (IRRBB)

Refer to pages 72 to 74 of the Investec Group's 2023 integrated and strategic annual report specifically to the Investec risk and governance report for qualitative disclosure requirements related to IRRBB.

12

Comparison of modelling and standardised RWA

COMPARISON OF MODELLED AND STANDARDISED RWA

The purpose of the table below is to compare full standardised RWA against modelled RWA that banks have supervisory approval to use in accordance with the finalised Basel III framework. The disclosure also provides the full standardised RWA amount to which the floor in the Basel Framework is applied.

CMS1 – COMPARISON OF MODELLED AND STANDARDISED RWA AT RISK LEVEL

		a	b	c	d
		Capital charge in SA			
R'million		RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where Standardised Approaches are used	Total actual RWA (a+b) (i.e. RWA which banks report as current requirement	RWA calculated using full Standardised Approach (i.e. RWA used in capital floor computation)
At 31 March 2023					
1	Credit risk (excluding counterparty credit risk)	123 145	76 485	199 630	433 008
2	Counterparty credit risk	4 068	3 862	7 930	11 109
3	Credit valuation adjustment		3 477	3 477	3 477
4	Securitisation exposures in the banking book	1 016	652	1 668	—
5	Market risk	5 064	1 811	6 875	—
6	Operational risk		32 152	32 152	—
7	Residual risk		17 585	17 585	—
9	**Total**	**133 293**	**136 024**	**269 317**	**447 594**
At 31 March 2022					
1	Credit risk (excluding counterparty credit risk)	147 864	77 260	225 124	402 667
2	Counterparty credit risk	5 835	2 878	8 713	8 686
3	Credit valuation adjustment		5 410	5 410	5 410
4	Securitisation exposures in the banking book	681	673	1 354	—
5	Market risk	3 678	869	4 547	—
6	Operational risk		28 774	28 774	—
7	Residual risk		18 613	18 613	—
9	**Total**	**158 058**	**134 477**	**292 535**	**416 763**

COMPARISON OF MODELLED AND STANDARDISED RWA

The purpose of the table below is to compare RWA calculated according to the Standardised Approach (SA) for credit risk at the asset class level against the corresponding RWA figure calculated using the approaches (including both the standardised and IRB approach for credit risk and the supervisory slotting approach) that banks have supervisory approval to use in accordance with Basel Regulatory Framework for credit risk.

CMS2 – COMPARISON OF MODELLED AND STANDARDISED RWA AT CREDIT RISK AT ASSET CLASS LEVEL

		a	b	c	d
		Capital charge in SA			
R'million		RWA for modelled approaches that banks have supervisory approval to use	RWA for column (a) if re-computed using the Standardised Approach	Total actual RWA (a+b) (i.e. RWA which banks report as current requirement	RWA calculated using full Standardised Approach (i.e. RWA used in capital floor computation)
At 31 March 2023					
1	Sovereign	10 270	713	10 983	973
	of which: categorised as MDB/PSE in SA	706	—	706	809
2	Banks and other financial institutions	6 688	4 803	11 491	20 390
3	Equity	—	—	—	—
4	Purchased receivables	—	—	—	—
5	Corporates	27 411	56 691	84 102	258 855
	of which: F-IRB is applied	2 055	—	2 055	—
	of which: A-IRB is applied	25 357	—	25 357	—
6	Retail	16 912	309	17 221	152 789
	of which: qualifying as revolving retail	634	1	635	1 723
	of which: other retail	2 229	44	2 273	22 293
	of which: retail residential mortgages	15 276	264	15 540	128 773
7	Specialised lending	61 864	—	61 864	—
	of which: income-producing real estate and high-volatility commercial real estate	37 265	—	37 265	—
8	Others	—	13 969	13 969	—
9	**Total**	**123 145**	**76 485**	**199 630**	**433 007**
At 31 March 2022					
1	Sovereign	9 735	741	10 476	835
	of which: categorised as MDB/PSE in SA	731	318	1 049	761
2	Banks and other financial institutions	14 274	4 297	18 571	22 089
3	Equity	—	—	—	—
4	Purchased receivables	—	—	—	—
5	Corporates	26 554	57 381	83 935	246 899
	of which: F-IRB is applied	1 103	—	1 103	—
	of which: A-IRB is applied	25 451	—	25 451	—
6	Retail	13 287	775	14 062	132 844
	of which: qualifying as revolving retail	543	—	543	1 552
	of which: other retail	1 430	100	1 530	8 961
	of which: retail residential mortgages	11 314	675	11 989	122 331
7	Specialised lending	84 015	—	84 015	—
	of which: income-producing real estate and high-volatility commercial real estate	79 380	—	79 380	—
8	Others	—	14 065	14 065	—
9	**Total**	**147 865**	**77 259**	**225 124**	**402 667**

13

Remuneration

REMUNERATION

Pillar III remuneration disclosures – 2023

Investec Limited and Investec Bank Limited are required to make certain quantitative and qualitative remuneration disclosures on an annual basis in terms of the South African Prudential Authority's Basel Pillar III disclosure requirements.

