Out of the Ordinary since 1974

INVESTEC BANK LIMITED
(A SUBSIDIARY OF INVESTEC LIMITED)

Unaudited condensed consolidated financial information for the year ended 31 March 2024

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 26.

All other definitions can be found on page 27.

Key financial statistics	**31 March 2024**	31 March 2023^	% change
Operating income (R'million)	18 347	16 908	8.5%
Operating costs (R'million)	8 783	7 980	10.1%
Operating profit before goodwill and acquired intangibles (R'million)	9 727	8 639	12.6%
Headline earnings attributable to ordinary shareholders (R'million)	7 718	6 537	18.1%
Cost to income ratio	47.9%	47.2%	
Total capital resources (including subordinated liabilities) (R'million)	56 732	53 716	5.6%
Total equity (R'million)	49 449	45 968	7.6%
Total assets (R'million)	611 674	595 089	2.8%
Net core loans and advances (R'million)	341 566	322 580	5.9%
Customer accounts (deposits) (R'million)	450 371	448 718	0.4%
Loans and advances to customers as a % of customer accounts (deposits)	74.4%	70.6%	
Cash and near cash balances (R'million)	160 712	171 400	(6.2%)
Total gearing ratio (i.e. total assets excluding intergroup loans to equity)	11.7x	12.1x	
Total capital ratio	20.5%	21.2%	
Tier 1 ratio	17.8%	18.2%	
Common Equity Tier 1 ratio	16.5%	17.1%	
Leverage ratio	7.1%	7.2%	
Stage 3 as a % of gross core loans subject to ECL	3.6%	2.7%	
Stage 3 net of ECL as a % of net core loans subject to ECL	3.0%	2.1%	
Credit loss ratio	(0.04%)	0.09%	
Net Stable Funding Ratio % (NSFR)	115.3%	116.4%	
Liquidity Coverage Ratio % (LCR)	159.4%	153.6%	

^ Restated as detailed on page 17.

Financial review

Unless the context indicates otherwise, all comparatives relate to the year ended 31 March 2023 (FY2023)

Salient operational features for the period under review include:

Total operating income increased by 8.5% to R18 347 million (FY2023: R16 908 million). The components of operating income are analysed further below:

- Net interest income increased 15.2% to R14 071 million (FY2023: R12 214 million) driven by loan book growth and higher interest rates. Net core loans grew by 5.9% to R341.6 billion (FY2023: R322.58 billion) primarily due to continued credit demand in corporate portfolios, as well as mortgage growth in the HNW and other private client lending portfolios
- Net fee and commission income increased 11.7% to R3 609 million (FY2023: R3 232 million), benefitting from growth in client activity. The increased fee income from higher card point of sale activity structured retail products and trade finance activity was partially offset by higher costs associated with fee generation
- Investment income of R700 million (FY2023: R274 million) represents higher dividend and realised income from investment portfolios
- Trading loss arising from customer flow of R385 million (FY2023: R1 148 million gain) reflects the reduced trading volumes, lower fair value adjustments, and trading losses in the interest rate desk. Trading income from balance sheet management activities increased to R349 million (FY2023: R42 million) due to mark-to-market movements on interest rate hedging positions.

ECL impairment charges were a net release of R163 million compared to a R289 million charge in the prior year. The recoveries on previously written-off exposures, ECL release from model recalibration and management overlays were partially offset by the ECL raised on specific exposures which migrated to Stage 3. The credit loss ratio was a net release of (4bps) (FY2023: 9bps).

The cost to income ratio was 47.9% (FY2023: 47.2%) as costs grew ahead of revenue. Operating costs increased 10.1% to R8 783 million (FY2023: R7 980 million). Fixed costs growth was driven by annual inflationary salary increases, higher regulatory fees and increased technology expenses. Variable costs grew in line with business performance.

The aforementioned factors resulted in profit before taxation growth of 13.1% to R9 714 million (FY2023: R8 587 million) while profit after taxation increased 18.9% to R8 076 million (FY2023: R6 792 million).

CONDENSED CONSOLIDATED INCOME STATEMENT

R'million	Year to 31 March 2024	Year to 31 March 2023^
Interest income	53 546	38 738
Interest expense	(39 475)	(26 524)
Net interest income	**14 071**	**12 214**
Fee and commission income	4 593	4 106
Fee and commission expense	(984)	(874)
Investment income	700	274
Share of post-taxation profit/(loss) of associates	3	(3)
Trading (loss)/income arising from		
– customer flow	(385)	1 148
– balance sheet management and other trading activities	349	42
Other operating income	—	1
Operating income	**18 347**	**16 908**
Expected credit loss impairment release/(charges)	163	(289)
Operating income after expected credit loss impairment release/(charges)	**18 510**	**16 619**
Operating costs	(8 783)	(7 980)
Operating profit before goodwill and acquired intangibles	**9 727**	**8 639**
Impairment of goodwill	—	(1)
Amortisation of acquired intangibles	(13)	(51)
Profit before taxation	**9 714**	**8 587**
Taxation on operating profit before acquired intangibles	(1 642)	(1 809)
Taxation on acquired intangibles	4	14
Profit after taxation	**8 076**	**6 792**
Profit after taxation attributable to ordinary shareholders	7 718	6 536
Profit after taxation attributable to perpetual preference shareholders and Other Additional Tier 1 security holders	358	256

^ Restated as detailed on page 17.

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

R'million	**Year to 31 March 2024**	Year to 31 March 2023^
Profit after taxation	8 076	6 792
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*	(89)	(87)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income*	102	32
Gain on realisation of debt instruments at FVOCI recycled through the income statement*	(90)	(59)
Foreign currency adjustments on translating foreign operations	644	1 425
Items that will not be reclassified to the income statement		
Movement in post-retirement benefits liabilities*	(9)	—
Net gain attributable to own credit risk*	17	2
Total comprehensive income	**8 651**	**8 105**
Total comprehensive income attributable to ordinary shareholders	8 293	7 849
Total comprehensive income attributable to perpetual preference shareholders and Other Additional Tier 1 security holders	358	256
Total comprehensive income	**8 651**	**8 105**

^ Restated as detailed on page 17.
* Net of taxation expense of R45.1 million (2023: R75.0 million).

