Investec

OUT OF THE ORDINARY

Creating enduring worth

Investec Limited (excluding results of Investec plc)

Unaudited condensed financial information for the six months ended 30 September 2023

OVERVIEW OF RESULTS

Introduction

We supplement our International Financial Reporting Standards (IFRS) figures with alternative performance measures used by management internally and which provide valuable, relevant information.

The description of alternative performance measures and their calculation is provided on page 46.

All other definitions can be found on page 48.

Key financial statistics	30 Sept 2023	30 Sept 2022^	% change	31 March 2023^
Total operating income before expected credit loss impairment charges (R'million)	10 250	9 212	11.3%	19 263
Operating costs (R'million)	5 360	4 800	11.7%	10 028
Operating profit before goodwill and acquired intangibles (R'million)	4 723	4 390	7.6%	8 946
Headline earnings attributable to ordinary shareholders (R'million)	3 390	3 889	(12.8%)	6 581
Cost to income ratio	52.3%	53.1%		52.1%
Total capital resources (including subordinated liabilities) (R'million)	60 128	71 286	(15.7%)	69 306
Total equity (R'million)	52 175	61 611	(15.3%)	61 558
Total assets (R'million)	644 651	609 525	5.8%	638 103
Net core loans and advances (R'million)	338 433	318 420	6.3%	325 139
Customer accounts (deposits) (R'million)	460 358	434 605	5.9%	448 513
Loans and advances to customers as a % of customer accounts (deposits)	72.1%	72.0%		71.2%
Cash and near cash balances (R'million)	177 700	149 216	19.1%	171 400
Funds under management (R'million)	420 021	379 721	10.6%	372 804
Total gearing ratio (i.e. total assets excluding assurance assets to equity)	12.3x	9.9x		10.3x
Total capital ratio	17.0%	18.0%		18.3%
Tier 1 ratio	14.3%	15.0%		15.9%
Common Equity Tier 1 ratio	13.2%	14.1%		14.7%
Leverage ratio	5.9%	7.1%		6.5%
Stage 3 as a % of gross core loans subject to ECL	3.8%	2.3%		2.7%
Stage 3 net of ECL as a % of net core loans subject to ECL	3.1%	1.8%		2.2%
Credit loss ratio	0.08%^^	0.01%^^		0.09%
Net Stable Funding Ratio % (NSFR)	113.4%	115.6%		116.4%
Liquidity Coverage Ratio % (LCR)	182.9%	157.7%		153.6%

^ Restated as detailed on page 26.
^^ Annualised

CONDENSED CONSOLIDATED INCOME STATEMENT

R'million	Six months to 30 Sept 2023	Six months to 30 Sept 2022^	Year to 31 March 2023^
Interest income	24 782	16 022	37 342
Interest expense	(18 304)	(10 395)	(25 478)
Net interest income	**6 478**	**5 627**	**11 864**
Fee and commission income	3 499	3 180	6 620
Fee and commission expense	(519)	(374)	(872)
Investment income	288	209	201
Share of post-taxation profit of associates and joint venture holdings	4	305	339
Trading income/(loss) arising from			
– customer flow	444	567	1 128
– balance sheet management and other trading activities	54	(208)	27
Other operating income/(loss)	2	(94)	(44)
Total operating income before expected credit loss impairment charges	**10 250**	**9 212**	**19 263**
Expected credit loss impairment charges	(167)	(22)	(289)
Operating income	**10 083**	**9 190**	**18 974**
Operating costs	(5 360)	(4 800)	(10 028)
Operating profit before goodwill and acquired intangibles	**4 723**	**4 390**	**8 946**
Impairment of goodwill	—	—	(2)
Amortisation of acquired intangibles	(13)	(26)	(51)
Operating profit	**4 710**	**4 364**	**8 893**
Implementation costs on distribution of investment to shareholders	—	(7)	(6)
Profit before taxation	**4 710**	**4 357**	**8 887**
Taxation on operating profit before acquired intangibles	(1 068)	(988)	(2 121)
Taxation on acquired intangibles and strategic actions	4	294	301
Profit after taxation from continuing operations	**3 646**	**3 663**	**7 067**
(Loss)/profit after taxation and financial impact of strategic actions from discontinued operations	(611)	718	189
Profit after taxation of total Group	**3 035**	**4 381**	**7 256**
Profit attributable to non-controlling interests	(5)	—	(17)
Profit attributable to non-controlling interests of discontinued operations	(273)	(564)	(185)
Earnings of total Group attributable to shareholders	**2 757**	**3 817**	**7 054**
Earnings attributable to ordinary shareholders	2 459	3 601	6 583
Earnings attributable to perpetual preferred securities and Other Additional Tier 1 securities	298	216	471

^ Restated as detailed on page 26.

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

R'million	**Six months to 30 Sept 2023**	Six months to 30 Sept 2022^	Year to 31 March 2023^
Profit after taxation from continuing operations	3 646	3 663	7 067
Other comprehensive income:			
Items that may be reclassified to the income statement:			
Fair value movements on cash flow hedges taken directly to other comprehensive income*	(48)	(204)	(3)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income*	(177)	(107)	121
Gain on realisation of debt instruments at FVOCI recycled to the income statement*	(67)	(19)	(59)
Foreign currency adjustments on translating foreign operations	574	1 556	1 486
Items that will not be reclassified to the income statement:			
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income*	432	(37)	(219)
Net gain attributable to own credit risk*	20	2	2
Total comprehensive income from continuing operations	**4 380**	**4 854**	**8 395**
Total comprehensive income attributable to ordinary shareholders	4 077	4 638	7 907
Total comprehensive income/(loss) attributable to non-controlling interests	5	—	17
Total comprehensive income attributable to perpetual preferred securities and Other Additional Tier 1 securities	298	216	471
Total comprehensive income from continuing operations	**4 380**	**4 854**	**8 395**
(Loss)/profit after taxation from discontinued operations	(611)	718	189
Total comprehensive (loss)/income from discontinued operations	**(611)**	**718**	**189**
Total comprehensive (loss)/income attributable to ordinary shareholders	(884)	154	4
Total comprehensive income attributable to non-controlling interests	273	564	185
Total comprehensive (loss)/income from discontinued operations	**(611)**	**718**	**189**
Profit after taxation from the total Group	3 035	4 381	7 256
Other comprehensive income:			
Items that may be reclassified to the income statement			
Fair value movements on cash flow hedges taken directly to other comprehensive income*	(48)	(204)	(3)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income*	(177)	(107)	121
Gain on realisation of debt instruments at FVOCI recycled to the income statement*	(67)	(19)	(59)
Foreign currency adjustments on translating foreign operations	574	1 556	1 486
Items that will not be reclassified to the income statement			
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income*	432	(37)	(219)
Net gain attributable to own credit risk*	20	2	2
Total comprehensive income from the total Group	**3 769**	**5 572**	**8 584**
Total comprehensive income attributable to ordinary shareholders	3 193	4 792	7 911
Total comprehensive income attributable to non-controlling interests	278	564	202
Total comprehensive income attributable to perpetual preferred securities and Other Additional Tier 1 securities	298	216	471
Total comprehensive income from the total Group	**3 769**	**5 572**	**8 584**

^ Restated as detailed on page 26.
• These amounts are net of taxation expense of R99.1 million (Six months to 30 Sept 2022: R546.7 million, year to 31 March 2023: R65.7 million).

HEADLINE EARNINGS

R'million	Six months to 30 Sept 2023	Six months to 30 Sept 2022	Year to 31 March 2023
Continuing operations			
Earnings attributable to shareholders from continuing operations	3 641	3 663	7 050
Dividends paid to perpetual preference shareholders and Other Additional Tier 1 security holders	(298)	(216)	(471)
Gain on redemption of perpetual preference shares	—	9	15
Earnings attributable to ordinary shareholders from continuing operations	**3 343**	**3 456**	**6 594**
Headline adjustments	**(7)**	**277**	**8**
Revaluation of investment properties*	(7)	3	(6)
Headline adjustments of equity accounted associates	—	(13)	12
Impairment of goodwill	—	—	2
Taxation on strategic actions	—	287	—
Headline earnings attributable to ordinary shareholders from continuing operations	**3 336**	**3 733**	**6 602**
Discontinued operations			
Earnings attributable to ordinary shareholders from discontinued operations	(884)	154	4
Headline adjustments	938	2	(25)
Loss on sale of property management contract and deconsolidation of IPF	938	—	—
Revaluation of investment properties**	—	2	(26)
Headline adjustments of equity accounted associates	—	—	1
Discontinued headline earnings attributable to ordinary shareholders	**54**	**156**	**(21)**
Total Group			
Earnings attributable to shareholders	2 757	3 817	7 054
Dividends paid to perpetual preference shareholders and Other Additional Tier 1 security holders	(298)	(216)	(471)
Gain on repurchase of perpetual preference shares	—	9	15
Earnings attributable to ordinary shareholders	**2 459**	**3 610**	**6 598**
Headline adjustments	931	279	(17)
Revaluation of investment properties***	(7)	5	(32)
Headline adjustments of equity accounted associates	—	(13)	13
Loss on sale of property management contract and deconsolidation of IPF	938	—	—
Impairment of goodwill	—	—	2
Taxation on strategic actions	—	287	—
Headline earnings attributable to ordinary shareholders	**3 390**	**3 889**	**6 581**

* These amounts are net of taxation of R38.7 million (Six months to 30 Sept 2022: R3.5 million, year to 31 March 2023: R19.9 million) and Rnil attributable to non-controlling interests.
** These amounts are net of taxation attributable to non-controlling interests of Rnil (Six months to 30 Sept 2022: R5.3 million, year to 31 March 2023: R84.3 million).
*** These amounts are net of taxation of R38.7 million (Six months to 30 Sept 2022: R3.5 million, year to 31 March 2023: R19.9 million) and Rnil (Six months to 30 Sept 2022: R5.3 million, year to 31 March 2023: R84.3 million) of which was attributable to non-controlling interests.

CONSOLIDATED BALANCE SHEET

At R'million	30 Sept 2023	31 March 2023^	30 Sept 2022^
Assets			
Cash and balances at central banks	13 450	22 761	13 564
Loans and advances to banks	10 095	12 323	18 522
Non-sovereign and non-bank cash placements	9 113	9 705	8 566
Reverse repurchase agreements and cash collateral on securities borrowed	75 889	50 336	47 795
Sovereign debt securities	79 783	77 456	67 388
Bank debt securities	13 333	16 354	19 922
Other debt securities	10 155	12 002	13 863
Derivative financial instruments	16 029	16 512	12 922
Securities arising from trading activities	33 246	33 021	25 376
Investment portfolio	15 558	22 675	11 690
Loans and advances to customers	331 959	319 151	312 992
Own originated loans and advances to customers securitised	6 474	5 988	5 428
Other loans and advances	—	1	86
Other securitised assets	548	547	1 440
Interests in associated undertakings and joint venture holdings	27	30	5 698
Current taxation assets	1	1	—
Deferred taxation assets	1 971	2 245	2 497
Other assets	17 682	14 152	19 402
Property and equipment	3 348	3 457	3 407
Investment properties	2 556	15 853	16 189
Goodwill	171	171	173
Software	124	131	50
Other acquired intangible assets	—	13	39
Non-current assets classified as held for sale	75	785	771
	641 587	**635 670**	**607 780**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	3 064	2 433	1 745
	644 651	**638 103**	**609 525**
Liabilities			
Deposits by banks	34 973	31 789	19 681
Derivative financial instruments	39 813	37 802	31 352
Other trading liabilities	6 080	3 820	4 181
Repurchase agreements and cash collateral on securities lent	18 183	17 933	17 951
Customer accounts (deposits)	460 358	448 513	434 605
Debt securities in issue	4 128	7 747	6 855
Liabilities arising on securitisation of own originated loans and advances	3 911	3 594	3 535
Current taxation liabilities	693	941	601
Deferred taxation liabilities	213	95	83
Other liabilities	13 107	14 130	17 650
	581 459	**566 364**	**536 494**
Liabilities to customers under investment contracts	2 744	2 378	1 688
Insurance liabilities, including unit-linked liabilities	320	55	57
	584 523	**568 797**	**538 239**
Subordinated liabilities	7 953	7 748	9 675
	592 476	**576 545**	**547 914**
Equity			
Ordinary share capital	1	1	1
Ordinary share premium	4 474	4 885	6 069
Treasury shares	(3 767)	(3 854)	(3 855)
Other reserves	5 134	4 428	3 156
Retained income	40 682	40 521	40 004
Ordinary shareholders' equity	**46 524**	**45 981**	**45 375**
Perpetual preference share capital and premium	2 451	2 445	2 581
Shareholders' equity excluding non-controlling interests	**48 975**	**48 426**	**47 956**
Other Additional Tier 1 securities in issue	3 260	3 260	3 110
Non-controlling interests	(60)	9 872	10 545
Total equity	**52 175**	**61 558**	**61 611**
Total liabilities and equity	**644 651**	**638 103**	**609 525**

^ Restated as detailed on page 16.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'million	Ordinary share capital	Share premium	Treasury shares
At 31 March 2022	**1**	**6 076**	**(3 507)**
Restatement	—	—	—
At 1 April 2022	**1**	**6 076**	**(3 507)**
Movement in reserves 1 April 2022 – 30 September 2022			
Profit after taxation	—	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Net gain attributable to own credit risk	—	—	—
Total comprehensive income for the period	**—**	**—**	**—**
Transfer between reserves	—	—	—
Transfer between cash flow hedge reserve and retained income	—	—	—
Movement of treasury shares	—	—	(348)
Share-based payments adjustments	—	—	—
Repurchase of perpetual preference shares	—	—	—
Transfer from regulatory general risk reserves	—	—	—
Employee benefit recognised	—	—	—
Share buyback of ordinary share capital	—	(7)	—
Dividends declared to other equity holders including Other Additional Tier 1 security holders	—	—	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 security holders	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends paid to non-controlling interests	—	—	—
Distribution to ordinary shareholders	—	—	—
At 30 September 2022	**1**	**6 069**	**(3 855)**
Movement in reserves 1 October 2022 – 31 March 2023			
Profit after taxation	—	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—
Gain on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Total comprehensive income for the period	**—**	**—**	**—**
Redemption of Other Additional Tier 1 security instruments	—	—	—
Issue of Other Additional Tier 1 security instruments	—	—	—
Movement of treasury shares	—	—	1
Share-based payments adjustments	—	—	—
Transfer between cash flow hedge reserve and retained income	—	—	—
Transfer from regulatory general risk reserves	—	—	—
Share buyback of ordinary share capital	—	(1 184)	—
Repurchase of perpetual preference shares	—	—	—
Dividends declared to other equity holders including Other Additional Tier 1 securities	—	—	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 securities	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends paid to non-controlling interests	—	—	—
At 31 March 2023	**1**	**4 885**	**(3 854)**

