Out of the Ordinary since 1974

INVESTEC ANNUAL REPORT 2024

Investec Group annual financial statements

Alternative performance measures

We supplement our IFRS figures with alternative performance measures used by management internally and which provide valuable, relevant information. These measures are highlighted with the symbol shown here. The description of alternative performance measures and their calculation is provided in the alternative performance measures section.

Audited information

Denotes information in the risk and remuneration reports that forms part of the Group's audited annual financial statements.

Page references

Refers readers to information elsewhere in this report.

Website

Indicates that additional information is available on our website: www.investec.com

Group sustainability

Refers readers to further information in the Investec Group's 2024 sustainability report which is published and available on our website: www.investec.com

Reporting standard

Denotes our consideration of a reporting standard.

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Annual financial statements

01

IN THIS SECTION

DIRECTORS' RESPONSIBILITIES

Directors' responsibilities

The following statement, which should be read in conjunction with the auditor's report set out on pages 19 to 41, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the accounts.

The directors are required by the UK Companies Act and South African Companies Act to prepare financial statements for each financial year. Under those laws the directors have elected to prepare the Group financial statements in accordance with UK adopted international accounting standards and with International Financial Reporting Standards (IFRS® Accounting Standards) issued by the International Accounting Standards Board (IASB). At 31 March 2024, UK adopted international accounting standards are identical in all material respects to current IFRS Accounting Standards applicable to the Group, with differences only in the effective dates of certain standards. The parent Company financial statements have been prepared in accordance with Section 408 of the UK Companies Act 2006. Under Company law the directors must not approve the Group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.
Under the Financial Conduct Authority's (FCA's) Disclosure Guidance and Transparency Rules (DTR), Group financial statements are required to be prepared in accordance with UK adopted international accounting standards and with IFRS Accounting Standards as issued by the IASB.

In preparing the financial statements the directors are required to:

- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements in IFRS Accounting Standards, or in respect of the parent Company financial statements, FRS 101, is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance
- In respect of the Group financial statements, state whether the accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- In respect of the parent Company financial statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company and/or the Group will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Company and the Group financial statements comply with the UK Companies Act and South African Companies Act. They are also responsible for safeguarding the assets of the parent Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that comply with that law and those regulations.

The directors are accountable for the maintenance and integrity of the certain corporate and financial information on the Company's website.

Investor Relations, Company Secretarial and Group Sustainability are respectively responsible for the maintenance and integrity of the general corporate, financial, governance, and sustainability-related information as well as any obligations to the various exchanges of Investec Group and its principal subsidiaries on the Investec website. With regards to specific corporate information, processes are in place within the business units and at a Group level to ensure that all information published on the website is substantively correct, accurate and in line with corporate governance and compliance requirements. Group Marketing and various divisions are responsible for the above.

DIRECTORS' RESPONSIBILITIES
CONTINUED

Directors' responsibility statement

The directors, whose names and functions are set out on pages 146 to 149 of Investec Group's 2024 integrated and strategic annual report, confirm to the best of their knowledge:

- That the consolidated financial statements, prepared in accordance with UK adopted international accounting standards and with IFRS Accounting Standards as issued by the IASB, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, Group and the undertakings included in the consolidation taken as a whole
- That the annual report, including the strategic report (as contained in the Investec Group's 2024 integrated and strategic report), includes a fair review of the development and performance of the business and the position of the Company, Group and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face
- That they consider that the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Chief Executive and Group Finance Director responsibility statement

Each of the directors, whose names are stated below, hereby confirm that:

- The annual financial statements set out on pages 43 to 184, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of International Financial Reporting Standards (IFRS Accounting Standards)
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading
- Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls
- Where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies
- We are not aware of any fraud involving directors.

Signed by the CEO and the Financial Director

Fani Titi
Chief Executive
24 June 2024

Nishlan Samujh
Group Finance Director
24 June 2024

Financial results

The combined consolidated results of Investec plc and Investec Limited are set out in the annual financial statements and accompanying notes for the year ended 31 March 2024.

The preparation of these combined results was supervised by the Group Finance Director, Nishlan Samujh.

Approval of annual financial statements

The directors' report and the annual financial statements of the companies and the Group, which appear on pages 166 to 175 in Investec Group's 2024 integrated and strategic annual report, and pages 43 to 184 of the Investec Group's 2024 annual financial statements, respectively were approved by the Board of Directors on 24 June 2024.

Signed on behalf of the Boards of Investec plc and Investec Limited

Philip Hourquebie
Chair
24 June 2024

Fani Titi
Chief Executive
24 June 2024

Declaration by the Company secretary

In terms of Section 88(2)(e) of the South African Companies Act, I hereby certify that, to the best of my knowledge and belief, Investec Limited has lodged with the Companies and Intellectual Property Commission, for the financial year ended 31 March 2024, all such returns and notices as are required in terms of the Act and that all such returns and notices are true, correct and up to date.

Niki van Wyk
Company secretary, Investec Limited
24 June 2024

DLC AUDIT COMMITTEE REPORT

High quality audit and assurance services are essential for trusted financial information.

Zarina Bassa
Chair of the DLC Audit Committee

Introduction

I am pleased to present the DLC Audit Committee (the Committee) report for the financial year ended 31 March 2024 which provides details on how we accomplished our statutory obligations, as well as the Key Audit and Other Matters we considered.

The Committee has further discharged its responsibilities and provided assurance on the integrity of the 2024 annual report and financial statements.

Role of the Committee

We provide independent challenge and oversight across the Group's financial reporting and internal control practices.