HEADLINE EARNINGS

R'million	**Year to 31 March 2024**	Year to 31 March 2023
Profit after taxation	8 076	6 792
Dividend paid to perpetual preference shareholders and Other Additional Tier 1 security holders	(358)	(256)
Earnings attributable to ordinary shareholders	**7 718**	**6 536**
Headline adjustments	—	1
Impairment of goodwill	—	1
Headline earnings attributable to ordinary shareholders	**7 718**	**6 537**

CONSOLIDATED BALANCE SHEET

At R'million	31 March 2024	31 March 2023^	31 March 2022^
Assets			
Cash and balances at central banks	14 795	22 761	11 893
Loans and advances to banks	7 751	10 502	19 609
Non-sovereign and non-bank cash placements	10 818	9 705	8 458
Reverse repurchase agreements and cash collateral on securities borrowed	77 352	57 916	63 721
Sovereign debt securities	72 142	69 833	50 219
Bank debt securities	8 297	15 496	28 044
Other debt securities	10 271	11 676	15 439
Derivative financial instruments	9 988	15 962	17 010
Securities arising from trading activities	7 980	6 735	2 276
Loans and advances to customers	335 120	316 592	292 247
Own originated loans and advances to customers securitised	6 446	5 988	7 228
Other loans and advances	—	1	108
Other securitised assets	1 736	547	592
Investment portfolio**	3 085	2 926	2 865
Interests in associated undertakings	22	33	31
Current taxation assets	—	1	2
Deferred taxation assets	1 498	1 548	1 571
Other assets	9 240	6 175	7 107
Property and equipment	3 778	3 306	3 427
Investment properties	—	—	1
Goodwill	171	171	172
Software	92	127	46
Other acquired intangible assets	—	13	64
Loans to Group companies	31 092	37 075	20 828
Non-current assets classified as held for sale	—	—	498
	611 674	**595 089**	**553 456**
Liabilities			
Deposits by banks	31 065	26 420	18 721
Derivative financial instruments	14 172	18 531	16 272
Other trading liabilities	20 410	15 379	14 763
Repurchase agreements and cash collateral on securities lent	19 706	17 933	12 091
Customer accounts (deposits)	450 371	448 718	420 072
Debt securities in issue	4 715	2 585	2 845
Liabilities arising on securitisation of own originated loans and advances	4 997	3 594	4 585
Current taxation liabilities	570	554	273
Deferred taxation liabilities	21	19	17
Other liabilities	7 975	6 928	7 089
Loans from Group companies	940	712	1 066
	554 942	**541 373**	**497 794**
Subordinated liabilities	7 283	7 748	9 133
	562 225	**549 121**	**506 927**
Equity			
Ordinary share capital	32	32	32
Ordinary share premium	14 250	14 250	14 250
Other reserves	5 138	4 339	2 867
Retained income	26 569	24 637	26 820
Shareholders' equity excluding non-controlling interests	**45 989**	**43 258**	**43 969**
Other Additional Tier 1 securities in issue	3 460	2 710	2 560
Total equity	**49 449**	**45 968**	**46 529**
Total liabilities and equity	**611 674**	**595 089**	**553 456**

^ Restated as detailed on page 17.
** During the year the group reassessed the order of liquidity within the balance sheet and moved 'investment portfolio' to below 'other securitised assets' as it found to be less liquid than the items that were listed above it. The reorder has also been applied to the prior year and notes where the line items are listed.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

R'million	Ordinary share capital	Ordinary share premium
At 31 March 2022	**32**	**14 250**
Restatement	—	—
At 1 April 2022	**32**	**14 250**
Movement in reserves 1 April 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	—	—
Foreign currency adjustments on translating foreign operations	—	—
Net gain attributable to own credit risk	—	—
Total comprehensive income for the year	**—**	**—**
Transfer between cash flow hedge reserve and retained income	—	—
Dividends paid to ordinary shareholders	—	—
Dividends declared to perpetual preference shareholders and Other Additional Tier 1 security holders	—	—
Dividends paid to perpetual preference shareholders and Other Additional Tier 1 security holders	—	—
Issue of Other Additional Tier 1 securities in issue	—	—
Redemption of Other Additional Tier 1 securities in issue	—	—
Capital contribution from Group companies	—	—
Employee benefit liability recognised	—	—
Transfer to regulatory general risk reserve	—	—
At 31 March 2023	**32**	**14 250**
Movement in reserves 1 April 2023 – 31 March 2024		
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	—	—
Foreign currency adjustments on translating foreign operations	—	—
Movement in post-retirement benefits liabilities	—	—
Net gain attributable to own credit risk	—	—
Total comprehensive income for the year	**—**	**—**
Dividends paid to ordinary shareholders	—	—
Dividends declared to perpetual preference shareholders and Other Additional Tier 1 security holders	—	—
Dividends paid to perpetual preference shareholders and Other Additional Tier 1 security holders	—	—
Issue of Other Additional Tier 1 securities in issue	—	—
Transfer from fair value reserve to retained income	—	—
Capital contribution from Group companies	—	—
Transfer to regulatory general risk reserve	—	—
At 31 March 2024	**32**	**14 250**

^ Restated as detailed on page 17.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

Other reserves								
Fair value reserve^	Regulatory general risk reserve	Cash flow hedge reserve^	Own credit risk reserve	Foreign currency reserve	Retained income^	**Shareholders' equity excluding non-controlling interests^**	Other Additional Tier 1 issue securities in issue	**Total equity^**
(68)	**665**	**(1 620)**	**13**	**2 027**	**28 981**	**44 280**	**2 560**	**46 840**
56	—	1 794	—	—	(2 161)	(311)	—	(311)
(12)	**665**	**174**	**13**	**2 027**	**26 820**	**43 969**	**2 560**	**46 529**
—	—	—	—	—	6 792	6 792	—	6 792
—	—	(87)	—	—	—	(87)	—	(87)
32	—	—	—	—	—	32	—	32
(59)	—	—	—	—	—	(59)	—	(59)
—	—	—	—	1 425	—	1 425	—	1 425
—	—	—	2	—	—	2	—	2
(27)	**—**	**(87)**	**2**	**1 425**	**6 792**	**8 105**	**—**	**8 105**
—	—	26	—	—	(26)	—	—	—
—	—	—	—	—	(8 700)	(8 700)	—	(8 700)
—	—	—	—	—	(256)	(256)	256	—
—	—	—	—	—	—	—	(256)	(256)
—	—	—	—	—	—	—	500	500
—	—	—	—	—	—	—	(350)	(350)
—	—	—	—	—	225	225	—	225
—	—	—	—	—	(85)	(85)	—	(85)
—	133	—	—	—	(133)	—	—	—
(39)	**798**	**113**	**15**	**3 452**	**24 637**	**43 258**	**2 710**	**45 968**
—	—	—	—	—	8 076	8 076	—	8 076
—	—	(89)	—	—	—	(89)	—	(89)
102	—	—	—	—	—	102	—	102
(90)	—	—	—	—	—	(90)	—	(90)
—	—	—	—	644	—	644	—	644
—	—	—	—	—	(9)	(9)	—	(9)
—	—	—	17	—	—	17	—	17
12	**—**	**(89)**	**17**	**644**	**8 067**	**8 651**	**—**	**8 651**
—	—	—	—	—	(5 500)	(5 500)	—	(5 500)
—	—	—	—	—	(358)	(358)	358	—
—	—	—	—	—	—	—	(358)	(358)
—	—	—	—	—	—	—	750	750
43	—	—	—	—	(43)	—	—	—
—	—	—	—	—	(62)	(62)	—	(62)
—	172	—	—	—	(172)	—	—	—
16	**970**	**24**	**32**	**4 096**	**26 569**	**45 989**	**3 460**	**49 449**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