^ Restated as detailed on page 26.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

Other reserves												
Capital reserve account	Fair value reserve	Regulatory general risk reserve	Cash flow hedge reserve^	Own credit risk reserve	Foreign currency reserve	Retained income^	**Ordinary shareholders' equity**	Perpetual preference share capital and premium	**Shareholders' equity excluding non-controlling interests**	Other Additional Tier 1 securities in issue	Non-controlling interests	**Total equity**
61	**1 329**	**662**	**(1 621)**	**13**	**2 045**	**41 173**	**46 232**	**2 886**	**49 118**	**3 110**	**10 301**	**62 529**
—	**—**	**—**	**1 128**	**—**	**—**	**(802)**	**326**	**—**	**326**	**—**	**—**	**326**
61	**1 329**	**662**	**(493)**	**13**	**2 045**	**40 371**	**46 558**	**2 886**	**49 444**	**3 110**	**10 301**	**62 855**
—	—	—	—	—	—	3 817	3 817	—	3 817	—	564	4 381
—	—	—	(204)	—	—	—	(204)	—	(204)	—	—	(204)
—	(107)	—	—	—	—	—	(107)	—	(107)	—	—	(107)
—	(19)	—	—	—	—	—	(19)	—	(19)	—	—	(19)
—	(37)	—	—	—	—	—	(37)	—	(37)	—	—	(37)
—	—	—	—	—	1 556	—	1 556	—	1 556	—	—	1 556
—	—	—	—	2	—	—	2	—	2	—	—	2
—	**(163)**	**—**	**(204)**	**2**	**1 556**	**3 817**	**5 008**	**—**	**5 008**	**—**	**564**	**5 572**
—	—	—	(543)	—	—	543	—	—	—	—	—	—
—	(1 158)	—	—	—	—	1 158	—	—	—	—	—	—
—	—	—	—	—	—	—	(348)	—	(348)	—	—	(348)
—	—	—	—	—	—	183	183	—	183	—	—	183
—	—	—	—	—	—	9	9	(305)	(296)	—	—	(296)
—	—	49	—	—	—	(49)	—	—	—	—	—	—
—	—		—	—	—	(93)	(93)	—	(93)	—	—	(93)
—	—	—	—	—	—	(126)	(133)	—	(133)	—	—	(133)
—	—	—	—	—	—	(216)	(216)	77	(139)	139	—	—
—	—	—	—	—	—	—	—	(77)	(77)	(139)	—	(216)
—	—	—	—	—	—	(1 813)	(1 813)	—	(1 813)	—	—	(1 813)
—	—	—	—	—	—	—	—	—	—	—	(320)	(320)
—	—	—	—	—	—	(3 780)	(3 780)	—	(3 780)	—	—	(3 780)
61	**8**	**711**	**(1 240)**	**15**	**3 601**	**40 004**	**45 375**	**2 581**	**47 956**	**3 110**	**10 545**	**61 611**
—	—	—	—	—	—	3 237	3 237	—	3 237	—	(362)	2 875
—	—	—	201	—	—	—	201	—	201	—	—	201
—	228	—	—	—	—	—	228	—	228	—	—	228
—	(40)	—	—	—	—	—	(40)	—	(40)	—	—	(40)
—	(182)	—	—	—	—	—	(182)	—	(182)	—	—	(182)
—	—	—	—	—	(70)	—	(70)	—	(70)	—	—	(70)
—	**6**	**—**	**201**	**—**	**(70)**	**3 237**	**3 374**	**—**	**3 374**	**—**	**(362)**	**3 012**
—	—	—	—	—	—	—	—	—	—	(350)	—	(350)
—	—	—	—	—	—	—	—	—	—	500	—	500
—	—	—	—	—	—	—	1	—	1	—	—	1
—	—	—	—	—	—	241	241	—	241	—	—	241
—	—	—	1 051	—	—	(1 051)	—	—	—	—	—	—
—	—	84	—	—	—	(84)	—	—	—	—	—	—
—	—	—	—	—	—	126	(1 058)	—	(1 058)	—	—	(1 058)
—	—	—	—	—	—	6	6	(136)	(130)	—	—	(130)
—	—	—	—	—	—	(255)	(255)	86	(169)	169	—	—
—	—	—	—	—	—	—	—	(86)	(86)	(169)	—	(255)
—	—	—	—	—	—	(1 703)	(1 703)	—	(1 703)	—	—	(1 703)
—	—	—	—	—	—	—	—	—	—	—	(311)	(311)
61	**14**	**795**	**12**	**15**	**3 531**	**40 521**	**45 981**	**2 445**	**48 426**	**3 260**	**9 872**	**61 558**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

R'million	Ordinary share capital	Share premium	Treasury shares
At 1 April 2023	**1**	**4 885**	**(3 854)**
Movement in reserves 1 April 2023 – 30 September 2023			
Profit after taxation	—	—	—
Fair value movements on cash flow hedges taken directly to other comprehensive income	—	—	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	—	—	—
Gain on realisation of FVOCI recycled through the income statement	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Net loss attributable to own credit risk	—	—	—
Total comprehensive income for the period	**—**	**—**	**—**
Movement of treasury shares	—	—	87
Share-based payments adjustments	—	—	—
Transfer from fair value reserve to retained income	—	—	—
Transfer from regulatory general risk reserves	—	—	—
Repurchase of perpetual preference shares	—	—	—
Share buyback of ordinary share capital	—	(411)	—
Deconsolidation of subsidiary company	—	—	—
Dividends declared to other equity holders including Other Additional Tier 1 security holders	—	—	—
Dividends paid to perpetual preference shareholders included in non-controlling interests and Other Additional Tier 1 security holders	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends paid to non-controlling interests	—	—	—
At 30 September 2023	**1**	**4 474**	**(3 767)**

^ Restated as detailed on page 26.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

Other reserves												
Capital reserve account	Fair value reserve	Regulatory general risk reserve	Cash flow hedge reserve^	Own credit risk reserve	Foreign currency reserve	Retained income^	**Ordinary shareholders' equity**	Perpetual preference share capital and premium	**Shareholders' equity excluding non-controlling interests**	Other Additional Tier 1 issue securities in issue	Non-controlling interests	**Total equity**
61	**14**	**795**	**12**	**15**	**3 531**	**40 521**	**45 981**	**2 445**	**48 426**	**3 260**	**9 872**	**61 558**
—	—	—	—	—	—	2 757	2 757	—	2 757	—	278	3 035
—	—	—	(48)	—	—	—	(48)	—	(48)	—	—	(48)
—	(177)	—	—	—	—	—	(177)	—	(177)	—	—	(177)
—	(67)	—	—	—	—	—	(67)	—	(67)	—	—	(67)
—	432	—	—	—	—	—	432	—	432	—	—	432
—	—	—	—	—	574	—	574	—	574	—	—	574
—	—	—	—	20	—	—	20	—	20	—	—	20
—	**188**	**—**	**(48)**	**20**	**574**	**2 757**	**3 491**	**—**	**3 491**	**—**	**278**	**3 769**
—	—	—	—	—	—	—	87	—	87	—	—	87
—	—	—	—	—	—	276	276	—	276	—	—	276
—	(2)	—	—	—	—	2	—	—	—	—	—	—
—	—	(26)	—	—	—	26	—	—	—	—	—	—
—	—	—	—	—	—	—	—	6	6	—	—	6
—	—	—	—	—	—	—	(411)	—	(411)	—	—	(411)
—	—	—	—	—	—	—	—	—	—	—	(9 915)	(9 915)
—	—	—	—	—	—	(298)	(298)	100	(198)	198	—	—
—	—	—	—	—	—	—	—	(100)	(100)	(198)	—	(298)
—	—	—	—	—	—	(2 602)	(2 602)	—	(2 602)	—	—	(2 602)
—	—	—	—	—	—	—	—	—	—	—	(295)	(295)
61	**200**	**769**	**(36)**	**35**	**4 105**	**40 682**	**46 524**	**2 451**	**48 975**	**3 260**	**(60)**	**52 175**

CONSOLIDATED SEGMENTAL INFORMATION

For the six months to 30 September 2023 **R'million**	Private Client Wealth & Investment	Private Client / Specialist Banking Private Banking	Specialist Banking Corporate, Investment Banking and Other	Group Investments	Group Costs	**Total Group**
Net interest income/(expense)	54	2 947	3 578	(101)	—	6 478
Net fee and commission income	1 130	503	1 347	—	—	2 980
Investment income	2	55	229	2	—	288
Share of post-taxation profit of associates and joint venture holdings	—	3	1	—	—	4
Trading income/(loss) arising from						
– customer flow	(1)	—	445	—	—	444
– balance sheet management and other trading activities	—	(1)	55	—	—	54
Other operating profit	—	—	2	—	—	2
Total operating income before expected credit loss impairment charges	**1 185**	**3 507**	**5 657**	**(99)**	**—**	**10 250**
Expected credit loss impairment release/(charges)	—	53	(220)	—	—	(167)
Operating income	**1 185**	**3 560**	**5 437**	**(99)**	**—**	**10 083**
Operating costs	(816)	(1 880)	(2 494)	(6)	(164)	(5 360)
Operating profit/(loss) before goodwill, acquired intangibles and non-controlling interests	**369**	**1 680**	**2 943**	**(105)**	**(164)**	**4 723**
Profit attributable to non-controlling interests	—	—	(5)	—	—	(5)
Adjusted operating profit/(loss) from continuing operations	**369**	**1 680**	**2 938**	**(105)**	**(164)**	**4 718**
Profit before taxation from discontinued operations	—	—	—	347	—	347
Profit attributable to non-controlling interests of discontinued operations	—	—	—	(273)	—	(273)
Profit/(loss) before goodwill, acquired intangibles, taxation and after non-controlling interests	**369**	**1 680**	**2 938**	**(31)**	**(164)**	**4 792**
Cost to income ratio	68.8%	53.6%	44.1%	n/a	n/a	52.3%
Total assets (R'million)	5 863	235 511	390 939	12 338	—	644 651

CONDENSED CONSOLIDATED SEGMENTAL INFORMATION
CONTINUED

For the six months to 30 September 2022^ **R'million**	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other	Group Investments	Group Costs	**Total Group**
	Private Client					
		Specialist Banking				
Net interest income/(expense)	37	2 791	2 904	(105)	—	5 627
Net fee and commission income	964	511	1 331	—	—	2 806
Investment (loss)/income	(4)	174	39	—	—	209
Share of post-taxation (loss)/profit of associates and joint venture holdings	—	(4)	3	306	—	305
Trading income/(loss) arising from						
– customer flow	(1)	—	568	—	—	567
– balance sheet management and other trading activities	7	(4)	(211)	—	—	(208)
Other operating income	—	—	(94)	—	—	(94)
Total operating income before expected credit loss impairment charges	**1 003**	**3 468**	**4 540**	**201**	**—**	**9 212**
Expected credit loss impairment release/(charges)	—	81	(103)	—	—	(22)
Operating income	**1 003**	**3 549**	**4 437**	**201**	**—**	**9 190**
Operating costs	(687)	(1 773)	(2 188)	—	(152)	(4 800)
Operating profit/(loss) before goodwill, acquired intangibles and non-controlling interests	**316**	**1 776**	**2 249**	**201**	**(152)**	**4 390**
Profit before taxation from discontinued operations	—	—	—	699	—	699
Profit attributable to non-controlling interests of discontinued operations	—	—	—	(564)	—	(564)
Profit/(loss) before goodwill, acquired intangibles, taxation and after non-controlling interests	**316**	**1 776**	**2 249**	**336**	**(152)**	**4 525**
Cost to income ratio	68.5%	51.1%	48.2%	n/a	n/a	52.1%
Total assets (R'million)	4 426	227 890	347 305	29 904	—	609 525

^ Restated as detailed on page 26.

ADDITIONAL INCOME STATEMENT NOTE DISCLOSURES

Net interest income

For the six months to 30 September R'million		2023 Average balance sheet value	2023 Interest income	2023 Average yield	2022^ Average balance sheet value	2022^ Interest income	2022^ Average yield
Cash, near cash and bank debt and sovereign debt securities	1	202 497	6 531	6.45%	184 859	3 953	4.28%
Net core loans and advances	2	331 022	17 329	10.47%	304 339	11 473	7.54%
Private Client		231 455	12 323	10.65%	225 447	8 391	7.44%
Corporate, Investment Banking and Other		99 567	5 006	10.06%	78 892	3 082	7.81%
Other debt securities and other loans and advances		10 744	336	6.25%	13 750	422	6.14%
Other	3	643	586	n/a	996	174	n/a
		544 906	**24 782**		**503 944**	**16 022**	

For the six months to 30 September R'million		2023 Average balance sheet value	2023 Interest expense	2023 Average yield	2022^ Average balance sheet value	2022^ Interest expense	2022^ Average yield
Deposits by banks and other debt-related securities	4	53 435	(1 600)	5.99%	42 167	(480)	2.28%
Customer accounts (deposits)		457 737	(15 587)	6.81%	427 829	(9 290)	4.34%
Subordinated liabilities	5	7 719	(394)	10.21%	9 273	(295)	6.36%
Other		3 820	(723)	n/a	3 380	(330)	n/a
		522 711	**(18 304)**		**482 649**	**(10 395)**	
Net interest income			**6 478**			**5 627**	
Net interest margin*			**2.38%**			**2.23%**	

1. Comprises (as per the balance sheet) cash and balances at central banks; loans and advances to banks and non-sovereign and non-bank cash placements; reverse repurchase agreements and cash collateral on securities borrowed; sovereign debt securities; bank debt securities.
2. Comprises (as per the balance sheet) loans and advances to customers; own originated loans and advances to customers securitised.
3. Comprises other securitised assets (as per the balance sheet), as well as interest income from derivative financial instruments where there is no associated balance sheet value.
4. Comprises (as per the balance sheet) deposits by banks; debt securities in issue; repurchase agreements and cash collateral on securities lent.
5. Comprises (as per the balance sheet) liabilities arising on securitisation of own originated loans and advances.