The Board has delegated the following key functions to the Committee:

- Overseeing and ensuring the integrity of the Group's financial reporting process. This includes additional scrutiny of the accounting for significant transactions and assessing the impact and cause of restatements of prior year financial statements
- Satisfying itself that significant judgements made by management during the Group's financial reporting process are sound and reasonable
- Dealing with concerns, if any, from outside the Group regarding the application of accounting principles and external reporting
- Review the effectiveness of the Group's internal control environment and assurance processes
- Managing and overseeing the performance, conduct, quality and effectiveness of the Group's internal audit functions
- Reviewing the annual work plan, capacity, scope and staffing and independence of internal audit
- Overseeing Group compliance functions
- Overseeing the Group's subsidiary audit committees, including in remote locations
- Appointing, managing and overseeing the relationship with the Group's external auditors, including the audit scope, fees, quality control, effectiveness and independence of the external audit function
- Managing the policy, fees and the nature of non-audit services provided by the external auditors
- Managing the appropriateness of the design and effectiveness of the combined assurance model which incorporates the various disciplines of Risk Management, Operational Risk, Legal, Regulatory, Compliance, internal audit, external audit and other assurance providers
- Oversight of the processes in the Group that culminate in the Group Chief Executive (Group CE) and Group Financial Director (Group FD) control attestation to the JSE.

The Committee's terms of reference can be found at www.investec.com.

Committee composition, skills, experience and operation

The Committee is comprised entirely of independent Non-Executive Directors who meet predetermined skills, competency and experience requirements as determined by the DLC Nomdac.

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

Philisiwe Sibiya has not made herself available for re-election to the Board at the August 2024 AGM, in order to focus on her own businesses.

In March 2024, Diane Radley was appointed to the Committee following her appointment as a Non-Executive Director to the DLC Board. Following my retirement at the August 2024 AGM, Diane will assume the role of Chair of the Committee.

Further details of the experience of the members can be found in their biographies on pages 146 to 149 of the Investec Group's 2024 integrated and strategic report.

The Group CE, Group FD, Group Chief Operating Officer (Group COO), Group Chief Risk Officer (Group CRO), Heads of Internal Audit, Chief Compliance Officers and representatives from the joint external auditors are invited to attend all meetings.

DLC AUDIT COMMITTEE REPORT
CONTINUED

Other members of management, including Tax and business unit heads, are invited to attend meetings to provide the Committee with greater insights into specific issues or areas of the Group.

The Chair has regular contact with the Group Executive Team to discuss and gain broader insight on relevant matters directly.

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

Members	Meetings attended / Eligible to attend
Zarina Bassa (Chair)	11/11
Vanessa Olver	11/11
Diane Radley[1]	1/1
Philisiwe Sibiya	11/11

1. Diane Radley was appointed as a member of the Committee effective 06 March 2024

Structure of the Investec Group Audit Committees

In terms of the DLC structure, the DLC Board has mandated authority to the DLC Audit Committee to be the Audit Committee of the Group. The DLC Audit Committee oversees and considers Group audit-related matters. It has responsibility for audit-related matters that are common to Investec plc and Investec Limited and works in conjunction with these two committees to address all Group reporting.

The Investec plc Board, Investec Limited Board, Investec Wealth & Investment International Board, Investec Bank plc Board and Investec Bank Limited Board have mandated authority to their respective audit committees to be the audit committees for the respective companies and their subsidiaries.

The Committee receives regular reports from the Group's subsidiary audit committees as part of the oversight of subsidiary audit committees.

The Chair is also the Chair of the following audit committees:

- Investec plc
- Investec Limited
- Investec Bank Limited
- Investec Bank Mauritius (IBM)
- Investec Wealth and Investment International.

The Chair is also a member of the following audit committees:

- Investec Bank plc
- Investec Life
- Investec Wealth and Investment UK (up to the date of the Rathbones transaction).

The Chair attends the following committee meetings:

- Operational Risk Committee, as a white card holder
- DLC IT Risk and Governance Committee.

Investec Limited Operational Risk Committee

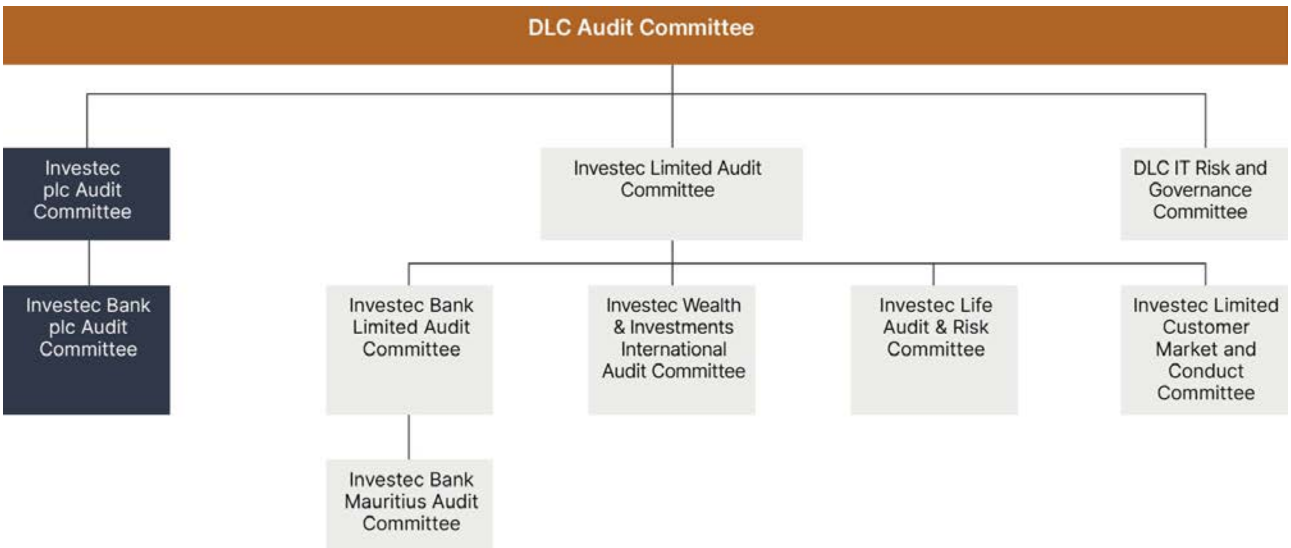
The Investec Limited Operational Risk Committee is mandated by the DLC Board Risk and Capital Committee (BRCC) to review, challenge and report matters related to operational risk. The Committee also approves and recommends operational risk policies including issues relating to non-compliance. The detailed Operational Risk reports are tabled at the DLC BRCC but the head of Operational Risk is a standard attendee at the Investec Limited and DLC Audit Committee meetings to highlight areas of concern, if any, pertaining to the internal control environment.