R'million	**Year to 31 March 2024**	Year to 31 March 2023^
Net cash (outflow)/inflow from operating activities	(4 935)	12 726
Net cash outflow from investing activities	(315)	(282)
Net cash outflow from financing activities*	(5 895)	(11 100)
Effects of exchange rate changes on cash and cash equivalents	333	1 135
Net (decrease)/increase in cash and cash equivalents	**(10 812)**	**2 479**
Cash and cash equivalents at the beginning of the year	31 297	28 818
Cash and cash equivalents at the end of the year	**20 485**	**31 297**

^ Restated as detailed on page 17.
* Net cash outflow from financing activities comprises:

R'million	**Year to 31 March 2024**	Year to 31 March 2023
Proceeds on issue of subordinated liabilities	1 250	2 359
Repayment of subordinated liabilities	(1 970)	(4 576)
Dividends paid	(5 858)	(8 956)
Proceeds on issue of Other Additional Tier 1 securities	750	500
Repayment of Other Additional Tier 1 securities	—	(350)
Lease liabilities paid	(67)	(77)
Net cash outflow from financing activities	**(5 895)**	**(11 100)**

CONSOLIDATED SEGMENTAL INFORMATION

For the year to 31 March 2024 R'million	Specialist Banking				
	Private Client				
	Private Banking	Corporate, Investment Banking and Other	Group Investments	Group Costs	**Total Group**
Net interest income/(expense)	6 106	7 988	(23)	—	14 071
Net fee and commission income	1 027	2 582	—	—	3 609
Investment income	216	539	(55)	—	700
Share of post-taxation profit/(loss) of associates	3	—	—	—	3
Trading (loss)/income arising from					
– customer flow	—	(385)	—	—	(385)
– balance sheet management and other trading activities	(4)	353	—	—	349
Operating income	**7 348**	**11 077**	**(78)**	**—**	**18 347**
Expected credit loss impairment release/(charges)	55	108	—	—	163
Operating income after expected credit loss impairment release/(charges)	**7 403**	**11 185**	**(78)**	**—**	**18 510**
Operating costs	(3 929)	(4 500)	(1)	(353)	(8 783)
Profit before goodwill, acquired intangibles and taxation	**3 474**	**6 685**	**(79)**	**(353)**	**9 727**
Cost to income ratio	53.5%	40.6%	n/a	n/a	47.9%
Total assets (R'million)	243 413	367 640	621	—	611 674

For the year to 31 March 2023^ R'million	Specialist Banking				
	Private Client				
	Private Banking	Corporate, Investment Banking and Other	Group Investments	Group Costs	**Total Group**
Net interest income/(expense)	6 133	6 095	(14)	—	12 214
Net fee and commission income	1 047	2 185	—	—	3 232
Investment income	310	(40)	4	—	274
Share of post-taxation profit/(loss) of associates	(3)	—	—	—	(3)
Trading (loss)/income arising from					
– customer flow	—	1 148	—	—	1 148
– balance sheet management and other trading activities	—	42	—	—	42
Other operating income	—	1	—	—	1
Operating income	**7 487**	**9 431**	**(10)**	**—**	**16 908**
Expected credit loss impairment release/(charges)	(247)	(42)	—	—	(289)
Operating income after expected credit loss impairment release/(charges)	**7 240**	**9 389**	**(10)**	**—**	**16 619**
Operating costs	(3 544)	(4 120)	(2)	(314)	(7 980)
Profit before goodwill, acquired intangibles and taxation	**3 696**	**5 269**	**(12)**	**(314)**	**8 639**
Cost to income ratio	47.3%	43.7%	n/a	n/a	47.2%
Total assets (R'million)^	229 507	364 904	678	—	595 089

^ Restated as detailed on page 17.

INCOME STATEMENT NOTE DISCLOSURES

Net interest income

For the year to 31 March R'million	Notes	2024 Average balance sheet value	2024 Interest income	2024 Average yield	2023^ Average balance sheet value	2023^ Interest income	2023^ Average yield
Cash, near cash and bank debt and sovereign debt securities	1	198 471	14 009	7.06%	186 479	9 637	5.17%
Core loans and advances	2	333 625	36 079	10.81%	307 315	26 932	8.76%
Private Client		233 349	25 030	10.73%	224 838	19 417	8.64%
Corporate, Investment Banking and Other		100 276	11 049	11.02%	82 477	7 515	9.11%
Other debt securities and other loans and advances		10 479	668	6.37%	12 647	661	5.23%
Other	3	34 864	2 790	n/a	28 156	1 508	n/a
		577 439	**53 546**		**534 597**	**38 738**	

For the year to 31 March R'million	Notes	2024 Average balance sheet value	2024 Interest expense	2024 Average yield	2023^ Average balance sheet value	2023^ Interest expense	2023^ Average yield
Deposits by banks and other debt-related securities	4	51 698	(3 856)	7.46%	37 751	(1 572)	4.16%
Customer accounts (deposits)		458 639	(33 653)	7.34%	433 434	(23 497)	5.42%
Subordinated liabilities		7 683	(631)	8.21%	7 565	(511)	6.75%
Other	5	5 378	(1 335)	n/a	4 863	(944)	n/a
		523 398	**(39 475)**		**483 613**	**(26 524)**	
Net interest income			**14 071**			**12 214**	
Net interest margin			**2.44%**			**2.28%**	

1. Comprises (as per the balance sheet) cash and balances at central banks; loans and advances to banks; non-sovereign and non-bank cash placements; reverse repurchase agreements and cash collateral on securities borrowed; sovereign debt securities; bank debt securities.
2. Comprises (as per the balance sheet) loans and advances to customers; own originated loans and advances to customers securitised.
3. Comprises (as per the balance sheet) other securitised assets and loans to Group companies 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, finance lease liabilities and loans from Group companies, as well as interest expense from derivative financial instruments where there is no associated balance sheet value.