^ Restated as detailed on page 26.

ADDITIONAL INCOME STATEMENT NOTE DISCLOSURES
CONTINUED

Net fee and commission income

For the six months to 30 September R'million	2023	2022^
Wealth & Investment net fee and commission income	**1 130**	**964**
Fund management fees/fees for funds under management	683	600
Private Client transactional fees*	474	381
Fee and commission expense	(27)	(17)
Specialist Banking net fee and commission income	**1 850**	**1 842**
Specialist Banking fee and commission income^^	2 342	2 199
Specialist Banking fee and commission expense	(492)	(357)
Group Investments net fee and commission income	**—**	**—**
Group Investments fee and commission income	—	—
Group Investments fee and commission expense	—	—
Net fee and commission income	**2 980**	**2 806**
Annuity fees (net of fees payable)	2 109	1 891
Deal fees	871	915

* Trust and fiduciary fees amounted to R4.3 million (2022: R4.0 million) and is included in Private Client transactional fees in the Group.
** Included in Specialist Banking fee and commission income is fee income of R87.3 million (2022: R86.1 million) for operating lease income which is out of scope of IFRS 15 Revenue from Contracts with Customers.
^ Restated as detailed on page 26.

Investment income

For the six months to 30 September R'million	Listed equities	Unlisted equities*	Fair value loan investments	Warrants and profit shares	**Investment portfolio**	Debt securities (sovereign, bank and other)	Investment and trading properties	Other asset and liability categories	**Total**
2023									
Realised	(6)	146	—	17	157	92	—	—	249
Unrealised**	(2)	(291)	—	32	(261)	14	4	4	(239)
Dividend income	19	209	—	—	228	—	—	—	228
Funding and other net related (costs)/income	—	(27)	—	—	(27)	—	77	—	50
	11	**37**	**—**	**49**	**97**	**106**	**81**	**4**	**288**
2022^									
Realised	—	(5)	—	45	40	122	35	8	205
Unrealised**	(18)	(18)	—	10	(26)	9	(11)	(115)	(143)
Dividend income	14	65	—	—	79	—	—	—	79
Funding and other net related (costs)/income	—	(16)	—	—	(16)	—	84	—	68
	(4)	**26**	**—**	**55**	**77**	**131**	**108**	**(107)**	**209**

* Prior year includes income from unlisted equities classified as non-current assets held for sale.
** In a year of realisation, any prior period mark-to-market gains/(losses) recognised are reversed in the unrealised item.
^ Restated as detailed on page 26.

ADDITIONAL IAS 34 DISCLOSURES

Analysis of financial assets and liabilities by measurement category

At 30 September 2023 **R'million**	Total instruments at fair value	Financial instruments at amortised cost	Non-financial instruments or scoped out of IFRS 9	**Total**
Assets				
Cash and balances at central banks	—	13 450	—	13 450
Loans and advances to banks	—	10 095	—	10 095
Non-sovereign and non-bank cash placements	465	8 648	—	9 113
Reverse repurchase agreements and cash collateral on securities borrowed	25 531	50 358	—	75 889
Sovereign debt securities	49 121	30 662	—	79 783
Bank debt securities	7 898	5 435	—	13 333
Other debt securities	5 476	4 679	—	10 155
Derivative financial instruments	16 029	—	—	16 029
Securities arising from trading activities	33 246	—	—	33 246
Investment portfolio	15 558	—	—	15 558
Loans and advances to customers	14 054	317 905	—	331 959
Own originated loans and advances to customers securitised	—	6 474	—	6 474
Other securitised assets	—	548	—	548
Interests in associated undertakings	—	—	27	27
Current taxation assets	—	—	1	1
Deferred taxation assets	—	—	1 971	1 971
Other assets	4 358	9 276	4 048	17 682
Property and equipment	—	—	3 348	3 348
Investment properties	—	—	2 556	2 556
Goodwill	—	—	171	171
Software	—	—	124	124
Non-current assets classified as held for sale	—	—	75	75
	171 736	**457 530**	**12 321**	**641 587**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	3 064	—	—	3 064
	174 800	**457 530**	**12 321**	**644 651**
Liabilities				
Deposits by banks	—	34 973	—	34 973
Derivative financial instruments	39 813	—	—	39 813
Other trading liabilities	6 080	—	—	6 080
Repurchase agreements and cash collateral on securities lent	4 893	13 290	—	18 183
Customer accounts (deposits)	75 576	384 782	—	460 358
Debt securities in issue	—	4 128	—	4 128
Liabilities arising on securitisation of own originated loans and advances	—	3 911	—	3 911
Current taxation liabilities	—	—	693	693
Deferred taxation liabilities	—	—	213	213
Other liabilities	796	6 859	5 452	13 107
	127 158	**447 943**	**6 358**	**581 459**
Liabilities to customers under investment contracts	2 744	—	—	2 744
Insurance liabilities, including unit-linked liabilities	320	—	—	320
	130 222	**447 943**	**6 358**	**584 523**
Subordinated liabilities	—	7 953	—	7 953
	130 222	**455 896**	**6 358**	**592 476**

ADDITIONAL IAS 34 DISCLOSURES
CONTINUED

Financial instruments carried at fair value

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation technique used.

The different levels are identified as follows:

Level 1 – quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		Fair value category		
At 30 September 2023 **R'million**	**Total instruments at fair value**	Level 1	Level 2	Level 3
Assets				
Non-sovereign and non-bank cash placements	465	—	465	—
Reverse repurchase agreements and cash collateral on securities borrowed	25 531	—	25 531	—
Sovereign debt securities	49 121	49 121	—	—
Bank debt securities	7 898	3 875	4 023	—
Other debt securities	5 476	1 850	3 626	—
Derivative financial instruments	16 029	—	16 029	—
Securities arising from trading activities	33 246	32 974	272	—
Investment portfolio	15 558	7 680	36	7 842
Loans and advances to customers	14 054	—	13 305	749
Other assets	4 358	4 169	189	—
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	3 064	3 064	—	—
	174 800	**102 733**	**63 476**	**8 591**
Liabilities				
Derivative financial instruments	39 813	—	39 813	—
Other trading liabilities	6 079	2 728	3 352	—
Repurchase agreements and cash collateral on securities lent	4 893	—	4 893	—
Customer accounts (deposits)	75 576	—	75 576	—
Other liabilities	796	—	796	—
Liabilities to customers under investment contracts	2 744	—	2 744	—
Insurance liabilities, including unit-linked liabilities	320	—	320	—
	130 221	**2 728**	**127 494**	**—**
Net financial assets/(liabilities) at fair value	**44 579**	**100 005**	**(64 018)**	**8 591**

Transfers between level 1 and level 2

There were no significant transfers between level 1 and level 2 in the current period.

ADDITIONAL IAS 34 DISCLOSURES
CONTINUED

Level 3 financial instruments

R'million	Investment portfolio	Loans and advances to customers	Total
Balance at 1 April 2023	17 853	729	18 582
Net losses included in the income statement	(163)	(24)	(187)
Purchases	16	—	16
Sales	(151)	—	(151)
Issues	—	76	76
Settlements	(540)	(32)	(572)
Discontinued operation	(10 225)	—	(10 225)
Foreign exchange adjustments	1 052	—	1 052
Balance at 30 September 2023	**7 842**	**749**	**8 591**

R'million	Other liabilities	Total
Balance at 1 April 2023	1 011	1 011
Settlements	(28)	(28)
Discontinued operation	(1 090)	(1 090)
Foreign exchange adjustments	107	107
Balance at 30 September 2023	**—**	**—**

There were no transfers into and out of level 3 in the current period.

The Group transfers between levels within the fair value hierarchy when the significance of the unobservable inputs change or if the valuation methods change. Transfers are deemed to occur at the end of each semi-annual reporting period.

The following table quantifies the gains or (losses) included in the income statement recognised on level 3 financial instruments:

For the six months to 30 September 2023 R'million	Total	Realised	Unrealised
Total gains or (losses) included in the income statement for the period			
Investment (loss)/income	(187)	146	(333)
	(187)	**146**	**(333)**

ADDITIONAL IAS 34 DISCLOSURES
CONTINUED

Sensitivity of fair values to reasonably possible alternative assumptions by level 3 instrument type

The fair value of financial instruments in level 3 are measured using valuation techniques that incorporate assumptions that are not evidenced by prices from observable market data. The following table shows the sensitivity of these fair values to reasonably possible alternative assumptions, determined at a transactional level:

At 30 September 2023	Level 3 balance sheet value R'million	Valuation method	Significant unobservable input changed	Range of unobservable input used	Potential impact on the income statement: Favourable changes R'million	Potential impact on the income statement: Unfavourable changes R'million
Assets						
Investment portfolio	7 842				862	(924)
		Price earnings	EBITDA	*	218	(226)
		Price earnings	EBITDA	(10%)-10%	450	(450)
		Discounted cash flow	Cash flows	*	51	(60)
		Net asset value	Underlying asset value	^	20	(39)
		Discounted cash flow	Precious and industrial metal prices	(5%)-5%	27	(27)
		Other	Various	**	96	(122)
Loans and advances to customers	749				351	(184)
		Underlying asset value	Property values	^	351	(184)
Total	**8 591**				**1 213**	**(1 108)**

* The EBITDA, cash flows and property values have been stressed on an investment-by-investment and loan-by-loan basis in order to obtain favourable and unfavourable valuations.
** The valuation sensitivity for certain equity investments has been assessed by adjusting various inputs such as expected cash flows, discount rates and earnings multiples rather than a single input. It is deemed appropriate to reflect the outcome on a portfolio basis for the purposes of this analysis as the sensitivity of the investments cannot be determined through the adjustment of a single input.
^ Underlying asset values are calculated by reference to a tangible asset.
# Property values are the underlying input for the valuations where the capitalisation rate when valuing these properties has been stressed by 0.25bps.

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

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

EBITDA
The Company being valued earnings before interest, taxes, depreciation and amortisation. This is the main input into a price-earnings multiple valuation method.

Property values and precious and industrial metals
The price of property and precious and industrial metals is a key driver of future cash flows on these investments.

Cash flows
Cash flows relate to the future cash flows which can be expected from the instrument and requires judgement.

Underlying asset value
In instances where cash flows have links to referenced assets, the underlying asset value is used to determine the fair value. The underlying asset valuation is derived using observable market prices sourced from broker quotes, specialist valuers or other reliable pricing sources.

Discount rates
Discount rates (including WACC) are used to adjust for the time value of money when using a discounted cash flow valuation method. Where relevant, the discount rate also accounts for illiquidity, market conditions and uncertainty of future cash flows.

ADDITIONAL IAS 34 DISCLOSURES
CONTINUED

Measurement of financial assets and liabilities at level 2
The table below sets out information about the valuation techniques used at the end of the reporting period when measuring financial instruments categorised as level 2 in the fair value hierarchy:

	Valuation basis/techniques	Main inputs
Assets		
Non-sovereign and non-bank cash placements	Discounted cash flow model	Yield curve
Reverse repurchase agreements and cash collateral on securities borrowed	Discounted cash flow model	Yield curve
Bank debt securities	Discounted cash flow model	Yield curve
Other debt securities	Discounted cash flow model	Yield curve
Derivative financial instruments	Discounted cash flow model Black-Scholes	Yield curve Volatilities
Securities arising from trading activities	Discounted cash flow model	Yield curve
Investment portfolio	Adjusted quoted price	Liquidity adjustment
Loans and advances to customers	Discounted cash flow model	Yield curve
Other assets	Discounted cash flow model	Yield curve
Liabilities		
Derivative financial instruments	Discounted cash flow model Black-Scholes	Yield curve Volatilities
Other trading liabilities	Discounted cash flow model	Yield curve
Repurchase agreements and cash collateral on securities lent	Discounted cash flow model	Yield curve
Customer accounts (deposits)	Discounted cash flow model	Yield curve
Other liabilities	Discounted cash flow model	Yield curve
Liabilities to customers under investment contracts	Current price of underlying unitised assets	Listed prices
Insurance liabilities, including unit-linked liabilities	Current price of underlying unitised assets	Listed prices

ADDITIONAL IAS 34 DISCLOSURES
CONTINUED

Fair value of financial assets and liabilities at amortised cost

At 30 September 2023 R'million	Carrying amount	Fair value approximates carrying amount	Balances where fair values do not approximate carrying amounts	Fair value of balances that do not approximate carrying amounts
Assets				
Cash and balances at central banks	13 450	13 450	—	—
Loans and advances to banks	10 095	10 095	—	—
Non-sovereign and non-bank cash placements	8 648	8 648	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	50 358	9 015	41 343	40 878
Sovereign debt securities	30 662	51	30 611	30 378
Bank debt securities	5 435	421	5 014	4 458
Other debt securities	4 679	1 990	2 689	2 649
Loans and advances to customers	317 905	295 862	22 043	22 051
Own originated loans and advances to customers securitised	6 474	6 474	—	—
Other securitised assets	548	548	—	—
Other assets	9 276	9 276	—	—
	457 530	**355 830**	**101 700**	**100 414**
Liabilities				
Deposits by banks	34 973	4 669	30 304	30 657
Repurchase agreements and cash collateral on securities lent	13 290	1 614	11 676	12 254
Customer accounts (deposits)	384 782	230 316	154 466	167 856
Debt securities in issue	4 128	2 907	1 221	1 223
Liabilities arising on securitisation of own originated loans and advances	3 911	3 911	—	—
Other liabilities	6 859	6 859	—	—
Subordinated liabilities	7 953	6 499	1 454	1 770
	455 896	**256 775**	**199 121**	**213 760**

ADDITIONAL NOTES – INTERIMS

Expected credit loss impairment charges

For the six months to 30 September R'million	2023	2022
Expected credit loss impairment (releases)/charges is recognised on the following assets:		
Loans and advances to customers	143	20*
Own originated securitised assets	(4)	(11)
Core loans and advances	**139**	**9**
Other balance sheet assets	31	29*
Off-balance sheet commitments and guarantees	(3)	(16)
Total expected credit loss impairment charges	**167**	**22**

* Reclassified following balance sheet restatement.