The DLC IT Risk and Governance Committee

The DLC IT Risk and Governance Committee is responsible for ensuring that technology risk management processes, investments, operations and governance, including control enhancement matters, support the purpose, values and strategic goals of the Group. The DLC IT Risk and Governance Committee reports to both the DLC BRCC and the DLC Audit Committee and is attended by the DLC Audit Committee and DLC BRCC Chairs.

Investec Limited Customer Market and Conduct Committee (CMCC)

The Investec Limited CMCC ensures that the best standards of market conduct, in its broadest form, are applied and monitors reports thereon. The CMCC is chaired by the Head of Compliance of Investec Limited and Investec Bank Limited and reports to the Investec Limited Audit Committee.



DLC AUDIT COMMITTEE REPORT
CONTINUED

Areas covered by the DLC Audit Committee

Key audit matters (KAM)

KAM are those matters that in the view of the Committee:

- Required significant focus from the Committee
- Were considered to be significant or material in nature, requiring exercise of judgement; or
- Matters which were otherwise considered to be subjective or complex from an accounting or auditing perspective.

Common membership of the DLC, Investec plc and Investec Limited Audit Committees ensures that KAM and matters of mutual interest are communicated and addressed, where applicable. The members of the Committee may also attend other Audit Committee meetings, as appropriate.

The following key audit matters were deliberated by the Committee during the year:

Key audit matters	What we did
Expected credit losses (ECL) assessment • The appropriateness of the allowance for ECL is highly subjective and judgemental.	• Challenged the level of ECL, model methodology and assumptions applied to calculate the ECL provisions held by the Group • Reviewed the appropriateness of the ECL models and approved the forward-looking macro-economic scenarios applied in the UK and South Africa • Reviewed and monitored the Group's calculation of ECLs, trends in staging changes, model changes, scenario updates, post-model adjustments, Significant Increase in Credit Risk (SICR), and volatility • Reviewed and satisfied ourselves on in-model adjustments and the release of overlays • Reviewed and satisfied ourselves on staging of key exposures • Reviewed for reasonableness the benchmarking of macro-economic scenarios, ECLs, Credit Loss Ratio (CLR) and coverage ratios against relevant South African and UK peers • Assessed the appropriateness of the ECL model overlays maintained for emerging risks for which there was insufficient data available to model the existing credit risk. Specific consideration was given to the methodology and assumptions applied to calculate the overlay. We further evaluated the appropriateness of the releases of the ECL model overlays • Assessed ECL experienced against forecasts and considered whether the level of ECL was appropriate • Assessed the appropriateness of the ECL provision raised by the Group for large exposures in entities publicly perceived to be in financial distress, in conjunction with BRCC • Evaluated the International Financial Reporting Standard (IFRS® Accounting Standards), as issued by the International Accounting Standards Board (IASB) 9 disclosures for relevance and compliance with IFRS® Accounting Standards • Evaluated the impact of ECL on the interim and annual results.

Fair value of level 3 instruments and the resulting IFRS® Accounting Standards 13 fair value measurement (IFRS 13) disclosure
• For level 3 instruments such as unlisted investments in private equity businesses, investment properties, fair value loans and large bespoke derivative structures, there is a large degree of subjectivity surrounding the inputs to the valuations and valuations methodology. With the lack of observable liquid market inputs, determining appropriate valuations continues to be highly judgemental.
	• Received presentations on the material investments across the Group, including an analysis of the key judgements, assumptions and valuation methodology applied and approved the valuation adjustments proposed by management for the year ended 31 March 2024
	• Challenged and debated significant subjective exposures and assumptions including:
	  ◦ The valuation principles applied for the valuation of level 3 investments (unlisted and private equity investments) and fair value loans
	  ◦ The appropriateness of the IFRS 13 disclosures regarding fair value.