^ Restated as detailed on page 17.

INCOME STATEMENT NOTE DISCLOSURES
CONTINUED

Net fee and commission income

For the year to 31 March R'million	2024	2023^
Specialist Banking net fee and commission income	**3 609**	**3 232**
Specialist Banking fee and commission income	4 593	4 106
Specialist Banking fee and commission expense	(984)	(874)
Net fee and commission income	**3 609**	**3 232**
Annuity fees (net of fees payable)	2 111	1 734
Deal fees	1 498	1 498

All revenue generated from fee and commission income arises from contracts with customers.

^ Restated as detailed on page 17.

Investment income

For the year to 31 March R'million	Listed equities	Unlisted equities	Warrants and profit share	Investment portfolio	Debt securities (sovereign bank and other)	Trading properties	Other asset and liability categories	Total
2024								
Realised	—	162	97	259	124	1	(17)	367
Unrealised^	24	(151)	46	(81)	84	(4)	—	(1)
Dividend income	2	388	—	390	—	—	—	390
Funding and other net related costs	—	(52)	—	(52)	—	(4)	—	(56)
	26	**347**	**143**	**516**	**208**	**(7)**	**(17)**	**700**
2023								
Realised	—	32	90	122	200	60	11	393
Unrealised^	(21)	(76)	10	(87)	25	—	(122)	(184)
Dividend income	12	96	—	108	—	—	—	108
Funding and other net related costs	—	(39)	—	(39)	—	(4)	—	(43)
	(9)	**13**	**100**	**104**	**225**	**56**	**(111)**	**274**

^ In a year of realisation, any prior period mark-to-market gains/(losses) recognised are reversed in the unrealised item.

ADDITIONAL IAS 34 DISCLOSURES

Analysis of financial assets and liabilities by measurement category

At 31 March 2024 **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	—	14 795	—	14 795
Loans and advances to banks	—	7 751	—	7 751
Non-sovereign and non-bank cash placements	289	10 529	—	10 818
Reverse repurchase agreements and cash collateral on securities borrowed	33 361	43 991	—	77 352
Sovereign debt securities	34 380	37 762	—	72 142
Bank debt securities	4 430	3 867	—	8 297
Other debt securities	5 806	4 465	—	10 271
Derivative financial instruments	9 988	—	—	9 988
Securities arising from trading activities	7 980	—	—	7 980
Loans and advances to customers	15 766	319 354	—	335 120
Own originated loans and advances to customers securitised	—	6 446	—	6 446
Other securitised assets	—	1 736	—	1 736
Investment portfolio	3 085	—	—	3 085
Interests in associated undertakings	—	—	22	22
Deferred taxation assets	—	—	1 498	1 498
Other assets	2 858	2 598	3 784	9 240
Property and equipment	—	—	3 778	3 778
Goodwill	—	—	171	171
Software	—	—	92	92
Loans to Group companies	—	31 092	—	31 092
	117 943	**484 386**	**9 345**	**611 674**
Liabilities				
Deposits by banks	—	31 065	—	31 065
Derivative financial instruments	14 172	—	—	14 172
Other trading liabilities	20 410	—	—	20 410
Repurchase agreements and cash collateral on securities lent	3 937	15 769	—	19 706
Customer accounts (deposits)	61 895	388 476	—	450 371
Debt securities in issue	—	4 715	—	4 715
Liabilities arising on securitisation of own originated loans and advances	—	4 997	—	4 997
Current taxation liabilities	—	—	570	570
Deferred taxation liabilities	—	—	21	21
Other liabilities	816	2 463	4 696	7 975
Loans from Group companies	108	832	—	940
	101 338	**448 317**	**5 287**	**554 942**
Subordinated liabilities	—	7 283	—	7 283
	101 338	**455 600**	**5 287**	**562 225**

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 31 March 2024 **R'million**	**Total instruments at fair value**	Level 1	Level 2	Level 3
Assets				
Non-sovereign and non-bank cash placements	289	—	289	—
Reverse repurchase agreements and cash collateral on securities borrowed	33 361	—	33 361	—
Sovereign debt securities	34 380	34 380	—	—
Bank debt securities	4 430	3 978	452	—
Other debt securities	5 806	2 307	3 499	—
Derivative financial instruments	9 988	—	9 988	—
Securities arising from trading activities	7 980	5 725	2 255	—
Loans and advances to customers	15 766	—	14 867	899
Investment portfolio	3 085	37	14	3 034
Other assets	2 858	2 858	—	—
	117 943	**49 285**	**64 725**	**3 933**
Liabilities				
Derivative financial instruments	14 172	—	14 172	—
Other trading liabilities	20 410	17 383	3 027	—
Repurchase agreements and cash collateral on securities lent	3 937	—	3 937	—
Customer accounts (deposits)	61 895	—	61 895	—
Other liabilities	816	—	816	—
Loans from Group companies	108	—	108	—
	101 338	**17 383**	**83 955**	**—**
Net financial assets/(liabilities) at fair value	**16 605**	**31 902**	**(19 230)**	**3 933**

ADDITIONAL IAS 34 DISCLOSURES
CONTINUED

Transfers between level 1 and level 2

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

Level 3 financial instruments

R'million	Investment portfolio	Loans and advances to customers	Total
Balance at 1 April 2023	2 877	729	3 606
Net gains recognised in the income statement	47	87	134
Purchases	366	—	366
Sales	(181)	—	(181)
Issues	—	156	156
Settlements	(86)	(73)	(159)
Foreign exchange adjustments	11	—	11
Balance at 31 March 2024	**3 034**	**899**	**3 933**

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

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 as recognised on level 3 financial instruments:

For the year to 31 March 2024 R'million	Total	Realised	Unrealised
Total losses included in the income statement for the year			
Investment income/(loss)	134	162	(28)
	134	**162**	**(28)**

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:

					Potential impact on the income statement	
At 31 March 2024	**Level 3 balance sheet value R'million**	Valuation method	Significant unobservable input changed	Range of unobservable input used	**Favourable changes R'million**	**Unfavourable changes R'million**
Assets						
Investment portfolio	3 034				341	(437)
		Price earnings	EBITDA	*	183	(208)
		Discounted cash flow	Cash flows	*	23	(23)
		Net asset value	Underlying asset value	^	29	(59)
		Discounted cash flow	Precious and industrial metal prices	(5%)-5%	22	(45)
		Other	Various	**	84	(102)
Loans and advances to customers	899				243	(255)
		Underlying asset value	Property values	*	241	(253)
		Net asset value	Underlying asset value	^	2	(2)
Total	**3 933**				**584**	**(692)**

* 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 of certain equity investments have been assessed by adjusting various inputs such as expected cash flows, discount rates, 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.