Extract of operating costs

For the six months to 30 September R'million	2023	2022^
Staff costs	3 987	3 598
Premises expenses	200	166
Premises expenses (excluding depreciation)	123	91
Premises depreciation	77	75
Equipment expenses (excluding depreciation)	385	353
Business expenses	507	414
Marketing expenses	215	189
Depreciation, amortisation and impairment on property, equipment and intangibles	66	80
	5 360	**4 800**

^ Restated as detailed on page 26.

Extract of reverse repurchase agreements and cash collateral on securities borrowed and repurchase agreements and cash collateral on securities lent

At R'million	30 Sept 2023	31 March 2023
Assets		
Gross reverse repurchase agreements and cash collateral on securities borrowed	75 890	50 337
Expected credit loss on amortised cost	(1)	(1)
Net reverse repurchase agreements and cash collateral on securities borrowed	**75 889**	**50 336**
Reverse repurchase agreements	68 162	45 105
Cash collateral on securities borrowed	7 727	5 231
	75 889	**50 336**
Liabilities		
Repurchase agreements	18 189	16 724
Cash collateral on securities lent	(6)	1 209
	18 183	**17 933**

Extract of loans and advances to customers and other loans and advances

At R'million	30 Sept 2023	31 March 2023
Gross loans and advances to customers at amortised cost	321 193	306 445
Gross loans and advances to customers designated at FVPL at inception^	12 785	14 322
Gross loans and advances to customers subject to ECL	**333 978**	**320 767**
Expected credit loss on amortised cost	(3 566)	(3 257)
	330 412	**317 510**
Loans and advances to customers at fair value	1 547	1 641
Net loans and advances to customers	**331 959**	**319 151**
Gross other loans and advances	—	1
Expected credit loss of other loans and advances	—	—
Net other loans and advances	**—**	**1**

^ These are fixed rate loans which have passed the solely payments of principal and interest test (SPPI) and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans and advances measured at amortised cost.

ADDITIONAL NOTES – INTERIMS
CONTINUED

Extract of securitised assets and liabilities arising on securitisation

At R'million	30 Sept 2023	31 March 2023
Gross own originated loans and advances to customers securitised	6 490	6 008
Expected credit loss of own originated loans and advances to customers securitised	(16)	(20)
Net own originated loans and advances to customers securitised	**6 474**	**5 988**
Total other securitised assets	**548**	**547**

Other assets

At R'million	30 Sept 2023	31 March 2023
Gross other assets	17 686	14 152
Expected credit loss on amortised cost	(4)	—
Net other assets	**17 682**	**14 152**
Settlement debtors	7 360	3 472
Trading properties	1 003	1 054
Prepayments and accruals	575	850
Trading initial margin	3 511	4 522
Other investments	846	697
Commodities	1 973	1 457
Fee debtors	—	81
Indirect taxation assets receivable	—	24
Other	2 414	1 995
	17 682	**14 152**

Debt securities in issue

At R'million	30 Sept 2023	31 March 2023
Repayable in:		
Less than three months	468	862
Three months to one year	1 465	1 708
One to five years	2 195	4 877
Greater than five years	—	300
	4 128	**7 747**

Extract of deferred taxation

At R'million	30 Sept 2023	31 March 2023
Losses carried forward	245	292
	245	**292**

Extract of subordinated liabilities

At R'million	30 Sept 2023	31 March 2023
Remaining maturity:		
In one year or less, or on demand	1 454	1 996
In more than one year, but not more than two years	—	—
In more than two years, but not more than five years	5 999	5 752
In more than five years	500	—
	7 953	**7 748**

ADDITIONAL NOTES – INTERIMS
CONTINUED

Offsetting

At 30 September 2023 R'million	Gross amounts	Amounts offset	Net amounts reported on the balance sheet	Financial instruments (including non-cash collateral)	Net amount
	Amounts subject to enforceable netting arrangements				
	Effects of offsetting on balance sheet			Related amounts not offset	
Assets					
Cash and balances at central banks	13 450	—	13 450	—	13 450
Loans and advances to banks	4 476	5 619	10 095	—	10 095
Non-sovereign and non-bank cash placements	9 113	—	9 113	—	9 113
Reverse repurchase agreements and cash collateral on securities borrowed	76 884	(995)	75 889	(320)	75 569
Sovereign debt securities	79 783	—	79 783	(10 910)	68 873
Bank debt securities	13 333	—	13 333	(1 010)	12 323
Other debt securities	10 155	—	10 155	(1 759)	8 396
Derivative financial instruments	19 202	(3 173)	16 029	(484)	15 545
Securities arising from trading activities	38 564	(5 318)	33 246	(1 581)	31 665
Investment portfolio	15 558	—	15 558	—	15 558
Loans and advances to customers	331 959	—	331 959	—	331 959
Own originated loans and advances to customers securitised	6 474	—	6 474	—	6 474
Other securitised assets	548	—	548	—	548
Other assets	17 682	—	17 682	—	17 682
	637 181	**(3 867)**	**633 314**	**(16 064)**	**617 250**
Liabilities					
Deposits by banks	37 888	(2 915)	34 973	—	34 973
Derivative financial instruments	34 452	5 361	39 813	(484)	39 329
Other trading liabilities	6 080	—	6 080	—	6 080
Repurchase agreements and cash collateral on securities lent	19 178	(995)	18 183	(14 143)	4 040
Customer accounts (deposits)	460 358	—	460 358	—	460 358
Debt securities in issue	4 128	—	4 128	—	4 128
Liabilities arising on securitisation of own originated loans and advances	3 911	—	3 911	—	3 911
Other liabilities	18 425	(5 318)	13 107	—	13 107
Subordinated liabilities	7 953	—	7 953	—	7 953
	592 373	**(3 867)**	**588 506**	**(14 627)**	**573 879**

ADDITIONAL NOTES – INTERIMS
CONTINUED

	Amounts subject to enforceable netting arrangements				
	Effects of offsetting on balance sheet			Related amounts not offset	
At 31 March 2023^ **R'million**	Gross amounts	Amounts offset	**Net amounts reported on the balance sheet**	Financial instruments (including non-cash collateral)	**Net amount**
Assets					
Cash and balances at central banks	22 761	—	22 761	—	22 761
Loans and advances to banks	16 593	(4 270)	12 323	(266)	12 057
Non-sovereign and non-bank cash placements	9 705	—	9 705	—	9 705
Reverse repurchase agreements and cash collateral on securities borrowed	51 328	(992)	50 336	(69)	50 267
Sovereign debt securities	77 456	—	77 456	(11 823)	65 633
Bank debt securities	16 354	—	16 354	(1 106)	15 248
Other debt securities	12 002	—	12 002	(1 760)	10 242
Derivative financial instruments	23 370	(6 858)	16 512	(3 301)	13 211
Securities arising from trading activities	38 180	(5 159)	33 021	(3 608)	29 413
Investment portfolio	22 675	—	22 675	—	22 675
Loans and advances to customers	319 151	—	319 151	—	319 151
Own originated loans and advances to customers securitised	5 988	—	5 988	—	5 988
Other loans and advances	1	—	1	—	1
Other securitised assets	547	—	547	—	547
Other assets	14 152	—	14 152	—	14 152
	630 263	**(17 279)**	**612 984**	**(21 933)**	**591 051**
Liabilities					
Deposits by banks	35 317	(3 528)	31 789	—	31 789
Derivative financial instruments	45 402	(7 600)	37 802	(3 301)	34 501
Other trading liabilities	3 820	—	3 820	—	3 820
Repurchase agreements and cash collateral on securities lent	18 925	(992)	17 933	(15 749)	2 184
Customer accounts (deposits)	448 513	—	448 513	—	448 513
Debt securities in issue	7 747	—	7 747	—	7 747
Liabilities arising on securitisation of own originated loans and advances	3 594	—	3 594	—	3 594
Other liabilities	19 289	(5 159)	14 130	—	14 130
Subordinated liabilities	7 748	—	7 748	—	7 748
	590 355	**(17 279)**	**573 076**	**(19 050)**	**554 026**

^ Restated as detailed on page 26.

DISCONTINUED OPERATIONS

Remeasurement on deconsolidation of IPF, net of gain on sale of IPF management business

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

Loss on sale of IPF asset management function and deconsolidation

R'million	2023
The loss is calculated as follows:	
Fair value of the consideration	824
Fair value of investment at 6 July 2023	1 465
Net asset value of IPF previously consolidated	(13 106)
Non-controlling interest derecognised previously included in the consolidation of IPF at 6 July 2023	9 915
Loss before taxation and costs	**(902)**
Implementation costs	(20)
Loss before taxation	**(922)**
Taxation benefit (release of deferred taxation)	(36)
Loss on sale of IPF management function and deconsolidation net of taxation and implementation costs	**(958)**

Major classes of assets and liabilities

R'million	2023
Investment properties	13 651
Investment portfolio	10 225
Other assets	2 113
Deposits by banks	(6 204)
Debt securities in issue	(5 005)
Other liabilities	(1 674)
Net asset value of IPF previously consolidated	**13 106**

DISCONTINUED OPERATIONS

Combined consolidated income statement of discontinued operations

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

Reconciliation of profit after taxation and financial impact of strategic actions from discontinued operations as disclosed in the income statement to earnings from discontinued operations attributable to shareholders provided in the tables below

R'million	**Six months to 30 Sept 2023**	Six months to 30 Sept 2022	Year to 31 March 2023
Operating profit before strategic actions and non-controlling interests	347	699	169
Taxation on operating profit	—	19	20
Operating profit before strategic actions and non-controlling interests from discontinued operations	**347**	**718**	**189**
Financial impact of strategic actions	(922)	—	—
Taxation on strategic actions	(36)	—	—
Profit after taxation and financial impact of strategic actions from discontinued operations	**(611)**	**718**	**189**
Profit attributable to non-controlling interests of discontinued operations	(273)	(564)	(185)
Earnings attributable to shareholders	**(884)**	**154**	**4**

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

R'million	**Six months to 30 Sept 2023**	Six months to 30 Sept 2022	Year to 31 March 2023
Net interest income	(145)	(219)	(432)
Net fee and commission income	306	538	1 020
Investment income/(loss)	83	(24)	(1 009)
Share of post-taxation profit of associates and joint venture holdings	—	(11)	(18)
Trading income/(loss) arising from			
– customer flow	(225)	62	(235)
– balance sheet management and other trading income	397	387	886
Total operating income before expected credit loss impairment charges	**416**	**733**	**212**
Expected credit loss impairment charges	(6)	(17)	(5)
Operating income	**410**	**716**	**207**
Operating costs	(63)	(17)	(38)
Operating profit before strategic actions and non-controlling interests	**347**	**699**	**169**
Profit attributable to non-controlling interests from discontinued operations	(273)	(564)	(185)
Operating profit before strategic actions	**74**	**135**	**(16)**
Financial impact of group restructures	(922)	—	—
Profit before taxation	**(848)**	**135**	**(16)**
Taxation on operating profit before strategic actions	—	19	20
Taxation on financial impact of strategic actions	(36)	—	—
Earnings attributable to shareholders	**(884)**	**154**	**4**

RESTATEMENTS

Balance sheet and statement of total comprehensive income restatements

Derivative financial instruments

Resulting from the restatement made at 31 March 2023, certain derivative financial assets and liabilities that are managed by the Group's trading desks were previously presented on a gross basis, while the IAS 32 on-balance sheet netting requirements were met. Due to an upgrade of the internal reporting processes, the intent to net settle was evidenced. The derivative transactions, totalling R824 million, at 30 September 2022, satisfied the legally enforceable right of set off in terms of IAS 32. These positions are also operationally net settled through the use of the Continuous Linked Settlement (CLS) system. The comparative balance sheet has been restated for the reclassification. This change has no impact on the comparative income statement or cash flow statement.

Non-sovereign and non-bank cash placements and loans and advances to customers

Change in classification from non-sovereign and non-bank cash placements to loans and advances to customers

During the period to 30 September 2023, following a revision of management's internal policies defining the instruments to be included as non-sovereign and non-bank cash placements and loans and advances, management concluded that R4 538 million (March 2023: R4 428 million, September 2022: R4 671 million) previously classified in non-sovereign and non-bank cash placements should be disclosed within loans and advances to customers (based on the revised policies). The change in classification is considered more relevant on the basis that certain short term facilities to small and medium enterprises are better reflected as loans and advances to customers as it forms part of the funding strategy of these clients. The comparative balance sheets have been restated for the reclassification. This change has no impact on the comparative income statements.

Cash flow hedge reserve

During the period to 30 September 2023, it was identified that the fair value of instruments designated as fair value hedges were incorrectly booked in equity to the cash flow hedge reserve. Accordingly, the cash flow hedging reserve was reclassified to the underlying hedged items that are disclosed in bank debt securities and other debt securities on the balance sheet. The adjustment was made to the hedged item line item as the hedged item was accounted for at amortised cost. The associated deferred taxation was reversed. The hedges were effective and accordingly did not have any impact on the income statement. This change has no impact on the cash flow statement. It was further identified that amounts previously recognised within the cash flow hedging reserve were not correctly released to the income statement within the respective periods in which the hedged risk impacted earnings. These amounts have been restated retrospectively against retained earnings.