DLC AUDIT COMMITTEE REPORT
CONTINUED

Key audit matters	What we did
Uncertain tax provisions and other legal matters	• Considered potential legal and uncertain tax matters with a view to ensuring appropriate accounting treatment in the financial statements • Evaluated the appropriateness of the accounting and disclosures regarding the investigation by the Office of the Public Prosecutor in Cologne. This was done by having closed Committee meetings with executive management and external audit. Considered guidance from external and internal legal counsel regarding the recognition, measurement and disclosure of a provision for this matter. Refer to note 54 of the Investec Group's 2024 annual financial statements for further information • Received regular updates from the Group Executive, Group Tax, Group Finance and Group Legal Counsel on uncertain tax and legal matters to enable the Committee to probe and consider the matters and evaluate the basis and appropriateness of the accounting treatment • Analysed the judgements and estimates made and discussed the potential range of outcomes that might arise to determine the liability, if any, for uncertain tax positions as required by the International Financial Reporting Interpretations Committee (IFRIC) 23 • Reviewed a technical memorandum prepared by management regarding the recognition, measurement and disclosure of the motor vehicle finance industry-wide investigation in the UK. Considered guidance provided by external and internal legal counsel regarding the recognition, measurement and disclosure of the provision. Refer to note 54 of the Investec Group's 2024 annual financial statements for further information • Concluded on the appropriateness of the International Accounting Standards (IAS) 37 accounting treatment, the scenarios and sensitivities, and any overall disclosure in the financial statements. Refer to note 54 in the Investec Group's 2024 annual financial statements.
Restatements of prior year comparative information	**Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments** • It was identified that a restatement was required in respect of the application of hedge accounting (cash flow and fair value hedging) applied in prior years for certain portfolios in IBL which did not meet the requirements to apply hedge accounting under IAS 39 and that certain financial instruments were incorrectly fair valued. The Committee spent time understanding the extent of the matter, how it came about, and what needed to be done to address the matter in the financial statements and to identify and prevent any occurrences in the future • Held two Committee meetings with executive management and external audit to evaluate the cause and impact of the restatements • The Committee and management, requested the undertaking of an independent in-depth investigation to assess whether there had been any fraud, malfeasance or deliberate intent in relation to the restatement of the application of hedge accounting. The results of this investigation did not indicate this to be the case • Met with internal audit to consider and deliberate on the results of a specific review undertaken on the control environment of the relevant area • Together with the IBL and DLC BRCCs, reviewed management's analysis of the factors that gave rise to the restatement • Evaluated the causes of the restatements and considered their impact on the effectiveness of the Group's control environment in the current and the prior year. The Committee will ensure relevant control enhancements are implemented and the requisite resourcing is in place if required

DLC AUDIT COMMITTEE REPORT
CONTINUED

Key audit matters	What we did
Restatements of prior year comparative information (continued)	• Considered the impact, if any, on the control attestation made by the Group CE and Group FD as required by the JSE Listings Requirements 3.84(k). Concluded that there was no material impact on the ability of the Group CE and Group FD to make this attestation • Reviewed the appropriateness of the disclosure provided for the restatements. Refer to note 62 in the Investec Group's 2024 annual financial statements for further information. **Other restatements** • The Committee concluded that the other restatements predominantly related to reclassifications and gross-up/gross down of balance sheet and income statement line items or where management elected to restate to achieve better disclosure. The Committee will continue to assess the remediation plan from management to improve the classification process.
Significant transactions	• Reviewed the technical memorandum prepared by Group Finance regarding the accounting treatment and required disclosure for the Rathbones transaction that resulted in the deconsolidation of Investec Wealth and Investment UK (100% held subsidiary) and the recognition of a 41.25% investment in Rathbones plc. Considered and concluded on the appropriateness of the accounting treatment as a discontinued item in terms of IFRS Accounting Standards. Evaluated the appropriateness of the accounting treatment as an associate and valuation of the investment in Rathbones plc at a DLC level and Investec plc level. Considered the impact and addressed the implications of non-coterminous year-ends • Reviewed the technical memorandum prepared by Group Finance regarding the accounting treatment and required disclosure for the sale of the Burstone Group Limited (previously Investec Property Fund Limited) (Burstone) management function that resulted in the deconsolidation of Burstone. Evaluated the appropriateness of the Burstone investment at fair value • Reviewed the disclosure provided for discontinued operations for Burstone and Investec Wealth and Investment UK which were both deconsolidated. Reviewed the technical memorandum prepared by Group Finance on the application of IFRS 5 regarding discontinued operations • Evaluated the appropriateness of the accounting and disclosure relating to significant judgements and estimates, impairment, valuation methods and assumptions applied.
Audit firm rotation	• Monitored and managed the rotation of the external audit from KPMG Inc. to PricewaterhouseCoopers Inc. for Investec Limited and Investec Bank Limited • Following conclusion of a competitive tender process conducted in 2023, recommended to the Board the appointment of Deloitte LLP as the External Auditors of Investec plc and Investec Bank plc, and the appointment of Deloitte & Touche as the second new auditor, along with the re-appointment of PricewaterhouseCoopers Inc. as the joint external auditors of Investec Limited and Investec Bank Limited for the financial year ending 31 March 2025 • Managed the process and oversaw the commencement of the shadow audit process by Deloitte & Touche and Deloitte LLP of the Investec Limited and Investec plc 2024 financial year audit • Monitored the non-audit services performed by Deloitte LLP and Deloitte & Touche during the shadow audit process • Oversaw the allocation of non-audit work to the respective audit firms to ensure that there were no breaches of independence.

DLC AUDIT COMMITTEE REPORT
CONTINUED

Other matters considered by the DLC Audit Committee

The Committee considered the following matters during the year:

Other matters	What we did
Going concern and the viability statement	• Considered reports on the Group's budgets, forecasts, profitability, capital, liquidity and solvency and the impact of legal proceedings, if any, on both going concern and the three-year Viability Statement • Considered the results of various stress testing analyses based on different economic scenarios and the possible impact on the ability of the Group to continue as a going concern • Considered the impact of strategic corporate actions on the capital plans and the three year Viability Statement • Noted the Investec Bank plc Viability Statement as recommended for approval by the Investec Bank plc Audit Committee to the Investec Bank plc Board. • Recommended the approval of the going concern assumption and the Group Viability Statement underlying the annual financial statements to the DLC Board.
Information technology systems, cyber security and controls impacting financial reporting	• Received and reviewed reports in respect of IT systems, cyber security and controls impacting financial reporting • Received regular reports from internal audit on the effectiveness of IT controls tested as part of the internal audit process • Considered broader IT and Governance matters, including security, control improvements, IT strategy and operations through attendance by the Audit Committee and BRCC Chairs at the DLC IT Risk and Governance Committee • Since 2015, Investec has been using Targeted Attack Simulations (TAS) to understand our cyber risk exposure and evaluate the adequacy of our security controls • Met with IT external auditors to discuss the results of the audit of IT systems and controls.
External audit and audit quality	• Monitored and managed the rotation of the external audit from KPMG Inc. to PricewaterhouseCoopers Inc. for Investec Limited and Investec Bank Limited • Managed the relationship with the external auditors, Ernst & Young LLP, Ernst & Young Inc. and PricewaterhouseCoopers Inc. • Considered the external audit report on the review performed on the interim results and the audit performed on the annual results • Met with key partners of Ernst & Young LLP and Ernst & Young Inc. (auditors of DLC), Ernst & Young LLP (auditors of Investec plc) and Ernst & Young Inc. and PricewaterhouseCoopers Inc. (auditors of Investec Limited) prior to every Audit Committee meeting to discuss the 2023/24 audit plan, key areas of focus, findings, scope and conclusions • Obtained feedback from the cross-reviews performed between the joint firms at an Investec Limited level, and by the DLC team across a DLC level • Pre-approved all non-audit services provided by external audit and confirmed the services to be within the approved non-audit services policy • Discussed external audit feedback on the Group's critical accounting estimates and judgements, restatements and the control environment • Approved the external audit plan, audit fee and the main areas of focus • Assessed the independence and objectivity of the external auditors