Investec Limited

Investec Limited's qualitative and quantitative remuneration disclosures are provided on pages 4 to 49 in the Investec Group remuneration report 2023.

Investec Bank Limited

Remuneration principles

The Bank's remuneration policies, procedures and practices, collectively referred to as the 'remuneration policy', are designed, in normal market conditions, to:

- Be in line with the business strategy, objectives, values and long-term interests of the Bank
- Be consistent with and promote sound and effective risk management and not encourage risk-taking that exceeds the level of tolerated risk of the Bank
- Ensure that payment of variable remuneration does not limit the Bank's ability to maintain or strengthen its capital base
- Target gross fixed remuneration (base salary and benefits including pension) at median market levels to contain fixed costs
- Ensure that variable remuneration is largely economic value added (EVA) based and underpinned by our predetermined risk appetite and capital allocation
- Facilitate alignment with shareholders through deferral of a portion of short-term incentives into shares and long-term incentive share awards and
- Target total compensation (base salary, benefits and incentives) to the relevant competitive market at upper quartile levels for superior performance.

Given our stance on maintaining a low fixed cost component of remuneration, our commitment to inspiring an entrepreneurial culture and our risk-adjusted return on capital approach to EVA, we do not apply an upper limit on variable rewards. The fixed cost component of remuneration is, however, designed to be sufficient so that employees do not become dependent on their variable compensation as we are not contractually (and do not consider ourselves morally) bound to make variable remuneration awards.

Qualitative and quantitative considerations form an integral part of the determination of overall levels of remuneration and total compensation for each individual.

Factors considered for overall levels of remuneration at the level of the Investec Group include:

- Financial measures of performance
  - Risk-adjusted EVA model
  - Affordability
- Non-financial measures of performance
  - Market context
  - Specific input from the risk and compliance functions

Factors considered to determine total compensation for each individual include:

- Financial measures of performance
  - Achievement of company and individual targets and objectives
  - Scope of responsibility and individual contributions
- Non-financial measures of performance
  - Alignment and adherence to our culture and values
  - The level of cooperation and collaboration fostered
  - Development of self and others
  - Attitude displayed towards risk consciousness and effective risk management
  - Adherence to internal controls procedures
  - Compliance with the Bank's regulatory requirements and relevant policies and procedures, including treating customers fairly
  - The ability to grow and develop markets and client relationships
  - Multi-year contribution to performance and brand building
  - Attitude and contribution to sustainability principles and initiatives

Summary of the remuneration elements:

Fixed remuneration: base salary and benefits

Salaries and benefits are reviewed annually and reflect the relative skills and experience of, and contribution made by, the individual. It is the Bank's policy to seek to set base salaries and benefits (together known as gross remuneration) with reference to the median market levels when compared like for like with peer group companies. Benefits are targeted at competitive levels and are delivered through flexible and tailored packages. Benefits include pension schemes; life, disability and personal accident insurance; medical cover; and other benefits, as dictated by competitive local market practices. Only salaries, not annual bonuses, are pensionable.

Variable short-term incentive: annual bonus

All employees are eligible to be considered for a discretionary annual bonus, subject inter alia to the factors set out above in the section dealing with the determination of remuneration levels. All annual bonus awards exceeding a predetermined hurdle level are subject to 60% deferral in respect of that portion that exceeds the hurdle level. The deferred amount is awarded in the form of forfeitable share awards vesting in three equal tranches at the end of 12 months, 24 months and 36 months; or cash released in three equal tranches at the end of 12 months, 24 months and 36 months. Forfeitable shares are not subject to conditions, but mature, clawback and forfeit on termination.

Long-term incentive: share awards

We have a number of share option and long-term share incentive plans that are designed to align the interests of employees with those of shareholders and long-term organisational interests, and to build material share ownership over the long term through share awards. These share option and incentive plans are also used in appropriate circumstances as a mechanism for retaining the skills of key talent.

Awards are made in the form of forfeitable share awards. Forfeitable shares are subject to one third vesting after

REMUNERATION
CONTINUED

approximately three, four and five years, which we believe is appropriate for our business requirements. The awards are forfeited on termination, but 'good leaver' discretion is applied in exceptional circumstances.

All proposed long-term incentive awards are recommended by business unit management, approved by the Staff Share Executive Committee and then the IBL Remuneration Committee before being awarded.