The impact of these changes on the 30 September 2022 and 31 March 2023 balance sheet is:

R'million	At 30 Sept 2022 as previously reported	Restatement	**At 30 Sept 2022 restated**
Assets			
Non-sovereign and non-bank cash placements	13 237	(4 671)	8 566
Bank debt securities*	19 782	140	19 922
Other debt securities*	13 502	361	13 863
Derivative financial instruments	13 746	(824)	12 922
Loans and advances to customers	308 321	4 671	312 992
Deferred taxation assets*	2 702	(205)	2 497
Total assets	610 053	(528)	609 525
Liabilities			
Derivative financial instruments	32 176	(824)	31 352
Total liabilities	548 738	(824)	547 914
Equity			
Other reserves*	2 601	555	3 156
Retained income*	40 263	(259)	40 004
Total equity	61 315	296	61 611

* Relates to cash flow hedge reserve restatement

RESTATEMENTS
CONTINUED

R'million	At 31 March 2023 as previously reported	Restatement	**At 31 March 2023 restated**
Assets			
Non-sovereign and non-bank cash placements	14 133	(4 428)	9 705
Bank debt securities*	16 124	230	16 354
Other debt securities*	11 676	326	12 002
Loans and advances to customers	314 723	4 428	319 151
Deferred taxation assets*	2 749	(504)	2 245
Total assets	638 051	52	638 103
Equity			
Other reserves*	3 066	1 362	4 428
Retained income*	41 831	(1 310)	40 521
Total equity	61 506	52	61 558

The impact of the above changes on the 30 September 2022 and 31 March 2023 statement of total comprehensive income is:

R'million	At 30 Sept 2022 as previously reported	Restatement	**At 30 Sept 2022 restated**
Fair value movements on cash flow hedges taken directly to other comprehensive income*	(174)	(30)	(204)
Total comprehensive income*	5 602	(30)	5 572

R'million	At 31 March 2023 as previously reported	Restatement	**At 31 March 2023 restated**
Fair value movements on cash flow hedges taken directly to other comprehensive income*	271	(274)	(3)
Total comprehensive income*	8 858	(274)	8 584

* Relates to cash flow hedge reserve restatement

Income statement restatements

Discontinued operations

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

Fee and commission expense and operating costs

During the period to 30 September 2023, management identified that R89 million (September 2022: R51 million; March 2023: R146 million) of costs relating to fee and commission income would be more appropriately disclosed within fee and commission expense, due to the nature of these costs. As a result, fee and commission expense and operating costs for the prior periods have been voluntarily restated. The restatement has no impact on operating profit in the income statement, headline earnings, the cash flow statement and balance sheet.

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

RESTATEMENTS
CONTINUED

R'million	Six months to 30 Sept 2022 as previously reported	Re-presentation as a discontinued operation	Restatement	**Six months to 30 Sept 2022 restated**
Interest income	16 057	(35)	—	16 022
Interest expense	(10 649)	254	—	(10 395)
Net interest income	**5 408**	**219**	**—**	**5 627**
Fee and commission income	3 756	(576)	—	3 180
Fee and commission expense	(361)	38	(51)	(374)
Investment income	185	24	—	209
Share of post taxation profit of associates and joint venture holdings	294	11	—	305
Trading income/(loss) arising from				
– customer flow	629	(62)	—	567
– balance sheet management and other trading activities	179	(387)	—	(208)
Other operating loss	(94)	—	—	(94)
Total operating income before expected credit loss impairment charges	**9 996**	**(733)**	**(51)**	**9 212**
Expected credit loss impairment charges	(39)	17	—	(22)
Operating income	**9 957**	**(716)**	**(51)**	**9 190**
Operating costs	(4 868)	17	51	(4 800)
Operating profit before goodwill, acquired intangibles and strategic actions	**5 089**	**(699)**	**—**	**4 390**
Amortisation of acquired intangibles	(26)	—	—	(26)
Operating profit	**5 063**	**(699)**	**—**	**4 364**
Net gain on distribution of associate to shareholders	(7)	—	—	(7)
Profit before taxation	**5 056**	**(699)**	**—**	**4 357**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(969)	(19)	—	(988)
Taxation on acquired intangibles and strategic actions	294	—	—	294
Profit after taxation from continuing operations	**4 381**	**(718)**	**—**	**3 663**
Profit after taxation from discontinued operations	**—**	**718**	**—**	**718**
Profit after taxation	**4 381**	**—**	**—**	**4 381**
Profit attributable to other non-controlling interests	(564)	564	—	—
Profit attributable to non-controlling interests of discontinued operations	—	(564)	—	(564)
Earnings attributable to shareholders	**3 817**	**—**	**—**	**3 817**

RESTATEMENTS
CONTINUED

R'million	Year to 31 March 2023 as previously reported	Re-presentation as a discontinued operation	Restatement	**Year to 31 March 2023 restated**
Interest income	37 431	(89)	—	37 342
Interest expense	(25 999)	521	—	(25 478)
Net interest income	**11 432**	**432**	**—**	**11 864**
Fee and commission income	7 714	(1 094)	—	6 620
Fee and commission expense	(800)	74	(146)	(872)
Investment income	(808)	1 009	—	201
Share of post taxation profit of associates and joint venture holdings	321	18	—	339
Trading income/(loss) arising from				
– customer flow	893	235	—	1 128
– balance sheet management and other trading activities	913	(886)	—	27
Other operating loss	(44)	—	—	(44)
Total operating income before expected credit loss impairment charges	**19 621**	**(212)**	**(146)**	**19 263**
Expected credit loss impairment charges	(294)	5	—	(289)
Operating income	**19 327**	**(207)**	**(146)**	**18 974**
Operating costs	(10 212)	38	146	(10 028)
Operating profit before goodwill, acquired intangibles and strategic actions	**9 115**	**(169)**	**—**	**8 946**
Impairment of goodwill	(2)	—	—	(2)
Amortisation of acquired intangibles	(51)	—	—	(51)
Operating profit	**9 062**	**(169)**	**—**	**8 893**
Net gain on distribution of associate to shareholders	(6)	—	—	(6)
Profit before taxation	**9 056**	**(169)**	**—**	**8 887**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(2 101)	(20)	—	(2 121)
Taxation on acquired intangibles and strategic actions	301	—	—	301
Profit after taxation from continuing operations	**7 256**	**(189)**	**—**	**7 067**
Profit after taxation from discontinued operations	**—**	**189**		**189**
Profit after taxation	**7 256**	**—**	**—**	**7 256**
Profit attributable to other non-controlling interests	(202)	185	—	(17)
Profit attributable to non-controlling interests of discontinued operations	—	(185)	—	(185)
Earnings attributable to shareholders	**7 054**	**—**	**—**	**7 054**

ASSET QUALITY

An analysis of gross core loans, asset quality and ECL

The table below summarises the asset quality of our gross core loans.

Asset quality ratios remain robust as we continue to be pro-active and ensure that portfolios remain resilient while growing our loan book in a challenging macro-economic environment. There was annualised growth in gross core loans of 8.3% mainly due to increased activity and exchange rate movements in the corporate client lending portfolio. The group reported a credit loss ratio of 0.08% (31 March 2023: 0.09%) driven by new impairments being offset by post write-off recoveries as well as a partial release in management ECL overlay. Excluding the post write-off recoveries and release in management ECL overlay, the reported credit loss ratio would be 0.27% (31 March 2022: 0.26%).

Stage 3 exposures increased to 3.8% of gross core loans subject to ECL at 30 September 2023 (31 March 2023: 2.7%) mainly due to a few large single name exposures migrating from Stage 2. There has been a decrease in Stage 2 to 2.9% of gross core loans subject to ECL at 30 September 2023 (31 March 2023: 5.0%), mainly due to a number of deals normalising and migrating back to Stage 1, a few large single name exposures migrating to Stage 3 and a reduction arising from the residential mortgage model.

Overall coverage for Stage 2 is 4.1% at 30 September 2023 (31 March 2023: 3.8%) while Stage 3 coverage is 18.5% (31 March 2023: 21.3%).

R'million	30 Sept 2023	31 March 2023**
Gross core loans	**342 015**	**328 416**
of which FVPL (excluding fixed rate loans)	1 547	1 641
Gross core loans subject to ECL*	**340 468**	**326 775**
Stage 1	317 647	301 573
Stage 2	9 802	16 328
of which past due greater than 30 days	499	747
Stage 3	13 019	8 874
ECL	**(3 582)**	**(3 277)**
Stage 1	(772)	(761)
Stage 2	(397)	(623)
Stage 3	(2 413)	(1 893)
Coverage ratio		
Stage 1	0.24%	0.25%
Stage 2	4.1%	3.8%
Stage 3	18.5%	21.3%
Annualised credit loss ratio	**0.08%**	**0.09%**
ECL impairment charges on core loans	(139)	(272)
Average gross core loans subject to ECL	333 622	313 176
An analysis of Stage 3 gross core loans subject to ECL		
Stage 3 net of ECL	10 606	6 981
Aggregate collateral and other credit enhancements on Stage 3	13 876	8 340
Stage 3 as a % of gross core loans subject to ECL	3.8%	2.7%
Total ECL as a % of Stage 3 exposure	27.5%	36.9%
Stage 3 net of ECL as a % of net core loans subject to ECL	3.1%	2.2%

* Includes portfolios for which ECL is not required for IFRS purposes, but which management evaluates on this basis. These are fixed rate loans which have passed the solely payments of principal and interest (SPPI) test and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans measured at amortised cost. R11.4 billion of the drawn exposure falls into Stage 1 (31 March 2023: R13.3 billion), R377.7 million falls in Stage 2 (31 March 2023: R27.5 million) and the remaining R1.0 billion falls into Stage 3 (31 March 2023: R1.0 billion). The ECL on the Stage 1 portfolio is R27.0 million (31 March 2023: R37.4 million), ECL on Stage 2 is R0.1 million (31 March 2023: R0.1 million) and the ECL on Stage 3 portfolio is R250.2 million (31 March 2023: R248.6 million).

** Restated as a result of a change in classification between non-sovereign and non-bank cash placements and loans and advances to customers as detailed on pages 26 and 27.

ASSET QUALITY
CONTINUED

An analysis of staging and ECL movements for core loans subject to ECL

The table below indicates underlying movements in gross core loans subject to ECL from 31 March 2023 to 30 September 2023.

	Stage 1		Stage 2		Stage 3		Total	
R'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**
At 31 March 2023**	**301 573**	**(761)**	**16 328**	**(623)**	**8 874**	**(1 893)**	**326 775**	**(3 277)**
Transfer from Stage 1	(3 846)	44	3 154	(42)	692	(2)	—	—
Transfer from Stage 2	4 529	(150)	(8 406)	224	3 877	(74)	—	—
Transfer from Stage 3	129	(21)	59	(10)	(188)	31	—	—
ECL remeasurement arising from transfer of stage	—	138	—	(84)	—	(352)	—	(298)
New lending and repayments/ write-offs	12 800	(34)	(973)	61	(289)	(106)	11 538	(79)
Changes to risk parameters and models	—	15	—	76	—	(16)	—	75
Foreign exchange and other	2 462	(3)	(360)	1	53	(1)	2 155	(3)
At 30 September 2023	**317 647**	**(772)**	**9 802**	**(397)**	**13 019**	**(2 413)**	**340 468**	**(3 582)**
At 31 March 2022**	**281 003**	**(890)**	**17 685**	**(620)**	**5 627**	**(1 206)**	**304 315**	**(2 716)**
Transfer from Stage 1	(5 087)	20	3 734	(18)	1 353	(2)	—	—
Transfer from Stage 2	4 629	(102)	(5 402)	510	773	(408)	—	—
Transfer from Stage 3	78	(9)	70	(9)	(148)	18	—	—
ECL remeasurement arising from transfer of stage	—	84	—	(444)	—	(58)	—	(418)
New lending and repayments/ write-offs	13 764	(34)	(1 438)	2	(412)	5	11 914	(27)
Changes to risk parameters and models	—	149	—	22	—	80	—	251
Foreign exchange and other	3 425	(8)	194	—	6	(2)	3 625	(10)
At 30 September 2022 **	**297 812**	**(790)**	**14 843**	**(557)**	**7 199**	**(1 573)**	**319 854**	**(2 920)**

** Restated as a result of a change in classification between non-sovereign and non-bank cash placements and loans and advances to customers as detailed on pages 26 and 27.

ASSET QUALITY
CONTINUED

An analysis of core loans by risk category – Lending collateralised by property

R'million	Gross core loans at amortised cost and FVPL (subject to ECL)								Gross core loans at FVPL (not subject to ECL)	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**		
At 30 September 2023										
Commercial real estate	**43 206**	**(138)**	**3 269**	**(31)**	**6 168**	**(730)**	**52 643**	**(899)**	**4**	**52 647**
Commercial real estate – investment	40 873	(134)	2 751	(31)	6 134	(728)	49 758	(893)	4	49 762
Commercial real estate – development	1 780	(3)	511	—	4	(1)	2 295	(4)	—	2 295
Commercial vacant land and planning	553	(1)	7	—	30	(1)	590	(2)	—	590
Residential real estate	**6 098**	**(19)**	**92**	**—**	**379**	**(41)**	**6 569**	**(60)**	**—**	**6 569**
Residential real estate – investment	1 657	(4)	2	—	36	—	1 695	(4)	—	1 695
Residential real estate – development	3 541	(11)	83	—	163	(38)	3 787	(49)	—	3 787
Residential vacant land and planning	900	(4)	7	—	180	(3)	1 087	(7)	—	1 087
Total lending collateralised by property*	**49 304**	**(157)**	**3 361**	**(31)**	**6 547**	**(771)**	**59 212**	**(959)**	**4**	**59 216**
Coverage ratio		**0.32%**		**0.9%**		**11.8%**		**1.6%**		
At 31 March 2023										
Commercial real estate	**44 020**	**(140)**	**6 265**	**(136)**	**3 142**	**(524)**	**53 427**	**(800)**	**—**	**53 427**
Commercial real estate – investment	41 890	(134)	5 661	(135)	3 111	(521)	50 662	(790)	—	50 662
Commercial real estate – development	1 534	(4)	598	(1)	—	—	2 132	(5)	—	2 132
Commercial vacant land and planning	596	(2)	6	—	31	(3)	633	(5)	—	633
Residential real estate	**4 743**	**(17)**	**265**	**(4)**	**215**	**(5)**	**5 223**	**(26)**	**—**	**5 223**
Residential real estate – investment	2 098	(5)	140	(3)	36	—	2 274	(8)	—	2 274
Residential real estate – development	1 869	(8)	110	(1)	—	—	1 979	(9)	—	1 979
Residential vacant land and planning	776	(4)	15	—	179	(5)	970	(9)	—	970
Total lending collateralised by property*	**48 763**	**(157)**	**6 530**	**(140)**	**3 357**	**(529)**	**58 650**	**(826)**	**—**	**58 650**
Coverage ratio		**0.32%**		**2.1%**		**15.8%**		**1.4%**		

* In addition, 58% of other high net worth lending (31 March 2023: 57%) shown on the next page relates to lending collateralised by property which is supported by high net worth clients.