DLC AUDIT COMMITTEE REPORT
CONTINUED

Other matters	What we did
External audit and audit quality (continued)	• Received updates from the external auditors on the audit of the Annual Financial Statements (AFS) of the Group including the Summary of Audit Differences for the year ended 31 March 2024. The Committee ensured that it was comfortable that the level of unadjusted audit differences were within tolerable error for both actual and judgemental differences and that there was no bias towards over or understatement • Noted and reviewed the unqualified independent audit report in relation to the Group • Met separately with the leadership of Ernst & Young Inc., Ernst & Young LLP and PricewaterhouseCoopers Inc. to discuss Independent Regulatory Board for Auditors (IRBA) review ratings and accreditations, independence, firm quality control and the results of internal inspections of the firm and individual partners • Monitored audit quality and audit partner accreditation. In line with the conditions set out in Section 94(8) of the Companies Act and based on its assessment using the criteria set out by the King IV™, and the JSE Listings Requirements, the DLC Audit Committee confirms its satisfaction with the performance and quality of external audit, the external auditors and lead partners.
Regulatory compliance and reporting	• Received regular reports from the Regulatory Compliance functions and reviewed the adequacy of the scope and the effectiveness of the regulatory compliance processes applied. This included the evaluation of the quality of regulatory reporting, the scope and the integrity of the regulatory compliance process, the adequacy of internal regulatory compliance systems and processes, and the consideration and remediation of any findings of the internal and external auditors or regulators • Requested specific updates or presentations from management on areas considered high risk or where exceptions had been identified • Received regular updates from the compliance function in respect of Regulatory Interactions, Risk Ratings and High-Risk exposures, Conduct, Financial Crime, Compliance Monitoring, Training, Anti-Money Laundering (AML) and Combating of Financing of Terrorism (CFT) reviews conducted in respect of Group subsidiaries • Monitored regulatory developments and the potential impact on South Africa and the UK, following the addition of South Africa to the Financial Action Task Force (FATF) greylist in February 2023 • Reviewed the reporting obligations in respect of significant transactions completed during the financial year • Reviewed the reporting obligations in line with the JSE listing requirements in respect of the Investec Limited share buy-back of its own shares and acquisition of Investec plc shares.
Post balance sheet disclosure	• Considered any post balance sheet events that may require the AFS to be adjusted or require additional disclosure. Refer to note 63 in the Investec Group's 2024 annual financial statements • Reviewed and approved the content and the publication of a change statement.
Climate, nature and biodiversity and environmental, social and governance (ESG)	• Reviewed ESG reporting and disclosures • Considered the changing regulatory landscape for all jurisdictions that the Group operates in, including undertaking specific training for the Committee.

DLC AUDIT COMMITTEE REPORT
CONTINUED

Other matters	What we did
Internal controls • The effectiveness of the overall control environment, the status of any material control issues with emphasis on the progress of specific remediation plans.	• Attended regular meetings of the DLC BRCC. Based on reports presented at those meetings, evaluated the impact of an evolving risk environment, including operational risk, on the internal control environment • Evaluated and tracked the status of the most material control issues identified by internal and external audit and tracked the progress of the associated remediation plans against agreed time frames • Reviewed reports from the independent audit committees of the Group's subsidiaries, including entities that the Group's management is operationally responsible for • Evaluated the impact of working from home on the overall control environment and operational risk • Evaluated reports on the internal control environment from the internal and external auditors with specific emphasis on culture and conduct elements in the internal audit reports • Attended and received regular reports from the DLC IT Risk and Governance Committee regarding the monitoring and effectiveness of the Group's IT controls. Considered updates on key internal and external audit findings with respect to the IT control environment • Convened a special IBL Audit Committee meeting to consider the internal audit reports in respect of FRTB and the CVA model application • Reviewed and approved the combined assurance model, ensuring completeness of risks and adequacy and effectiveness of assurance coverage • Reviewed the reports of the Investec Limited Customer Market and Conduct Committee • Evaluated reports on cyber security within the Group and received a presentation on the outcome of the 2023/24 TAS • Reviewed the work performed by Group Finance to support the control attestation made by the Group CE and Group FD as required by the JSE Listings Requirements 3.84(k) that supports the effectiveness of the internal control environment and the combined assurance matrix • Noted internal audit reports and conclusions on internal controls, internal financial controls and the risk management framework for the year under review • Reviewed the year-end conclusions from internal audit on internal controls, the risk management framework and internal financial controls based on their planned and actual audit coverage for the year.
Combined assurance matrix	• Confirmed our satisfaction with the appropriateness of the design and effectiveness of the combined assurance model applied, which incorporates the various disciplines of Risk Management, Operational Risk, Legal, Regulatory Compliance, internal audit, external audit and other assurance providers • Confirmed our satisfaction with the levels of assurance and mitigants so that, taken as a whole, there is sufficient and appropriate assurance regarding mitigants for the key risks • Reviewed the results of the Combined Assurance Matrix (CAM) coverage plan at the year-end to assess the results of actual coverage and conclusions relative to planned coverage for the year. Concluded that the CAM formed an appropriate basis for assurance coverage and outcomes.