^ Net asset values are calculated by reference to the fair value of the assets and liabilities within the entity.

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

EBITDA

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

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.

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.

Property values and price of precious and industrial metals

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

Price-earnings multiple

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

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 in 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	Adjusted quoted price Discounted cash flow model	Liquidity adjustment Yield curve
Loans and advances to customers	Discounted cash flow model	Yield curve
Investment portfolio	Adjusted quoted price	Liquidity adjustment
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
Loans from Group companies	Discounted cash flow model	Yield curve

ADDITIONAL IAS 34 DISCLOSURES
CONTINUED

Fair value of financial assets and liabilities at amortised cost

At 31 March 2024 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	14 795	14 795	—	—
Loans and advances to banks	7 751	3 070	4 681	4 685
Non-sovereign and non-bank cash placements	10 529	10 529	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	43 991	5 314	38 677	38 674
Sovereign debt securities	37 762	—	37 762	37 494
Bank debt securities	3 867	—	3 867	3 808
Other debt securities	4 465	1 839	2 626	2 669
Loans and advances to customers	319 354	295 092	24 262	24 267
Own originated loans and advances to customers securitised	6 446	6 446	—	—
Other securitised assets	1 736	1 736	—	—
Other assets	2 598	2 598	—	—
Loans to Group companies	31 092	31 092	—	—
	484 386	**372 511**	**111 875**	**111 597**
Liabilities				
Deposits by banks	31 065	1 713	29 352	30 022
Repurchase agreements and cash collateral on securities lent	15 769	8 790	6 979	7 016
Customer accounts (deposits)	388 476	229 527	158 949	159 534
Debt securities in issue	4 715	3 924	791	793
Liabilities arising on securitisation of own originated loans and advances	4 997	4 997	—	—
Other liabilities	2 463	2 463	—	—
Loans from Group companies and subsidiaries	832	832	—	—
Subordinated liabilities	7 283	7 283	—	—
	455 600	**259 529**	**196 071**	**197 365**

RESTATEMENTS

Balance sheet, cash flow statement and statement of total comprehensive income restatements

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

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 428 million (March 2022: R4 718 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 income statements or statements of changes in equity.

Restatement of non-sovereign and non-bank cash placements in the cash flow statement

'Non-sovereign and non-bank cash placements' amounting to R14 133 million net of ECL of R50 million (March 2022: R13 176 net of ECL R33 million) were previously classified as cash and cash equivalents for the purposes of the cash flow statement. Management concluded that whilst these balances are available on demand, the nature of these products and the underlying credit risk more closely aligns with operating cash flow rather than cash and cash equivalents. The comparative cash flow statement has been restated to more appropriately reflect the nature of these balances. This change has no impact on the income statements, balance sheets or statements of changes in equity.

Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments

It was identified that the application of hedge accounting (cash flow and fair value hedging) applied in prior years, for certain portfolios within Investec Bank Limited, did not meet the requirements to apply hedge accounting under IAS 39 Financial Instruments: Recognition and Measurement. It was further identified that certain financial instruments were incorrectly fair valued.

Accordingly, the related 'cash flow hedge reserve' and 'fair value reserve' totalling R1.4 billion (March 2022: R1.9 billion) have been restated retrospectively to 'retained income'. In addition, certain fair value hedge adjustments made in the balance sheet to hedged items (R523 million (March 2022: R89 million)) have been reversed to 'retained income' and the valuation of a specific portfolio of fair value instruments was corrected to 'retained income'. These adjustments resulted in a reduction of taxable income for certain prior periods to which these matters relate to and resulted in a reduction in 'current taxation liabilities' of R294 million (March 2022: R284 million) recognised against 'retained income' for the recovery of those income taxes. The associated deferred taxation of R529 million (March 2022: R684 million) previously raised on the cash flow hedge reserve was also derecognised. All changes were retrospectively restated. These changes have no impact on the cash flow statement.

This restatement was previously presented in the 30 September 2023 interim results and has subsequently been revised for purposes of 31 March 2024 reporting to accurately reflect the impact of this matter. As a result, the comparative interim period in the 30 September 2024 interim financial statements will be restated when they are published.

The income statements impacts are disclosed in the income statement restatement section.

Gross-down of balance sheet lines

Capital guarantee products

Investec Bank Limited traded a capital guarantee product with clients with Investec Markets Limited. The traded positions were incorrectly duplicated and booked on a gross basis to 'loans to Group companies' and 'derivative financial instruments. The capital guarantee represents a single derivative contract that should be accounted for on a net basis in 'derivative financial instruments' liabilities. An amount of R844 million (March 2022: R661 million) was accordingly adjusted downwards in 'loans to Group companies' and 'derivative financial instruments' to reflect a net derivative position. The comparative balance sheets have been restated. This change has no impact on the income statement, cash flow statement or statement of changes in equity.

Reclassifications

Reclassification of a reverse repurchase agreement

Investec Bank Limited purchased listed bond positions and entered into a future sale agreement to sell the positions back to the same counterparty at a fixed price. The bond and the forward purchase were incorrectly accounted for in 'sovereign debt securities' and 'derivative financial instruments' asset respectively. The two separate positions of R7.9 billion (March 2022: R7.3 billion) were reclassified to 'reverse repurchase agreements and cash collateral on securities borrowed' to reflect a collateralised lending transaction. The comparative balance sheets have been restated. This change has no impact on the income statement, cash flow statement or statement of changes in equity.