Risk and remuneration

Risk management is independent from the business units and monitors, manages and reports on the Bank's risk to ensure it is within the stated risk appetite as mandated by the Board of Directors through the IBL Board Risk and Capital Committee (BRCC). The Bank monitors and controls risk exposure through credit, market, liquidity, operational and legal risk divisions/forums/committees.

Risk consciousness and management is embedded in the organisational culture from the initiation of transactional activity through to the monitoring of adherence to mandates and limits and throughout everything we do. The IBL BRCC (comprising both executive and non-executive directors) sets the overall risk appetite for the Bank and determines the categories of risk, the specific types of risks and the extent of such risks which the Bank should undertake, as well as the mitigation of risks and overall capital management and allocation process.

The remuneration framework, performance measures and metrics for the IBL Chief Executive Richard Wainwright, who is a person discharging managerial responsibilities (PDMR) of the Investec Group, are determined by the DLC Remuneration committee following consultation with the IBL Remuneration committee. The annual remuneration for the Chief Executive is reviewed by the IBL Remuneration committee, with a recommendation provided to the DLC Remuneration committee. The IBL Remuneration committee also reviews the salaries and performance bonuses awarded to a number of other senior and higher paid employees across the bank. In addition, the committee specifically reviews and approves the salaries and performance bonuses awarded to each employee within the internal audit, compliance and risk functions, both in the business units and in the central functions, ensuring that such packages are competitive and are determined independently of the other business areas. In making these decisions the Committee relies on a combination of external advice and supporting information prepared internally by the bank.

In the tables below senior management is defined as members of our South African general management forum, excluding executive directors, these are separately disclosed in the Remuneration Report. Material risk-takers are defined as anyone (not categorised above) who is deemed to be responsible for a division/function (e.g. lending, balance sheet management, advisory and transactional banking activities) which could be incurring risk on behalf of the Bank.

Furthermore, financial and risk control staff are defined as everyone in central group finance and central group risk as well as employees responsible for risk and finance functions within the operating business units.

The information contained in the tables below sets out Investec Bank Limited quantitative disclosures for the year ended 31 March 2023.

Aggregate remuneration by remuneration type awarded during the financial year

	31 March 2023				31 March 2022			
R'million	**Senior management**	**Material risk takers**	**Financial and risk control staff**	**Total**	Senior management	Material risk takers	Financial and risk control staff	**Total**
Fixed Remuneration – Cash	66.3	60.1	289.6	**416.0**	57.6	52.3	247.0	356.9
Fixed Remuneration – Shares	—	—	—	**—**	—	—	—	—
Variable remuneration*								
– Cash	100.2	104.6	136.2	**341.0**	106.4	92.5	103.7	302.6
– Deferred shares	71.1	33.0	5.2	**109.3**	69.0	25.8	4.0	98.8
– Deferred cash	—	—	—	**—**	—	—	—	—
– Deferred shares – long-term incentive awards**	35.8	40.8	53.3	**129.9**	38.3	36.3	50.4	125.0
Total aggregate remuneration and deferred incentives (R'million)	**273.4**	**238.5**	**484.3**	**996.2**	**271.3**	**206.9**	**405.1**	**883.3**
Number of employees	14	21	292	**327**	15	20	262	297
Ratio of variable pay to fixed pay	3.1	3.0	0.7	**1.4**	3.7	3.0	0.6	1.5

* Total number of employees receiving variable remuneration was 327.
** Value represents the number of shares awarded multiplied by the applicable share price. These awards were made during the period but have not yet vested. These vest one third at the end of years three, four and five.

REMUNERATION
CONTINUED

Additional disclosure on deferred remuneration

	31 March 2023				31 March 2022			
R'million	**Senior management**	**Material risk takers**	**Financial and risk control staff**	**Total**	Senior management	Material risk takers	Financial and risk control staff	**Total**
Deferred unvested remuneration outstanding at the beginning of the year	339.5	207.4	186.9	**733.8**	277.3	254.8	179.7	711.8
Deferred unvested remuneration adjustment – employees that are no longer employed by the bank and reclassifications	0.4	4.9	35.3	**40.6**	26.8	(71.3)	(15.5)	(60.0)
Deferred remuneration awarded in year	106.9	73.8	58.5	**239.2**	107.3	62.1	54.4	223.8
Deferred remuneration reduced in year through performance adjustments	—	—	—	**—**	—	—	—	—
Deferred remuneration reduced in year through malus adjustments	—	—	—	**—**	—	—	—	—
Deferred remuneration vested in year	(82.5)	(48.3)	(51.1)	**(181.9)**	(71.9)	(38.5)	(31.7)	(142.1)
Deferred unvested remuneration outstanding at the end of the year	**364.3**	**237.8**	**229.6**	**831.7**	**339.5**	**207.1**	**186.9**	**733.5**