DLC AUDIT COMMITTEE REPORT
CONTINUED

Other matters	What we did
Fair, balanced and understandable reporting • The Group is required by the UK Corporate Governance Code to assess and confirm that its external reporting is fair, balanced and understandable, and consider whether it provides the information necessary for stakeholders to assess the Group's position and performance, business model and strategy.	• Undertook an assessment on behalf of the Board, to provide the Board with assurance that it can make the statement • Met with senior management to gain assurance that the processes underlying the compilation of the annual financial statements were appropriate • Conducted an in-depth critical review of the annual financial statements and, where necessary, requested amendments to disclosure • Reviewed the accounting treatment of key judgements and the quality of earnings assessment • Considered the appropriateness and the cause of the restatement of the annual financial statements. Reviewed the appropriateness of the remedial plans implemented by management to ensure the cause has been appropriately addressed • Reviewed the appropriateness of the disclosure provided regarding restatements and significant transactions completed during the financial year • Assessed disclosure controls and procedures • Confirmed that management had reported on and evidenced the basis on which representations to the external auditors were made • Obtained input and assurance from the external auditors and considered the level of and conclusion on the summary of audit differences • Took note of the areas highlighted to the Audit Committee by the JSE through its Pro-active Monitoring Process of the AFS of listed companies. Ensured these were appropriately considered in the AFS • Reviewed feedback from Group Finance in respect of a project launched to refine the annual financial statements in order to improve disclosures, improve financial control and reporting processes • Concluded that the processes underlying the preparation of the annual report and financial statements for the financial year ended 31 March 2024 were appropriate in ensuring that those statements were fair, balanced and understandable • Reviewed feedback received from analysts in respect of the annual report as provided by Investor Relations and incorporated the feedback into the annual report • Reviewed the outcomes of the combined assurance coverage model as discussed above • Reviewed the process put in place to provide assurance on the Group CE and Group FD attestation as stipulated by the JSE • Reviewed the annual reports of the DLC, Investec Limited, Investec plc and all significant subsidiaries.
Business control environment • The effectiveness of the control environment in each individual business, including the status of any material control issues and the progress of specific remediation plans.	• Received regular reports from the subsidiary audit committees, including entities that the Group's management is operationally responsible for • Attended the audit committee meetings of all significant subsidiaries • Assessed reports on individual businesses and their control environments, scrutinised any identified control failures and closely monitored the status of remediation plans • Received updates from senior management and scrutinised action plans following internal audit findings • Reviewed the process for reporting to the Committee by key subsidiaries and associates and considered regular reports from such entities, for example, Investec Life.

DLC AUDIT COMMITTEE REPORT
CONTINUED

Other matters	What we did
Finance function	• Considered the financial reporting as prepared by Group Finance regarding the interim results for the period ended 30 September 2023 and final results for the 31 March 2024 year end • In a closed session, discussed and concluded that the finance functions of both Investec plc and its subsidiaries and Investec Limited and its subsidiaries were adequately skilled, resourced and experienced to perform the financial reporting for the Group and that appropriate succession was in place for key roles • Concluded that the Group FD, Nishlan Samujh, had the appropriate expertise and experience to meet the responsibilities of the position.
Compliance with applicable accounting standards	• Reviewed various accounting papers prepared by Group Finance addressing subjective accounting treatments and significant accounting judgements • The Committee chair discussed the key judgements and complex accounting treatments with both external audit and management in the weekly meetings leading up to the year-end sign off • Reviewed and obtained confirmation from Group Finance that the recommendations in the JSE proactive monitoring report had been implemented in the preparation of the annual financial statements • Concluded on the reasonableness of the significant accounting judgements.
Related party disclosures	• Considered and reviewed related party disclosures for the Group • Considered and reviewed the process followed by Group Finance to ensure the completeness of related party disclosure • DLC Nomdac reviewed key related party transactions during the year and ensured compliance with Investec related party policies.
Internal audit • The performance of Internal Audit and delivery of the Internal Audit plan, including scope of work performed, the level of resources, the risk assessment methodology and coverage of the internal audit plan • The Committee is responsible for assessing audit quality and the effectiveness of the internal audit function.	• Scrutinised and reviewed internal audit plans, risk assessments, methodology and staffing, and approved the annual plan • Reviewed and approved the Group internal audit charter • Oversaw and provided input into the appointment of a new Head of Internal Audit for Investec Limited, Vilola Gounden • Provided input into and considered the annual performance and objectives of the Heads of Internal Audit • Monitored delivery of the agreed audit plans, including assessing Internal Audit resources, Continued Professional Development (CPD), succession, core skills development and automation of audit processes • Monitored and followed up internal audit control findings, including IT, and ensured appropriate mitigation and timeous close-out by management • Tracked high and moderate risk findings, and monitored related remediation plans • Met with the Heads of Internal Audit prior to each Committee meeting, without management being present, to discuss the remit of and reports of internal audit and any issues arising from the internal audits conducted • Monitored audit quality in relation to internal audit. The methodology, process and skills were presented to a separately convened Audit Committee to consider audit quality