Reclassification of fully funded trading positions

Investec Bank Limited enters into fully funded credit and equity linked trading positions with clients. The positions were incorrectly accounted for as a derivative as a fully funded position does not meet the definition of a derivative as per IFRS 9 Financial Instruments. R13.9 billion (March 2022: R11.5 billion) was reclassified from 'derivative financial instruments' liabilities to 'other trading liabilities'. The comparative balance sheets have been restated. This change has no impact on the income statement, cash flow statement or statement of changes in equity.

RESTATEMENTS
CONTINUED

The impact of these changes on the 31 March 2023 and 31 March 2022 Group balance sheets are:

R'million	At 31 March 2023 as previously reported	Change in classification from non-sovereign and non-bank cash placements to loans and advances to customers	Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments	Gross-down of balance sheet lines	Reclassifications	**At 31 March 2023 restated**
Assets						
Non-sovereign and non-bank cash placements	14 133	(4 428)	—	—	—	9 705
Reverse repurchase agreements and cash collateral on securities borrowed	49 995	—	—	—	7 921	57 916
Sovereign debt securities	77 456	—	—	—	(7 623)	69 833
Bank debt securities	16 019	—	(523)	—	—	15 496
Derivative financial instruments	16 449	—	—	—	(487)	15 962
Loans and advances to customers	312 164	4 428	—	—	—	316 592
Deferred taxation assets	2 077	—	(529)	—	—	1 548
Other assets	6 334	—	—	(159)	—	6 175
Loans to Group companies	37 760	—	—	(685)	—	37 075
Total assets	597 174	—	(1 052)	(844)	(189)	595 089
Liabilities						
Derivative financial instruments	33 242	—	—	(685)	(14 026)	18 531
Other trading liabilities	1 542	—	—	—	13 837	15 379
Current taxation liabilities	848	—	(294)	—	—	554
Other liabilities	7 087	—	—	(159)	—	6 928
Total liabilities	550 448	—	(294)	(844)	(189)	549 121
Equity						
Other reserves	2 910	—	1 429	—	—	4 339
Retained income	26 824	—	(2 187)	—	—	24 637
Total equity	46 726	—	(758)	—	—	45 968

RESTATEMENTS
CONTINUED

R'million	At 31 March 2022 as previously reported	Change in classification from non-sovereign and non-bank cash placements to loans and advances to customers	Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments	Gross-down of balance sheet lines	Reclassifications	**At 31 March 2022 restated**
Assets						
Non-sovereign and non-bank cash placements	13 176	(4 718)	—	—	—	8 458
Reverse repurchase agreements and cash collateral on securities borrowed	56 437	—	—	—	7 284	63 721
Sovereign debt securities	57 380	—	—	—	(7 161)	50 219
Bank debt securities	27 955	—	89	—	—	28 044
Derivative financial instruments	17 144	—	—	—	(134)	17 010
Loans and advances to customers	287 529	4 718	—	—	—	292 247
Deferred taxation assets	2 255	—	(684)	—	—	1 571
Loans to Group companies	21 489	—	—	(661)	—	20 828
Total assets	554 723	—	(595)	(661)	(11)	553 456
Liabilities						
Derivative financial instruments	28 398	—	—	(661)	(11 465)	16 272
Other trading liabilities	3 309	—	—	—	11 454	14 763
Current taxation liabilities	557	—	(284)	—	—	273
Total liabilities	507 883	—	(284)	(661)	(11)	506 927
Equity						
Other reserves	1 017	—	1 850	—	—	2 867
Retained income	28 981	—	(2 161)	—	—	26 820
Total equity	46 840	—	(311)	—	—	46 529

The impact of the above changes on the 31 March 2023 Group cash flow statements is:

R'million	At 31 March 2023 as previously reported	Restatement of non-sovereign and non-bank cash placements in the cash flow statement	**At 31 March 2023 restated**
Net cash inflow/(outflow) from operating activities	13 700	(974)	12 726
Cash and cash equivalents at the beginning of the year	42 027	(13 209)	28 818
Cash and cash equivalents at the end of the year	45 480	(14 183)	31 297

The impact of the above changes on the 31 March 2023 Group statement of total comprehensive income is:

R'million	At 31 March 2023 as previously reported	Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments	**At 31 March 2023 restated**
Fair value movements on cash flow hedges taken directly to other comprehensive income	271	(358)	(87)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	121	(89)	32
Total comprehensive income	8 552	(447)	8 105

RESTATEMENTS
CONTINUED

Income statement restatements

Fee and commission expense and operating costs

Management identified that R146 million of costs relating to fee and commission income previously reported in operating costs, 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.

Reclassifications between interest income, interest expense and trading income/(loss)

The interest consequences of certain financial instrument liabilities were incorrectly accounted for in the interest income line rather than the interest expense line. This resulted in a reclassification of 'interest income' of R752 million to 'interest expense'.

Fair value adjustments on certain derivative instruments, not formally designated in a hedge relationship, were accounted for in either 'interest income' or 'interest expense'. The fair value adjustments of R36 million were reclassified to 'trading income arising from customer flow'.

In addition, realised cash flows on interest rate swaps (formally designated in a hedge relationship) were incorrectly grossed up and separately recognised as 'interest income' and 'interest expense'. The two lines were appropriately reduced for the gross cash flows, and the net movement of R128 million was accounted for in either 'interest income' or 'interest expense' (depending if it was an asset or liability being hedged).

Interest expense between related parties was incorrectly netted in the 'interest income' and 'interest expense' line items. The respective lines were increased by R330 million to reflect the correct gross position.

Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments

As described above in terms of the balance sheet restatements, it was identified that the application of hedge accounting (cash flow and fair value hedging) applied in prior years, for certain portfolios within Investec Bank Limited, did not meet the requirements to apply hedge accounting under IAS 39 Financial Instruments: Recognition and Measurement.

As a result of not qualifying to apply hedge accounting, adjustments previously made to 'interest income' of R587 million have been reclassified to 'trading income/(loss) arising from customer flow'.

The impact of the above changes on the 31 March 2023 Group income statements is:

R'million	At 31 March 2023 as previously reported	Fee and commission expense and operating costs reclassification	Reclassifications between interest income, interest expense and trading income/(loss)	Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments	**At 31 March 2023 restated**
Interest income	38 112	—	1 213	(587)	38 738
Interest expense	(25 347)	—	(1 177)	—	(26 524)
Fee and commission expense	(728)	(146)	—	—	(874)
Trading income/(loss) arising from customer flow	597	—	(36)	587	1 148
Operating costs	(8 126)	146	—	—	(7 980)

ASSET QUALITY

An analysis of gross core loans, asset quality and ECL

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

The overall loan portfolio continues to perform well with strong asset quality, reflecting our disciplined approach and secured nature of lending. Gross core loans grew by 5.8% mainly due to increased activity in the HNW and other private client lending portfolios as well as strong growth in the Corporate portfolio in the first half of the year.