	31 March 2023				31 March 2022			
R'million	**Senior management**	**Material risk takers**	**Financial and risk control staff**	**Total**	Senior management	Material risk takers	Financial and risk control staff	**Total**
Deferred unvested remuneration outstanding at the end of the year								
Equity	364.3	237.8	229.6	**831.7**	339.5	207.1	186.9	733.5
Cash	—	—	—	**—**	—	—	—	—
Other	—	—	—	**—**	—	—	—	—
	364.3	**237.8**	**229.6**	**831.7**	**339.5**	**207.1**	**186.9**	**733.5**

REMUNERATION
CONTINUED

Additional disclosure on deferred remuneration

	31 March 2023				31 March 2022			
R'million	Senior management	Material risk takers	Financial and risk control staff	Total	Senior management	Material risk takers	Financial and risk control staff	Total
Deferred remuneration vested in year								
– For awards made in 2021 financial year	20.8	7.4	1.4	**29.6**	—	—	—	—
– For awards made in 2020 financial year	11.9	6.3	1.1	**19.3**	3.2	0.3	—	3.5
– For awards made in 2019 financial year	22.1	17.0	17.1	**56.2**	13.7	9.4	2.2	25.3
– For awards made in 2018 financial year	26.2	14.2	23.4	**63.8**	28.2	13.2	11.4	52.8
– For awards made in 2017 financial year	1.6	3.4	8.0	**13.0**	20.4	9.3	11.3	41.0
– For awards made in 2016 financial year	—	—	—	**—**	6.4	6.3	6.8	19.5
	82.6	**48.3**	**51.0**	**181.9**	**71.9**	**38.5**	**31.7**	**142.1**

Other remuneration disclosures: special payments

	31 March 2023				31 March 2022			
R'million	Senior management	Material risk takers	Financial and risk control staff	Total	Senior management	Material risk takers	Financial and risk control staff	Total
Sign-on payments								
Made during the year (R'mn)	2.5	—	—	**2.5**	—	—	—	—
Number of beneficiaries	1.0	—	—	**1.0**	—	—	—	—
Severance payments								
Made during the year (R'mn)	2.5	—	—	**2.5**	—	—	—	—
Number of beneficiaries	1.0	—	—	**1.0**	—	—	—	—
Guaranteed bonuses								
Made during the year (R'mn)	—	—	—	**—**	—	—	—	—
Number of beneficiaries	—	—	—	**—**	—	—	—	—

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Abbreviations

ABBREVIATIONS

In the sections that follow, the following abbreviations are used on numerous occasions:

AIRB	Advanced IRB
AMA	Advanced measurement approaches
AT1	Additional Tier 1
BCBS	Basel Committee on Banking Supervision
BRCC	Board Risk and Capital Committee
CCB	Capital conservation buffer
CCF	Credit conversion factor
CCP	Central counterparty
CCR	Counterparty credit risk
CCyB	Countercyclical capital buffer
CDS	Credit default swap
CET1	Common Equity Tier 1
CLN	Credit-linked notes
CR	Credit risk
CRM	Credit risk mitigation
CRR	Capital Requirements Regulations
CVA	Credit valuation adjustment
EAD	Exposure at Default
ECAI	External Credit Assessment Institution
ECL	Expected credit loss
ERC	Executive Risk Committee
ERRF	Executive Risk Review Forum
FCTR	Foreign currency translation reserve
FIRB	Foundation IRB
FRTB	Fundamental Review of the Trading Book
Group	Investec Limited and its subsidiaries
G-SIB	Globally systemically important bank
G-SII	Global systemically important institution
HVCRE	High-volatility commercial real estate
IAA	Internal assessment approach
IBL	Investec Bank Limited
ICAAP	Internal capital adequacy assessment process
ICR	Internal credit rating
IMA	Internal model approach
IMM	Internal Model Method
IFRS	International Financial Reporting Standards
IPRE	Income-producing real estate
IRB	Internal ratings-based
IRBA	Internal ratings-based advanced approach
IRBF	Internal ratings-based foundation approach
IRC	Incremental risk charge
ISDA	International Swaps and Derivatives Association Master Agreement
LCR	Liquidity coverage ratio
LGD	Loss-given-default
MR	Market risk

ABBREVIATIONS

OTC	Over-the-counter
PD	Probability of default
PFE	Potential future exposure
PSE	Public sector entity
PVA	Prudential valuation adjustment
QCCP	Qualifying central counterparty
RBA	Ratings-based approach
RWA	Risk-weighted asset
SA	Standardised Approach
SEC	Securitisations
SFT	Securities financing transaction
SME	Small and medium-sized enterprise
STD	Standardised Approach
sVaR	Stressed VaR
TLAC	Total loss-absorbing capacity
VaR	Value at Risk