DLC AUDIT COMMITTEE REPORT
CONTINUED

Other matters	What we did
Internal audit (continued)	• Discussed and considered the internal audit quality assurance programme. The internal audit quality assurance programme is designed in line with the Institute of Internal Auditors (IIA) International Professional Practices Framework (which includes the International Standards for the Professional Practice of Internal Auditing and the Code of Professional Conduct, including the Code of Ethics). The quality assurance programme is multi-faceted, and includes the attraction, development and retention of adequately skilled staff that exercise proficiency and due professional care, adherence to the Global internal audit governance framework and audit methodology, oversight and detailed review of every audit engagement and a quarterly post-engagement quality assurance programme • Reviewed the results of the post-engagement quality assurance programme which informs any training interventions required within the team. The results are consolidated and presented to the Audit Committee on an annual basis • IT Audit and Data Analysis - Internal audit developed automated test scripts, allowing for more comprehensive testing of controls covering the full population. This full population testing provides greater coverage than the traditional audit methodology which calls for a sample testing approach. Reviewed and considered the implications of the approach on the audit for the Group • Reviewed the Investec Limited and Investec plc written assessment of the overall effectiveness of the organisation’s governance, risk, and control framework, including an assessment of internal financial controls, the risk management framework, adherence to the risk appetite and the effectiveness of the overall assurance achieved relative to that planned for the year through the CAM • Confirmed our satisfaction with the independence and performance of the internal audit function • Assessed and confirmed our satisfaction with the independence of the Head of Internal Audit for Investec plc, E Broughton • Held a closed session regarding internal audit where the capacity, appropriate skills, independence and quality of the internal audit function was assessed • Considered succession and the skills matrix for internal audit • Assessed the effectiveness of the internal audit function through completion of a questionnaire which is based on the Internal Audit Financial Code of Practice. The results of the exercise were shared with the Committee, together with action plans to address any concerns raised, which will be tracked to completion • Convened a meeting with internal audit to consider the internal audit report in respect of the effectiveness of the internal controls of the credit investment desk, hedge accounting and reconciliations.

DLC AUDIT COMMITTEE REPORT
CONTINUED

External audit

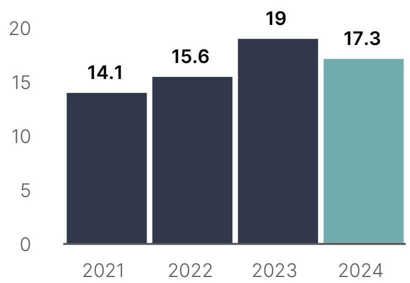
Non-audit services

Our policy regarding the engagement of the external auditors to provide non-audit services was developed by the Committee to safeguard auditor objectivity and independence. The policy includes guidelines on permitted and non-permitted services and the approval process required by the Committee.

Total fees paid for the year ended 31 March 2024 amounted to £17.3 million (2023: £19.0 million), of which £3.8 million (2023: £5.8 million) related to the provision of non-audit services. The non-audit services related to services required to be provided by the external auditor, such as, regulatory audits and work to be performed as reporting accountant. Non-audit fees were pre-approved by the Chair of the Committee prior to every assignment.

The Committee also required the policy to be applied to any external services provided by Deloitte & Touche and Deloitte LLP to ensure the independence of the firm prior to its appointment as external auditor for the financial year ending 31 March 2025.

Total Fees
(£m)



Based on the above-mentioned policy, approval process and reviews performed, the Committee was satisfied that the level and type of non-audit work undertaken throughout the year did not impair the independence of Ernst & Young LLP and Deloitte LLP (Investec plc) and Ernst & Young Inc., PricewaterhouseCoopers Inc. and Deloitte & Touche (Investec Limited).

Auditor independence and objectivity and audit quality

Critically evaluated audit quality at an engagement and firm level, audit effectiveness, independence and audit rotation requirements applicable to all jurisdictions in which the Group operates. Audit Regulator reviews were considered at a firm and individual partner level. Continuity, quality control on assignment as well as the independence of staff on the assignment were considered.

The Committee was satisfied that in reviewing audit quality and independence, it had followed a comprehensive process during which detailed feedback was received and evaluated.

As part of the process:

- The Committee considers the independence of the external auditors on an ongoing basis
- The external auditors confirmed their independence and were requested to review and confirm the level of staff transactions with Investec, if any, to ensure that all auditors on the Group audit meet the independence criteria
- The key audit partners are required to rotate every five years. The tenure of each of the partners was reviewed and concluded to be aligned with this policy.

Francois Prinsloo was appointed as the PricewaterhouseCoopers Inc. lead signing partner for Investec Bank Limited and Investec Limited.

Following due consideration, the Committee believes the safeguards as implemented by the Committee are adequate to ensure the objectivity and effectiveness of the audit process, based on the following:

- The extent of audit cross-reviews between the joint auditors of Investec Limited
- The additional cross-reviews by the Investec Limited and Investec plc auditors across the Group
- Restrictive policy for non-audit services, including pre-approval of non-audit work
- The confirmation of the independence of the firms and auditors involved
- Formal audit quality process undertaken by the Committee.

Audit firm rotation

Investec plc

The Company has complied with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the Order), which relates to the frequency and governance of tenders for the appointment of the external auditors.

The external auditors of Investec plc have been Ernst & Young LLP since 2000 and will rotate off following completion of the audit of the 2024 financial year. Deloitte LLP have been nominated as the new external auditors for the financial year ending 31 March 2025, subject to approval by ordinary shareholders at the AGM to be held in August 2024.

Investec Limited

In terms of the South African Banks Act, Investec Limited has to appoint joint auditors. In 2019, the Committee decided to commence the process to rotate the Group's external auditors, being mindful of regulatory requirements, the views expressed by shareholders, the need to have joint auditors and the risks inherent to an auditor transition.

Following a competitive tender process, and upon approval from shareholders at the 2023 AGM, PricewaterhouseCoopers Inc. was appointed as the first new joint external auditor, replacing KPMG Inc., for the financial year ended 31 March 2024.

The joint external auditors of Investec Limited for the financial year ended 31 March 2024 were therefore Ernst & Young Inc. and PricewaterhouseCoopers Inc.