ASSET QUALITY
CONTINUED

An analysis of core loans by risk category – High net worth and other private client lending

	Gross core loans at amortised cost and FVPL (subject to ECL)								Gross core loans at FVPL (not subject to ECL)	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
R'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**		
At 30 September 2023										
Mortgages	88 190	(99)	3 273	(151)	1 660	(252)	93 123	(502)	—	93 123
Other high net worth lending*	75 774	(207)	576	(26)	1 180	(342)	77 530	(575)	—	77 530
Total high net worth and other private client lending	**163 964**	**(306)**	**3 849**	**(177)**	**2 840**	**(594)**	**170 653**	**(1 077)**	**—**	**170 653**
Coverage ratio		**0.19%**		**4.6%**		**20.9%**		**0.6%**		
At 31 March 2023										
Mortgages	84 511	(99)	4 744	(256)	1 469	(244)	90 724	(599)	—	90 724
Other high net worth lending*	72 954	(197)	589	(32)	1 219	(287)	74 762	(516)	—	74 762
Total high net worth and other private client lending	**157 465**	**(296)**	**5 333**	**(288)**	**2 688**	**(531)**	**165 486**	**(1 115)**	**—**	**165 486**
Coverage ratio		**0.19%**		**5.4%**		**19.8%**		**0.7%**		

* 58% of other high net worth lending (31 March 2023: 57%) relates to lending collateralised by property which is supported by high net worth clients.

An analysis of core loans by risk category – Corporate and other lending

	Gross core loans at amortised cost and FVPL (subject to ECL)								Gross core loans at FVPL (not subject to ECL)	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
R'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	**Gross exposure**	**ECL**		
At 30 September 2023										
Corporate and acquisition finance	78 448	(243)	2 494	(188)	2 196	(965)	83 138	(1 396)	1 522	84 660
Fund finance	11 809	(9)	—	—	—	—	11 809	(9)	—	11 809
Financial institutions and governments	2 748	(13)	—	—	816	(3)	3 564	(16)	—	3 564
Small ticket asset finance	1 989	(4)	21	—	—	—	2 010	(4)	—	2 010
Aviation finance*	4 245	(15)	—	—	—	—	4 245	(15)	21	4 266
Power and infrastructure finance	5 140	(25)	77	(1)	620	(80)	5 837	(106)	—	5 837
Total corporate and other lending	**104 379**	**(309)**	**2 592**	**(189)**	**3 632**	**(1 048)**	**110 603**	**(1 546)**	**1 543**	**112 146**
Coverage ratio		**0.30%**		**7.3%**		**28.9%**		**1.4%**		
At 31 March 2023**										
Corporate and acquisition finance	68 869	(231)	3 154	(189)	2 365	(720)	74 388	(1 140)	1 641	76 029
Fund finance	13 097	(24)	—	—	—	—	13 097	(24)	—	13 097
Financial institutions and governments	2 897	(6)	755	(4)	—	—	3 652	(10)	—	3 652
Small ticket asset finance	2 670	(5)	87	—	109	(58)	2 866	(63)	—	2 866
Aviation finance*	2 544	(16)	154	—	—	—	2 698	(16)	—	2 698
Power and infrastructure finance	5 268	(26)	315	(2)	355	(55)	5 938	(83)	—	5 938
Total corporate and other lending	**95 345**	**(308)**	**4 465**	**(195)**	**2 829**	**(833)**	**102 639**	**(1 336)**	**1 641**	**104 280**
Coverage ratio		**0.32%**		**4.4%**		**29.4%**		**1.3%**		

* There are additional aviation exposures of R1.7 billion (31 March 2023: R1.4 billion) in Corporate and acquisition finance.
** Restated as a result of a change in classification between non-sovereign and non-bank cash placements and loans and advances to customers as detailed on pages 26 and 27.

CREDIT AND COUNTERPARTY RISK

An analysis of our gross credit and counterparty exposures

The table below indicates in which class of asset (on the face of the consolidated balance sheet) credit and counterparty exposures are reflected. Not all assets included in the balance sheet bear credit and counterparty risk.

At 30 September 2023 **R'million**	Total gross credit and counterparty exposure	of which FVPL	of which amortised cost and FVOCI	ECL^	Assets that we deem to have no legal credit exposure	**Total assets**
Cash and balances at central banks	12 882	—	12 882	—	568	13 450
Loans and advances to banks	10 120	—	10 120	(25)	—	10 095
Non-sovereign and non-bank cash placements	9 130	465	8 665	(17)	—	9 113
Reverse repurchase agreements and cash collateral on securities borrowed	75 890	25 531	50 359	(1)	—	75 889
Sovereign debt securities	79 822	8 068	71 754	(70)	—	79 752
Bank debt securities	13 337	2 744	10 593	(20)	—	13 317
Other debt securities	10 168	464	9 704	(27)	—	10 141
Derivative financial instruments	14 179	14 179	—	—	1 850	16 029
Securities arising from trading activities	6 451	6 451	—	—	26 795	33 246
Investment portfolio	—	—	—	—	15 558*	15 558
Loans and advances to customers	335 525	14 332	321 193	(3 566)	—	331 959
Own originated loans and advances to customers securitised	6 490	—	6 490	(16)	—	6 474
Other loans and advances	—	—	—	—	—	—
Other securitised assets	—	—	—	—	548^^	548
Interest in associated undertakings	—	—	—	—	27	27
Current taxation assets	—	—	—	—	1	1
Deferred taxation assets	—	—	—	—	1 971	1 971
Other assets	7	—	7	(4)	17 679**	17 682
Property and equipment	—	—	—	—	3 348	3 348
Investment properties	—	—	—	—	2 556	2 556
Goodwill	—	—	—	—	171	171
Other acquired intangible assets	—	—	—	—	—	—
Software	—	—	—	—	124	124
Other financial instruments at FVPL in respect of liabilities to customers	—	—	—	—	3 064	3 064
Non-current assets classified as held for resale	—	—	—	—	75	75
Total on-balance sheet exposures	**574 001**	**72 234**	**501 767**	**(3 746)**	**74 335**	**644 590**
Guarantees	22 651	—	22 651	(4)	2 868	25 515
Committed facilities related to loans and advances to customers	77 749	—	77 749	(57)	—	77 692
Contingent liabilities, letters of credit and other	11 490	6 386	5 104	—	22 356	33 846
Total off-balance sheet exposures	**111 890**	**6 386**	**105 504**	**(61)**	**25 224**	**137 053**
Total exposures	**685 891**	**78 620**	**607 271**	**(3 807)**	**99 559**	**781 643**

^ Includes R61 million ECL held against financial assets held at FVOCI, which is reported on the balance sheet within the fair value reserve. This will result in minor differences between certain balance sheet lines reported above (largely sovereign debt securities) and the statutory balance sheet.
* Largely relates to exposures that are classified as investment risk in the banking book.
^^ Largely cash in securitised vehicles.
** Other assets include settlement debtors which we deem to have no credit risk exposure as they are settled on a delivery against payment basis.

CREDIT AND COUNTERPARTY RISK
CONTINUED

An analysis of our gross credit and counterparty exposures (continued)

At 31 March 2023** **R'million**	Total gross credit and counterparty exposure	of which FVPL	of which amortised cost and FVOCI	ECL#	Assets that we deem to have no legal credit exposure	**Total assets**
Cash and balances at central banks	22 061	—	22 061	—	700	22 761
Loans and advances to banks	12 327	—	12 327	(4)	—	12 323
Non-sovereign and non-bank cash placements	9 721	131	9 590	(16)	—	9 705
Reverse repurchase agreements and cash collateral on securities borrowed	50 337	13 515	36 822	(1)	—	50 336
Sovereign debt securities	77 485	8 247	69 238	(65)	—	77 420
Bank debt securities	16 358	1 652	14 706	(13)	—	16 345
Other debt securities	12 014	464	11 550	(27)	—	11 987
Derivative financial instruments	12 830	12 830	—	—	3 682	16 512
Securities arising from trading activities	6 719	6 719	—	—	26 302	33 021
Investment portfolio	—	—	—	—	22 675*	22 675
Loans and advances to customers	322 408	15 963	306 445	(3 257)	—	319 151
Own originated loans and advances to customers securitised	6 008	—	6 008	(20)	—	5 988
Other loans and advances	1	—	1	—	—	1
Other securitised assets	—	—	—	—	547 ^^	547
Interest in associated undertakings	—	—	—	—	30	30
Current taxation assets	—	—	—	—	1	1
Deferred taxation assets	—	—	—	—	2 245	2 245
Other assets	70	—	70	—	14 082#	14 152
Property and equipment	—	—	—	—	3 457	3 457
Investment properties	—	—	—	—	15 853	15 853
Goodwill	—	—	—	—	171	171
Intangible assets	—	—	—	—	13	13
Software	—	—	—	—	131	131
Other financial instruments at FVPL in respect of liabilities to customers	—	—	—	—	2 433	2 433
Non-current assets classified as held for resale	—	—	—	—	785	785
Total on-balance sheet exposures	**548 339**	**59 521**	**488 818**	**(3 403)**	**93 107**	**638 043**
Guarantees	22 300	—	22 300	(7)	1 276	23 569
Committed facilities related to loans and advances to customers	75 917	—	75 917	(57)	1	75 861
Contingent liabilities, letters of credit and other	11 500	6 261	5 239	—	24 230	35 730
Total off-balance sheet exposures	**109 717**	**6 261**	**103 456**	**(64)**	**25 507**	**135 160**
Total exposures	**658 056**	**65 782**	**592 274**	**(3 467)**	**118 614**	**773 203**

Includes R60 million ECL held against financial assets held at FVOCI, which is reported on the balance sheet within the fair value reserve. This will result in minor differences between certain balance sheet lines reported above (largely sovereign debt securities) and the statutory balance sheet.
* Largely relates to exposures that are classified as investment risk in the banking book.
^^ Largely cash in securitised vehicles.
# Other assets include settlement debtors which we deem to have no credit risk exposure as they are settled on a delivery against payment basis.
** Restated as detailed on pages 26 and 27.

ADDITIONAL CREDIT AND COUNTERPARTY RISK DISCLOSURE

Key judgements

The post-model management overlays previously held for anticipated migration risk in Private Bank have decreased as they are now catered for in-model. The remaining management overlay of R47 million as at 30 September 2023 accounts for emerging risks assessed as inadequately reflected in the forward-looking model for commercial real estate lending clients. An improvement in the underlying performance of previously held stage 2 exposures, as well as realisation of risks in select counterparties, have additionally resulted in the partial release of the management ECL overlay.

Stage 3 ECLs continue to be assessed using a combination of scenario analysis, informed by expert judgement and modelled ECL. Management will continue to review the need and basis of calculation for the overlay given the evolving situation and significant uncertainty faced with respect to the economic outlook.

Forward-looking macro-economic scenarios

The measurement of ECL also requires the use of multiple economic scenarios to calculate a probability-weighted forward-looking estimate. These scenarios are updated at least twice a year, or more frequently if there is a macro-economic shock or significant shift in expectations. The weighting of these scenarios for IFRS 9 as well as the scenarios themselves are discussed and presented at the relevant BRCCs as well as the relevant capital committees for approval, which form part of the principal governance framework for macro-economic scenarios.

A number of forecast economic scenarios are considered for capital planning, stress testing (including Investec-specific stress scenarios) and IFRS 9 ECL measurement.

For Investec Limited, five macro-economic scenarios are used in the measurement of ECL. These scenarios incorporate a base case, two upside cases and two downside cases. The aim of this economic scenario generation process was to provide a view of the current and projected state of the South African economy and the different economic scenarios that could occur in various stressed or improved environments over the next five years for several identified variables/risk drivers.

As of 30 September 2023, all five scenarios were updated to incorporate the latest available data.

The base case is characterised by the view that economic growth is modest but lifts towards 2.0% year-on-year in a five-year period on sufficient domestic policy support measures, while global financial market risk sentiment is neutral to positive. South Africa remains in the BB credit rating category bracket as fiscal consolidation (debt to GDP stabilisation) occurs which may lead to some positive outlooks. The Rand stabilises and then strengthens somewhat, while inflation is impacted by the course of weather patterns via food price inflation. Little expropriation without compensation occurs and has no negative effect on the economy, with no nationalisation. There is a modest transition to renewable energy and slow move away from fossil fuel usage and measures to alleviate the impact of climate change on the economy are modestly implemented. The Russian/Ukraine war eases and does not exacerbate. The grey listing proves temporary. As of 30 September 2023, the weighting of the base case was 47%, down slightly from 48% at 31 March 2023. The probability has fallen on the lowered growth outlook, deterioration in government finances and the rise in credit rating downgrade risk.

The lite down case has the same expected international environment (including global financial market risk sentiment) as the base case, but the domestic environment differs. South Africa fails to see debt projections stabilise, falls into the single B (local and foreign currency) credit ratings from all three key credit rating agencies. Business confidence is depressed, significant load shedding, weak investment growth, civil and political unrest occurs, along with a recession. High inflation on unfavourable weather conditions, marked Rand weakness also transpires, while little transition to renewable energy or measures to alleviate the impact of climate change takes place. Very limited expropriation of private sector property without compensation is a feature, with some negative impact on the economy. However, substantial fiscal consolidation ultimately occurs, preventing South Africa's credit ratings from falling into the C grades. The grey listing is lengthy. As of 31 March 2023, the weighting of the lite down case was 39%, while at 30 September 2023 it has increased to 43%. The probability has risen on the lowered growth outlook, deterioration in government finances and the rise in credit rating downgrade risk.

Under the severe down case there is a lengthy global recession and a global financial crisis with insufficient monetary and other support domestically and internationally. This results in very high inflation on very adverse weather conditions and severe Rand weakness. SA is rated single B by all three key agencies and eventually downgraded into the CCC grade category showing the increased risk of default. Government borrows from increasingly wider sources, sinks deeper into a debt trap and the country experiences widespread, severe services load shedding, severe civil and political unrest. There is a failure to transition to renewable energy and other measures to sufficiently alleviate the impact of climate change on the economy. There is limited expropriation of private property without compensation with a marked negative economic impact. South Africa is blacklisted in this scenario. The Russian/Ukraine war widens. As at 31 March 2023, the scenario weighting of the severe down case was 10%, but this has decreased to 8% at 30 September 2023 due to the reduction in the perceived risk of global recession.