The bank reported a credit loss ratio of -0.04% at 31 March 2024 (31 March 2023: 0.09%) driven by new impairments being offset by reversals of certain prior year specific provisions, post write-off recoveries as well as a full release in management ECL overlay. Excluding the post write-off recoveries and release in management ECL overlay, the reported credit loss ratio would be 0.09% (31 March 2023: 0.26%).

Stage 3 exposures increased to 3.6% of gross core loans subject to ECL at 31 March 2024 (31 March 2023: 2.7%) mainly due to a few single name exposures migrating from Stage 2. There has been a decrease in Stage 2 to 2.4% of gross core loans subject to ECL at 31 March 2024 (31 March 2023: 5.0%), mainly due to a number of deals normalising and migrating back to Stage 1, a few large exposures migrating to Stage 3 and a reduction arising from the residential mortgage model.

Overall coverage for Stage 2 is 3.0% at 31 March 2024 (31 March 2023: 3.8%) while Stage 3 coverage is 15.4% (31 March 2023: 22.0%).

R'million	31 March 2024	31 March 2023**
Gross core loans	**344 339**	**325 856**
of which FVPL (excluding fixed rate loans)	1 137	1 296
Gross core loans subject to ECL*	**343 202**	**324 560**
Stage 1	322 779	299 615
Stage 2	8 220	16 328
of which past due greater than 30 days	671	747
Stage 3	12 203	8 617
ECL	**(2 773)**	**(3 276)**
Stage 1	(644)	(760)
Stage 2	(250)	(623)
Stage 3	(1 879)	(1 893)
Coverage ratio		
Stage 1	0.20%	0.25%
Stage 2	3.0%	3.8%
Stage 3	15.4%	22.0%
Credit loss ratio	**(0.04)%**	**0.09%**
ECL impairment charges on core loans	123	(272)
Average gross core loans subject to ECL	333 881	310 327
An analysis of Stage 3 gross core loans subject to ECL		
Stage 3 net of ECL	10 324	6 724
Aggregate collateral and other credit enhancements on Stage 3	12 873	8 340
Stage 3 as a % of gross core loans subject to ECL	3.6%	2.7%
Stage 3 net of ECL as a % of net core loans subject to ECL	3.0%	2.1%

* Includes portfolios for which ECL is not required for IFRS purposes, but which management evaluates on this basis. These are fixed rate loans which have passed the solely payments of principal and interest (SPPI) test and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans measured at amortised cost. R14.0 billion of the drawn exposure falls into Stage 1 (31 March 2023: R13.3 billion), R16.4 million falls in Stage 2 (31 March 2023: R27.5 million) and the remaining R1.0 billion falls into Stage 3 (31 March 2023: R956.0 million). The ECL on the Stage 1 portfolio is R30.9 million (31 March 2023: R37.4 million), ECL on Stage 2 is R0.4 million (31 March 2023: R0.1 million) and the ECL on Stage 3 portfolio is R119.3 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 page 17.

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 31 March 2024										
Commercial real estate	**44 601**	**(112)**	**1 073**	**(8)**	**6 578**	**(750)**	**52 252**	**(870)**	**—**	**52 252**
Commercial real estate – investment	42 046	(98)	1 072	(8)	6 539	(744)	49 657	(850)	—	49 657
Commercial real estate – development	2 044	(11)	—	—	4	—	2 048	(11)	—	2 048
Commercial vacant land and planning	511	(3)	1	—	35	(6)	547	(9)	—	547
Residential real estate	**6 295**	**(9)**	**148**	**—**	**312**	**(51)**	**6 755**	**(60)**	**—**	**6 755**
Residential real estate – investment	2 247	(2)	144	—	—	—	2 391	(2)	—	2 391
Residential real estate – development	3 220	(5)	—	—	133	(34)	3 353	(39)	—	3 353
Residential vacant land and planning	828	(2)	4	—	179	(17)	1 011	(19)	—	1 011
Total lending collateralised by property*	**50 896**	**(121)**	**1 221**	**(8)**	**6 890**	**(801)**	**59 007**	**(930)**	—	**59 007**
Coverage ratio		**0.24%**		**0.7%**		**11.6%**		**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: 58%) 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

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 31 March 2024										
Mortgages	91 292	(82)	3 603	(181)	1 717	(210)	96 612	(473)	—	96 612
Other high net worth lending*	75 398	(165)	612	(28)	1 081	(217)	77 091	(410)	—	77 091
Total high net worth and other private client lending	**166 690**	**(247)**	**4 215**	**(209)**	**2 798**	**(427)**	**173 703**	**(883)**	**—**	**173 703**
Coverage ratio		**0.15%**		**5.0%**		**15.3%**		**0.5%**		
At 31 March 2023										
Mortgages	84 511	(99)	4 744	(256)	1 469	(244)	90 724	(599)	—	90 724
Other high net worth lending*	71 148	(197)	589	(32)	1 219	(287)	72 956	(516)	—	72 956
Total high net worth and other private client lending	**155 659**	**(296)**	**5 333**	**(288)**	**2 688**	**(531)**	**163 680**	**(1 115)**	**—**	**163 680**
Coverage ratio		**0.19%**		**5.4%**		**19.8%**		**0.7%**		

* 58% of other high net worth lending (31 March 2023: 58%) 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

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 31 March 2024										
Corporate and acquisition finance	72 175	(195)	2 536	(30)	1 856	(511)	76 567	(736)	1 117	77 684
Fund finance	13 208	(16)	—	—	—	—	13 208	(16)	—	13 208
Financial institutions and governments	3 388	(9)	—	—	109	—	3 497	(9)	—	3 497
Small ticket asset finance	4 933	(13)	181	(2)	245	(89)	5 359	(104)	—	5 359
Aviation finance*	5 595	(14)	—	—	—	—	5 595	(14)	20	5 615
Power and infrastructure finance	5 894	(29)	67	(1)	305	(51)	6 266	(81)	—	6 266
Total corporate and other lending	**105 193**	**(276)**	**2 784**	**(33)**	**2 515**	**(651)**	**110 492**	**(960)**	**1 137**	**111 629**
Coverage ratio		**0.26%**		**1.2%**		**25.9%**		**0.9%**		
At 31 March 2023**										
Corporate and acquisition finance	68 722	(230)	3 154	(189)	2 108	(720)	73 984	(1 139)	1 296	75 280
Fund finance	13 097	(24)	—	—	—	—	13 097	(24)	—	13 097
Financial institutions and governments	2 892	(6)	755	(4)	—	—	3 647	(10)	—	3 647
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	**95 193**	**(307)**	**4 465**	**(195)**	**2 572**	**(833)**	**102 230**	**(1 335)**	**1 296**	**103 526**
Coverage ratio		**0.32%**		**4.4%**		**32.4%**		**1.3%**		

* There are additional aviation exposures of R1.8 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 page 17.