The up case is depicted by rising business confidence and investment levels as structural constraints to sustained, robust economic growth are removed, in an environment of strong global and domestic growth, and the global financial market is risk-on. Low domestic inflation occurs on Rand strength, along with favourable weather conditions for moderate food price inflation. A substantial transition to renewable energy, and a move away from fossil fuel usage occurs, along with comprehensive measures to alleviate the impact of climate change on the economy. There is no nationalisation or expropriation without compensation. No further credit rating downgrades occur and instead the rating outlooks become positive on strong fiscal consolidation (government debt projections fall substantially). The grey listing lasts for less than eighteen months. This scenario retains a weighting of 1%.

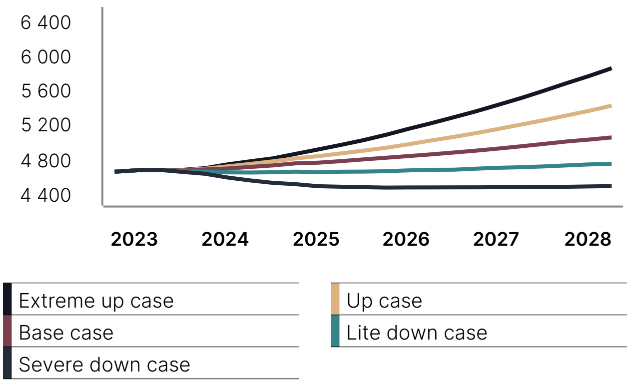
ADDITIONAL CREDIT AND COUNTERPARTY RISK DISCLOSURE
CONTINUED

The extreme up case is an acceleration of the up case. Good governance and growth-creating reforms which overcome structural constraints rapidly occur. Business confidence is high, property rights are strong, fixed investment growth rates are very strong, while substantial FDI inflows occur, along with strong fiscal consolidation as government debt falls back to the low ratios of the early 2000s. Domestic economic growth of 3-5%, then 5-7%, is achieved under this scenario and credit rating upgrades occur. Very subdued domestic inflation on extreme Rand strength is a feature, along with a strong transition away from fossil fuel usage, a quick transition to renewable energy and very favourable weather conditions. The grey listing is very short-lived. There is strong global growth and a commodity boom in this scenario too. This scenario retains a weighting of 1%.

The graph below depicts the forecast South African GDP growth under the macro-economic scenarios applied at 30 September 2023.

South African GDP scenarios

R'billion



The table below shows the key factors that form part of the macro-economic scenarios and the relative applied weightings of these scenarios.

Macro-economic scenarios

	At 30 September 2023 average 2023 – 2028					At 31 March 2023 average 2023 – 2028				
Macro-economic scenarios	**Extreme up case %**	**Up case %**	**Base case %**	**Lite down case %**	**Severe down case %**	Extreme up case %	Up case %	Base case %	Lite down case %	Severe down case %
GDP growth	3.9	2.5	1.4	0.3	(0.8)	4.2	2.8	1.5	0.4	(0.5)
Repo rate	5.6	6.2	7.3	8.7	10.3	5.0	5.7	6.8	8.2	10.3
Bond yield	9.3	10.0	10.7	11.6	12.5	9.2	9.7	10.3	11.4	12.5
CPI inflation	3.4	4.0	4.7	5.5	6.3	3.2	4.0	4.6	5.6	6.4
Residential property price growth	5.6	4.7	3.6	2.5	1.4	5.8	4.8	3.7	2.6	1.5
Commercial property price growth	3.8	2.1	1.0	(0.9)	(2.6)	3.5	2.0	0.9	(0.8)	(2.6)
Exchange rate (South African Rand:US Dollar)	14.8	16.4	17.4	18.9	20.8	14.6	15.7	17.0	18.6	20.6
Scenario weightings	**1**	**1**	**47**	**43**	**8**	**1**	**1**	**48**	**40**	**10**

The following table shows annual averages of economic factors for the base case over a five-year period based on the economic forecasts in place as at 30 September 2023.

	Financial years				
Base case %	**2023/2024**	**2024/2025**	**2025/2026**	**2026/2027**	**2027/2028**
GDP growth	0.3	1.3	1.5	1.7	2.1
Repo rate	8.2	7.3	7.0	7.0	7.0
Bond yield	11.6	11.0	10.6	10.4	10.1
CPI inflation	5.3	4.6	4.3	4.7	4.6
Residential property price growth	2.3	2.6	3.4	4.6	5.1
Commercial property price growth	(1.0)	0.6	1.2	1.8	2.2
Exchange rate (South African Rand:US Dollar)	18.1	17.6	17.2	17.0	17.0

ADDITIONAL CREDIT AND COUNTERPARTY RISK DISCLOSURE
CONTINUED

The following table outlines the extreme point forecast for each economic factor across the scenarios as at 30 September 2023. Baseline represents the five-year base case average. The upside scenario values represent the best outcomes, namely the highest quarterly level of GDP, residential and commercial property price growth (year-on-year), lowest level of CPI inflation (year-on-year), bond yield, exchange rate and repo rate. The downside scenario values represent the worst outcomes being lowest quarterly level of GDP, residential and commercial property price growth (year-on-year), highest level of CPI inflation (year-on-year), bond yield, exchange rate and repo rate.

Five-year extreme points At 30 September 2023	**Extreme up case %**	**Up case %**	**Baseline: Base case five-year average %**	**Lite down case %**	**Severe down case %**
South Africa					
GDP growth	6.2	4.1	1.4	(1.0)	(2.8)
Repo rate	4.8	5.5	7.3	9.5	11.5
Bond yield	8.9	9.6	10.7	12.5	13.0
CPI inflation	2.6	3.4	4.7	6.2	6.8
Residential property price growth	8.1	6.6	3.6	1.1	—
Commercial property price growth	6.1	4.0	1.0	(2.7)	(4.8)
Exchange rate (South African Rand:US Dollar)	14.0	15.4	17.4	20.0	21.7

INVESTMENT RISK

Investment risk

Investment risk in the banking book comprises 3.0% of total assets at 30 September 2023.

Summary of investments held

An analysis of income and revaluations of these investments can be found in the investment income note on page 13. The balance sheet value of investments is indicated in the table below.

R'million	On-balance sheet value of investments 30 Sept 2023	On-balance sheet value of investments 31 March 2023
Unlisted investments^*	3 378	5 974
Listed equities	552	581
Investment in Investec plc^^	5 661	4 205
Burstone Group Limited (previously Investec Property Fund Limited (IPF))	1 467	—
Bud Group Holdings (previously Investec Equity Partners (IEP))#	4 500	4 683
Total investment portfolio	**15 558**	**15 443**
Investments and trading properties^	3 559	6 758
Total	**19 117**	**22 201**

^ Investec has deconsolidated its c.24.3% investment in IPF as from 6 July 2023 following the internalisation of the IPF Manco. This resulted in a decrease in unlisted investments and investments and trading properties. With effect from July 2023 the listed investment in IPF (now known as Burstone Group Limited) is accounted for at fair value through profit and loss.

* Includes fair value loan investments of R507 million (31 March 2023: R2.8 billion including IPF which was previously consolidated at the level of our economic ownership, being 24.3%).

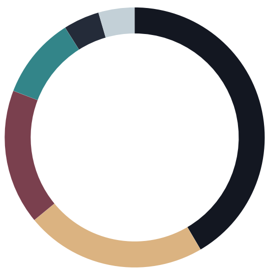
The investment in Bud Group Holdings is reported in the investment portfolio line on the balance sheet. At 30 September 2023, Investec Limited held a 36.4% stake in Bud Group Holdings (31 March 2023: 47.4%). Bud Group Holdings has been restructured to facilitate the exit of Investec and certain other Bud Group Holdings shareholders over a period of time. This will be achieved through a realisation of certain assets, with Investec receiving c. 60% of these proceeds.

^^ Investec plc shares were acquired in the current year as part of the process to return excess capital to shareholders. At 30 September 2023, INL executed R6.7bn (INL: R1.4bn and PLC: R5.3bn) of the planned R7bn DLC share buy-back programme.

An analysis of the investment portfolio and Bud Group Holdings by industry (excluding investment and trading properties, Burstone Group Limited and Investec plc)

30 September 2023

R8 430 million



Finance and Insurance	41.5%
Mining and resources	22.5%
Manufacturing and Commerce	16.8%
Electricity, gas and water (utility services)	10.2%
Communication	4.5%
Other	4.5%

MARKET RISK

Market risk in the trading book

Traded market risk

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.

Value at Risk (VaR)

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

The table below contains the 95% one-day VaR figures for the trading businesses.

95% one-day VaR R'million	30 September 2023				31 March 2023			
	Period end	Average	High	Low	**Year end**	Average	High	Low
Commodities	0.6	0.6	0.8	0.3	0.4	0.3	1.9	0.1
Equities	4.3	4.4	9.6	3.1	5.1	4.9	9.7	2.6
Foreign exchange	0.8	0.7	2.8	0.2	0.4	0.7	3.1	0.1
Interest rates	13.4	9.0	14.6	5.0	8.9	7.5	14.4	3.4
Consolidated*	**15.7**	**10.0**	**15.8**	**6.2**	**10.1**	**8.6**	**14.1**	**4.1**

* The consolidated VaR is lower than the sum of the individual VaRs. This arises from the correlation offset between various asset classes (diversification).

Expected shortfall (ES)

The ES measure overcomes some of VaR's shortcomings. ES seeks to quantify losses encountered in the tail beyond the VaR level. The 95% one-day ES is the average loss given that the 95% one-day VaR level has been exceeded. The table below contains the 95% one-day ES figures.

95% one-day ES R'million	30 Sept 2023 Period end	31 March 2023 Year end
Commodities	0.7	0.5
Equities	6.1	6.7
Foreign exchange	1.1	0.5
Interest rates	18.8	12.9
Consolidated*	**20.0**	**15.0**

* The consolidated ES is lower than the sum of the individual ESs. This arises from the correlation offset between various asset classes.

Stressed VaR

Stressed VaR (sVaR) is calculated using the VaR model but is based on a one-year period through which the relevant market factors experienced stress. The information in the table below contains the 99% one-day sVaR.

R'million	30 Sept 2023 Period end	31 March 2023 Year end
99% one-day sVaR	**27.9**	**28.8**

MARKET RISK
CONTINUED

Balance sheet risk management

Balance sheet risk encompasses the financial risks relating to our asset and liability portfolios, comprising liquidity, funding, concentration, encumbrance and IRRBB.

Liquidity risk

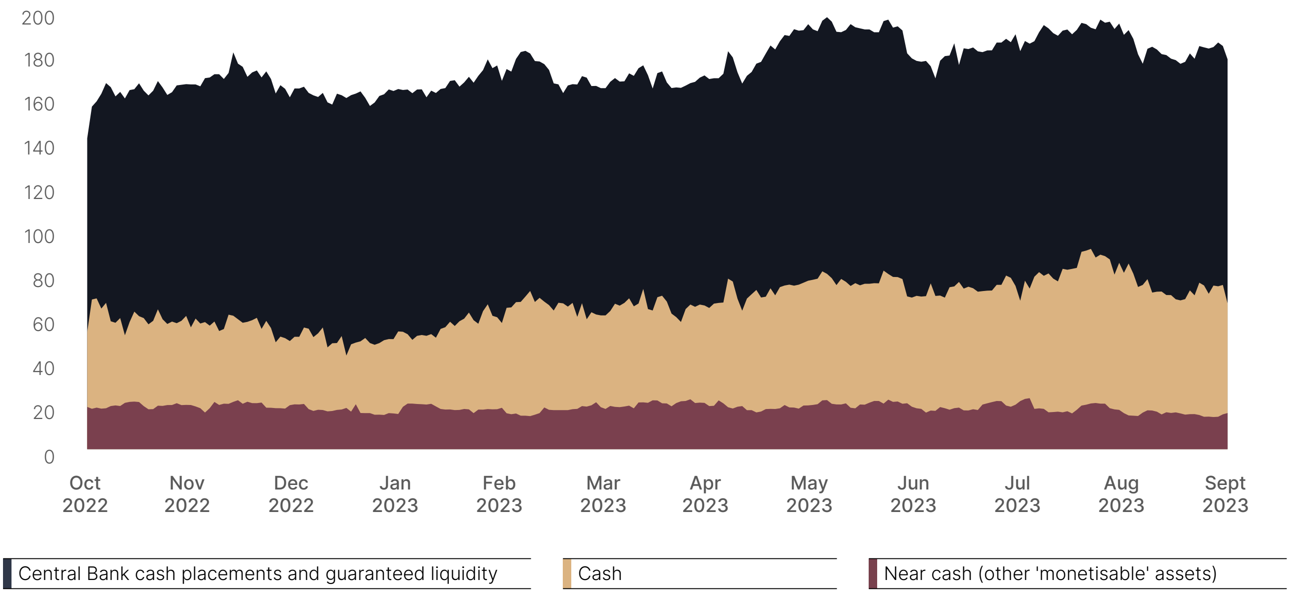
Liquidity risk refers to the possibility that, despite being solvent, we have insufficient capacity to fund increases in assets or are unable to meet our payment obligations as they fall due, in normal and stressed conditions. This includes repaying depositors or maturing wholesale debt. This risk arises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

Liquidity risk is further broken down into:

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

Cash and near cash trend

R'billion



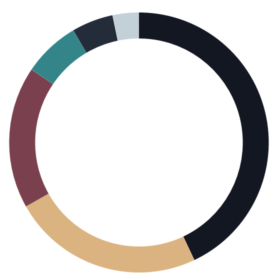
An analysis of cash and near cash at 30 September 2023

R177.7 billion

Central Bank cash placements and guaranteed liquidity	62.6%
Cash	29.1%
Near cash (other 'monetisable' assets)	8.3%

Bank and non-bank depositor concentration by type at 30 September 2023

R495.3 billion



Non-bank financials	42.9%
Individuals	23.8%
Non-financial corporates	17.7%
Banks	7.1%
Public sector	5.2%
Small business	3.3%

MARKET RISK
CONTINUED

Liquidity mismatch

The tables that follow show the liquidity mismatch across our business.

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

With respect to the behavioural liquidity gap, we adjust the contractual profile of certain assets and liabilities:

- **Liquidity buffer:** the actual contractual profile of the assets in the liquidity buffer is of little consequence, as practically the Group would meet any unexpected net cash outflows by repo'ing or selling these highly liquid securities. Consequently, for the liquidity buffer:
  - The time horizon to monetise our regulatory liquid assets which are guaranteed by the central bank has been adjusted to 'on demand'
  - The time horizon for the cash and near cash portfolio of discretionary treasury assets has been set to one month where there are deep secondary markets for this elective asset class.
- **Customer deposits:** the contractual repayments of many deposits are on demand, or at notice, but in reality withdrawals vary significantly from this. Historical observations of the products are used to model the behavioural lives, and this analysis has identified significant additional sources of structural liquidity in the form of core deposits that exhibit stable behaviour.

Contractual liquidity at 30 September 2023

R'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> Five years	Total
Cash and short-term funds – banks	18 347	3 411	765	—	—	—	—	22 523
Cash and short-term funds – non-banks	5 567	193	268	—	—	—	—	6 028
Investment/trading assets and statutory liquids	92 621	72 976	16 411	4 976	7 479	20 157	31 955	246 575
Securitised assets	548	35	234	171	658	2 819	2 557	7 022
Advances	3 193	10 961	17 336	10 189	25 906	129 883	138 595	336 063
Other assets	3 397	6 087	2 157	287	3 818	1 293	6 337	23 376
Assets	**123 673**	**93 663**	**37 171**	**15 623**	**37 861**	**154 152**	**179 444**	**641 587**
Deposits – banks	(1 648)	(1 245)	(580)	(192)	–	(31 308)	—	(34 973)
Deposits – non-banks	(220 928)	(23 223)	(58 097)	(41 189)	(56 732)	(57 395)	(2 794)	(460 358)
Negotiable paper	(1)	(12)	(481)	(217)	(1 126)	(2 291)	—	(4 128)
Securitised liabilities	—	—	—	—	—	—	(3 912)	(3 912)
Investment/trading liabilities	(3 095)	(10 790)	(6 792)	(3 205)	(7 458)	(30 703)	(2 032)	(64 075)
Subordinated liabilities	–	—	(1 458)	–	—	(5 995)	(500)	(7 953)
Other liabilities	(6 032)	(2 096)	(13)	(470)	(251)	(535)	(4 617)	(14 014)
Liabilities	**(231 704)**	**(37 366)**	**(67 421)**	**(45 273)**	**(65 567)**	**(128 227)**	**(13 855)**	**(589 413)**
Total equity	—	—	—	—	—	—	(52 174)	(52 174)
Contractual liquidity gap	**(108 031)**	**56 297**	**(30 250)**	**(29 650)**	**(27 706)**	**25 925**	**113 415**	**—**
Cumulative liquidity gap	(108 031)	(51 734)	(81 984)	(111 634)	(139 340)	(113 415)	—	—

Behavioural liquidity as at 30 September 2023

R'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	> Five years	Total
Behavioural liquidity gap	**78 281**	**22 859**	**9 077**	**(4 815)**	**5 651**	**(245 495)**	**134 442**	**—**
Cumulative	78 281	101 140	110 217	105 402	111 053	(134 442)	—	

MARKET RISK
CONTINUED

Interest rate risk in the banking book (IRRBB)

Measurement and management of IRRBB

IRRBB is an inherent consequence of conducting banking activities, and arises from the provision of non-trading banking products and services. The Group considers the management of banking margin of vital importance, and our non-trading interest rate risk philosophy is reflected in our day-to-day practices.

Sources of IRRBB include:

- **Repricing risk:** arises from the timing differences in the fixed rate maturity and floating rate repricing of Group assets, liabilities and off-balance sheet derivative positions. This affects the interest rate margin realised between lending income and borrowing costs when applied to our rate sensitive portfolios
- **Yield curve risk:** repricing mismatches also expose the Group to changes in the slope and shape of the yield curve
- **Basis risk:** arises from imperfect correlation in the adjustments of the rates earned and paid on different instruments with otherwise similar repricing characteristics
- **Embedded option risk:** arises from optional elements embedded in items where the Group or its customers can alter the level and timing of their cash flows
- **Endowment risk:** refers to the interest rate risk exposure arising from the net differential between interest rate insensitive assets, interest rate insensitive liabilities and capital.

The above sources of interest rate risk affect the interest rate margin realised between lending income and borrowing costs when applied to our rate sensitive asset and liability portfolios, which has a direct effect on future net interest earnings and the economic value of equity.

Net interest income sensitivity at 30 September 2023

IRRBB is measured and monitored using an income sensitivity approach. The table below reflects Investec Bank Limited's (Consolidated) annualised net interest income value sensitivity to a 0.25% parallel shift in interest rates assuming no management intervention.

million	All (ZAR)
25bps down	(56.9)
25bps up	56.9

Economic value sensitivity at 30 September 2023

As outlined above, IRRBB is measured and monitored using an economic value sensitivity approach. The table below reflects Investec Bank Limited's (Consolidated) economic value sensitivity to a 2% parallel shift in interest rates assuming no management intervention. This sensitivity effect would only have a negligible direct impact on our equity.

million	All (ZAR)
200bps down	503.2
200bps up	(364.5)

CAPITAL ADEQUACY

A summary of capital adequacy and leverage ratios

R'million	IRB Scope* 30 Sept 2023^	IRB Scope* 31 March 2023^
Common Equity Tier 1	13.2%	14.7%
Tier 1 ratio	14.3%	15.9%
Total capital ratio	17.0%	18.3%
Risk-weighted assets (R'million)	289 148	283 600
Leverage exposure measure (R'million)	701 096	696 319
Leverage ratio	5.9%	6.5%

Capital structure and capital adequacy

R'million	IRB Scope* 30 Sept 2023^	IRB Scope* 31 March 2023^
Shareholders' equity	**46 524**	**45 929**
Shareholders' equity per balance sheet	48 975	48 374
Perpetual preference share capital and share premium	(2 451)	(2 445)
Non-controlling interests	**—**	**–**
Non-controlling interests per balance sheet	(60)	9 872
Non-controlling interests excluded for regulatory purposes	60	(9 872)
Regulatory adjustments to the accounting basis	**(300)**	**1 054**
Prudent valuation adjustment	(299)	(280)
Gains or losses on liabilities at fair value resulting from changes in our credit standing	(35)	(15)
Cash flow hedging reserve	34	1 349
Deductions	**(7 948)**	**(5 173)**
Goodwill and intangible assets net of deferred tax	(295)	(315)
Investment in financial entity	(526)	(456)
Shortfall of eligible provisions compared to expected loss	(328)	(18)
Amount of deductions exceeding 15% threshold^^	(935)	—
Other regulatory adjustments^^^	(5 864)	(4 384)
Common equity tier 1 capital	**38 276**	**41 810**
Additional Tier 1 capital	**3 217**	**3 212**
Additional tier 1 instruments	5 711	5 705
Phase out of non-qualifying additional tier 1 instruments	(2 451)	(2 445)
Non-qualifying surplus capital attributable to non-controlling interest	(43)	(48)
Tier 1 capital	**41 493**	**45 022**
Tier 2 capital	**7 522**	**6 963**
Collective impairment allowances	340	365
Tier 2 instruments	7 751	7 563
Investment in capital of financial entities above 10% threshold	—	(114)
Non-qualifying surplus capital attributable to non-controlling interests	(569)	(851)
Total regulatory capital	**49 015**	**51 985**
Risk-weighted assets	**289 148**	**283 600**

* Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 30 September 2023, 52% (31 March 2023: 53%) of the portfolio applies the AIRB approach, 30% (31 March 2023: 28%) applies the FIRB approach, with the remaining balance of 18% (31 March 2023: 19%) remaining on the standardised approach.

^ Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET 1 ratio would have been 49bps lower (31 March 2023: 117bps lower). The leverage ratio would have been 21bps (31 March 2023: 49bps) lower.

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

^^^ Approval was obtained from the South African Prudential Authority effective 31 March 2023, to deduct the full Plc investment against CET1 capital.

CAPITAL ADEQUACY
CONTINUED

Capital requirements

	AIRB Scope*	
R'million	**30 Sept 2023**	31 March 2023
Capital requirements	**34 821**	**34 067**
Credit risk	27 045	26 292
Equity risk	1 567	1 716
Counterparty credit risk	851	953
Credit valuation adjustment risk	284	418
Market risk	956	826
Operational risk	4 118	3 862
Risk-weighted assets	**289 148**	**283 600**
Credit risk	224 573	218 883
Equity risk	13 013	14 283
Counterparty credit risk	7 068	7 930
Credit valuation adjustment risk	2 359	3 477
Market risk	7 937	6 875
Operational risk	34 198	32 152

Leverage

	AIRB Scope*	
R'million	**30 Sept 2023^**	31 March 2023^
Tier 1 capital	41 493	45 022
Total exposure measure	701 096	696 319
Leverage ratio	**5.9%**	**6.5%**

* Investec Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWA. As at 30 September 2023, 52% (31 March 2023: 53%) of the portfolio applies the AIRB approach, 30% (31 March 2023: 28%) applies the FIRB approach, with the remaining balance of 18% (31 March 2023: 19%) remaining on the standardised approach.

^ Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET 1 ratio would have been 49bps lower (31 March 2023: 117bps lower). The leverage ratio would have been 21bps (31 March 2023: 49bps) lower.

ALTERNATIVE PERFORMANCE MEASURES

We supplement our IFRS figures with alternative performance measures used by management internally and which provide valuable, relevant information to readers. These measures are used to align internal and external reporting, identify items management believes are not representative of the underlying performance of the business and provide insight into how management assesses period-on-period performance. A description of the Group's alternative performance measures and their calculation, where relevant, is set out below.

Alternative performance measures are not measures within the scope of IFRS and are not a substitute for IFRS financial measures. Alternative performance measures constitute pro-forma financial information. The pro-forma financial information is the responsibility of the Board of Directors and is presented for illustrative purposes only and because of its nature may not fairly present the Group's financial position, changes in equity, and results in operations or cash flows.

Adjusted operating profit	Refer to the calculation in the table below

R'million	**Six months to 30 Sept 2023**	Six months to 30 Sept 2022^	Year to 31 March 2023^
Operating profit before goodwill and acquired intangibles	4 723	4 390	8 946
Add: Profit attributable to non-controlling interests	(5)	—	(17)
Adjusted operating profit	**4 718**	**4 390**	**8 929**

^ Restated as detailed on page 26.

Annuity income	Net interest income (refer to page 12) plus net annuity fees and commissions (refer to page 13)
Core loans	The table below describes the differences between 'loans and advances to customers' as per the balance sheet and gross core loans

R'million	**31 March 2023**	31 March 2023^^
Loans and to customers per the balance sheet	331 959	319 151
Add: Own originated loans and advances to customers per the balance sheet	6 474	5 988
Net core loans	**338 433**	**325 139**
of which subject to ECL *	336 886	323 498
Net core loans at amortised cost	324 378	309 463
Net fixed rate loans designated at FVPL (on which ECL is calculated for management purposes)^	12 508	14 035
of which FVPL (excluding fixed rate loans above)	1 547	1 641
Add: ECL	3 582	3 277
Gross core loans	**342 015**	**328 416**
of which subject to ECL*	340 468	326 775
of which FVPL (excluding fixed rate loans above)	1 547	1 641

* Includes portfolios for which ECL is not required for IFRS purposes, but which management evaluates on this basis. These are fixed rate loans which have passed the solely payments of principal and interest (SPPI) test and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans measured at amortised cost. R11.4 billion of the drawn exposure falls into Stage 1 (31 March 2023: R13.3 billion), R377.7 million falls in Stage 2 (31 March 2023: R27.5 million) and the remaining R1.0 billion falls into Stage 3 (31 March 2023: R1.0 billion). The ECL on the Stage 1 portfolio is R27.0 million (31 March 2023: R37.4 million), ECL on Stage 2 is R0.1 million (31 March 2023: R0.1 million) and the ECL on Stage 3 portfolio is R250.2 million (31 March 2023: R248.6 million).

* Includes portfolios for which ECL is not required for IFRS purposes but for which management evaluates on this basis.

^^ Restated as detailed on page 27.

Cost to income ratio	Refer to calculation in the table below

R'million	**Six months to 30 Sept 2023**	Six months to 30 Sept 2022^	Year to 31 March 2023^
Operating costs (A)	5 360	4 800	10 028
Total operating income before expected credit loss impairment charges	10 250	9 212	19 263
Less: Profit attributable to non-controlling interests	(5)	—	(17)
Total (B)	10 245	9 212	19 246
Cost to income ratio (A/B)	**52.3%**	**52.1%**	**52.1%**

^ Restated as detailed on page 26.

ALTERNATIVE PERFORMANCE MEASURES
CONTINUED

Coverage ratio	ECL as a percentage of gross core loans subject to ECL
Credit loss ratio	Annualised ECL impairment charges on core loans as a percentage of average gross core loans subject to ECL
Gearing ratio	Total assets excluding assurance assets divided by total equity
Loans and advances to customers as a % of customer deposits	Loans and advances to customers as a percentage of customer accounts (deposits)
Net interest margin	Annualised interest income net of interest expense, divided by average interest-earning assets. Refer to calculation on page 12.

DEFINITIONS

Cash and near cash

Includes cash, near cash (other 'monetisable assets') and Central Bank cash placements and guaranteed liquidity

EBITDA

The Company being valued earnings before interest, taxes, depreciation and amortisation

ECL

Expected credit loss

Funds under management

Consists of funds managed by the Wealth & Investment business and by the Property business (which forms part of the Specialist Bank)

FVOCI

Fair value through other comprehensive income

FVPL

Fair value through profit and loss

Interest-earning assets

Cash and near cash, bank debt securities, sovereign debt securities, core loans and advances, other debt securities, other loans and advances and other securitised assets

Refer to page 12 for calculation.

Interest-bearing liabilities

Deposits by banks, debt securities in issue, repurchase agreements and cash collateral on securities lent, customer accounts (deposits), liabilities arising on securitisation of own originated loans and advances and loans from Group companies

Refer to page 12 for calculation.

Subject to ECL

Includes financial assets held at amortised cost as well as designated at FVPL loan portfolios for which ECL is not required for IFRS purposes but for which management evaluates on this basis

WACC

Weighted average cost of capital