CAPITAL ADEQUACY

A summary of capital adequacy and leverage ratios

	IRB Scope*	
	31 March 2024^	31 March 2023^
Common Equity Tier 1	16.5%	17.1%
Tier 1 ratio	17.8%	18.2%
Total capital ratio	20.5%	21.2%
Risk-weighted assets (R'million)	273 185	261 263
Leverage exposure measure (R'million)	684 313	662 702
Leverage ratio	7.1%	7.2%

Capital structure and capital adequacy

	IRB Scope*	
R'million	**31 March 2024^**	31 March 2023^
Shareholders' equity	**45 989**	**44 016**
Shareholders' equity per balance sheet	45 989	44 016
Regulatory adjustments to the accounting basis	**(277)**	**1 111**
Prudent valuation adjustment	(220)	(223)
Gains or losses on liabilities at fair value resulting from changes in our credit standing	(32)	(15)
Cash flow hedging reserve	(25)	1 349
Deductions	**(588)**	**(329)**
Goodwill and intangible assets net of deferred tax	(262)	(311)
Shortfall of eligible provisions compared to expected loss	(306)	(18)
Other regulatory adjustments	(20)	—
Common Equity Tier 1 capital	**45 124**	**44 798**
Additional Tier 1 capital	**3 460**	**2 710**
Additional Tier 1 instruments	3 460	2 710
Tier 1 capital	**48 584**	**47 508**
Tier 2 capital	**7 447**	**7 928**
Collective impairment allowances	164	365
Tier 2 instruments	7 283	7 563
Total regulatory capital	**56 031**	**55 436**
Risk-weighted assets	**273 185**	**261 263**

* Investec Bank Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWAs. As at 31 March 2024, 52% (31 March 2023: 51%) of the portfolio applies the AIRB approach, 25% (31 March 2023: 27%) applies the FIRB approach, with the remaining balance of 23% (31 March 2023: 22%) remaining on the standardised approach.

^ Investec Bank Limited's capital information included unappropriated profits at 31 March 2024. If unappropriated profits had been excluded from capital information, Investec Bank Limited's CET 1 ratio would have be 118bps lower (March 2023: 164bps lower).The leverage ratio would be 47bps lower (31 March 2023: 65bps).

CAPITAL ADEQUACY
CONTINUED

Capital requirements

	IRB Scope*	
R'million	**31 March 2024^**	31 March 2023^
Capital requirements	**32 898**	**31 384**
Credit risk	25 668	24 828
Equity risk	1 616	1 254
Counterparty credit risk	807	953
Credit valuation adjustment risk	318	418
Market risk	753	695
Operational risk	3 736	3 236
Risk-weighted assets	**273 185**	**261 263**
Credit risk	213 144	206 693
Equity risk	13 422	10 437
Counterparty credit risk	6 705	7 930
Credit valuation adjustment risk	2 637	3 477
Market risk	6 255	5 784
Operational risk	31 022	26 942

Leverage

R'million	**31 March 2024^**	31 March 2023^
Total exposure measure	684 313	662 702
Tier 1 capital	48 584	47 508
Leverage ratio	**7.1%**	**7.2%**

* Investec Bank Limited uses the Internal Ratings Based (IRB) Approach to quantify credit RWAs. As at 31 March 2024, 52% (31 March 2023: 51%) of the portfolio applies the AIRB approach, 25% (31 March 2023: 27%) applies the FIRB approach, with the remaining balance of 23% (31 March 2023: 22%) remaining on the standardised approach.

^ Investec Bank Limited's capital information included unappropriated profits at 31 March 2024. If unappropriated profits had been excluded from capital information, Investec Bank Limited's CET 1 ratio would have be 118bps lower (March 2023: 164bps lower).The leverage ratio would be 47bps lower (31 March 2023: 65bps).

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.

Annuity income	Net interest income (refer to page 9) plus net annuity fees and commissions (refer to page 10)
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 2024	31 March 2023^^
Loans and advances to customers per the balance sheet	335 120	316 592
Add: Own originated loans and advances to customers per the balance sheet	6 446	5 988
Net core loans	**341 566**	**322 580**
*of which subject to ECL**	340 429	321 284
Net core loans at amortised cost	325 801	307 249
Net fixed rate loans designated at FVPL (on which ECL is calculated for management purposes)*	14 629	14 035
of which FVPL (excluding fixed rate loans above)	1 137	1 296
Add: ECL	2 773	3 276
Gross core loans	**344 339**	**325 856**
*of which subject to ECL**	343 202	324 560
of which FVPL (excluding fixed rate loans above)	1 137	1 296

* 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. R14.0 billion of the drawn exposure falls into Stage 1 (31 March 2023: R13.3 billion), R16.4 million falls in Stage 2 (31 March 2023: R27.5 million) and the remaining R1.0 billion falls into Stage 3 (31 March 2023: R956.0 million). The ECL on the Stage 1 portfolio is R30.9 million (31 March 2023: R37.4 million), ECL on Stage 2 is R0.4 million (31 March 2023: R0.1 million) and the ECL on Stage 3 portfolio is R119.3 million (31 March 2023: R248.6 million).

^^ Restated as detailed on page 17.

Cost to income ratio	Refer to calculation in the table below

R'million	31 March 2024	31 March 2023^
Operating costs (A)	8 783	7 980
Operating income (B)	18 347	16 908
Cost to income ratio (A/B)	**47.9%**	**47.2%**

^ Restated as detailed on page 17.

Coverage ratio	ECL as a percentage of gross core loans subject to ECL
Credit loss ratio	ECL impairment charges on core loans as a percentage of average gross core loans
Gearing ratio	Total assets excluding intergroup loans 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	Interest income net of interest expense, divided by average interest-earning assets. Refer to calculation on page 9

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

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 9 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 9 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