Following a competitive tender process, Deloitte & Touche have been nominated as the second new joint external auditors for the financial year ending 31 March 2025, subject to approval by ordinary shareholders at the AGM to be held in August 2024.

Transition process

A formal transition process commenced during 2023, whereby Deloitte & Touche and Deloitte LLP shadowed the full 2024 audit cycle performed by the incumbent external auditors. The purpose of the shadow period was for Deloitte & Touche and Deloitte LLP to obtain sufficient information about the Group, the financial control environment and the audit process to ensure a smooth transition as lead external auditor in the following financial year.

Year	Auditors	Shadow Auditors
2023/24	EY (SA)	Deloitte (SA)
	PwC (SA)	
	EY (UK)	Deloitte (UK)
2024/25	Deloitte (SA)	
	PwC (SA)	
	Deloitte (UK)	

DLC AUDIT COMMITTEE REPORT
CONTINUED

Re-election and appointment of auditors

The Committee has considered the following in selecting external auditors:

- The regulatory need for joint auditors
- The level of specialisation, footprint, capacity and experience required by a firm in performing a joint audit of a Bank or financial services group which is of systemic importance
- Transformation
- Technology
- Credentials and Partners
- Legal cases and reputational matters
- The level of quality control within the audit firms as evidenced by the results of internal and external regulatory reviews performed on audit firms and engagement partners
- The level of inherent risk in auditing a financial services group and the consequent audit risks
- The independence of the external auditor
- The fundamental demands on audit quality, the level of audit risk given the turmoil in the audit profession, balanced against shareholder views on firm rotation
- Regulatory requirements
- Understanding of the Investec business, culture and financial statement risks.

In line with the conditions set out in Section 94(8) of the South African Companies Act, and based on its assessment, using the criteria set out by the King IV™ and the JSE, and considering the guidance provided in the FRC guide on audit committees, the DLC Audit Committee confirms its satisfaction with the performance and quality of the external audit function, the external audit firms and the engagement partners.

In making the recommendation for the re-election and appointment of Investec Limited's auditors, the Board and the Committee have taken into consideration the South African Companies Act and the South African PA requirements with respect to joint auditors, regulatory requirements, together with the results of the Audit Committee's extensive, formalised process to satisfy itself as to auditor independence and audit quality.

The Board and the Committee is recommending the appointment of Deloitte & Touche, and the re-election of PricewaterhouseCoopers Inc., as joint auditors of Investec Limited at the AGM in August 2024 for the financial year ending 31 March 2025. In addition, the Board and the Committee is recommending the appointment of Deloitte LLP as auditors of Investec plc at its AGM in August 2024 for the financial year ending 31 March 2025.

Looking ahead

The role of the Committee will remain focused on:

- Ensuring the improvement and the effective functioning of the Group's financial systems and processes, financial control environment, monitored by an effective combined assurance model
- Audit quality and independence
- Management's response in respect of future changes to IFRS® Accounting Standards, legislation and other regulations impacting disclosure requirements
- Ensuring a smooth transition of the external audit to the new audit firms
- The implications of ESG risk in measuring the sustainability and societal impact of loans or an investment in a company of business together with ESG accounting disclosures and assurance processes
- Continuing to exercise oversight over subsidiary audit committees, including in remote locations
- Monitoring the implementation of the JSE Listings Requirements, including the effectiveness of internal financial controls.

Vote of thanks

The Committee and I would like to thank Ernst & Young LLP and Ernst & Young Inc. for their robust challenge, support and quality audits performed during their years of service. Ernst & Young LLP fulfilled the role as lead auditor for Investec DLC and played a pivotal role in the transition of the external audit function over the past two years. I have personally appreciated the manner in which this has been conducted.

I would like to extend my gratitude and thanks to Philisiwe Sibiya, who will step down at the August 2024 AGM, for her exemplary and valued contribution to the Committee over the last five years.

I would further like to welcome Diane in her new role as Chair designate of the Committee. It is a role I'm sure she will enjoy and I believe that the Group will benefit from her insights and experience.

I will be retiring from the Investec Boards at the August 2024 AGM having served close to ten years on the Boards. I would like to acknowledge and thank the various assurance providers I have worked closely with over the last eight years, ie Finance, Compliance, Internal and External audit, amongst others. I would further like to thank management and the leadership for the ongoing commitment to a constantly evolving and improving control environment. Lastly, as Chair, I would like to thank my fellow Audit Committee members for their diligence and support over the years.

Zarina Bassa

Chair, DLC Audit Committee

24 June 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC PLC

Opinion

In our opinion:

- Investec plc's combined consolidated Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB");
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Under the contractual arrangements implementing the dual listed companies structure, Investec plc and Investec Limited and their subsidiaries effectively form a single economic enterprise ("the Group"), in which the economic and voting rights of shareholders are equalised. We have audited the financial statements of Investec plc ("the Parent Company") and the Group for the year ended 31 March 2024 which comprise:

Group	Parent Company
Combined consolidated balance sheet as at 31 March 2024	Balance sheet as at 31 March 2024
Combined consolidated income statement for the year then ended	Statement of changes in shareholder's equity for the year then ended
Combined consolidated statement of total comprehensive income for the year then ended	Related notes a to k to the financial statements including material accounting policy information
Combined consolidated statement of changes in equity for the year then ended	
Combined consolidated cash flow statement for the year then ended	
Related notes 1 to 64 to the Group annual financial statements, including material accounting policy information	
Information identified as 'audited' in the Group's remuneration report	
Information identified as 'audited' in the Group's risk and governance report	

The financial reporting framework that has been applied in the preparation of the combined consolidated Group financial statements is applicable law and UK adopted international accounting standards and IFRS as issued by the IASB. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice) as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC) Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Due to the nature of the dual listed companies' structure and there being no cross-guarantees in place between Investec plc and Investec Limited, we assessed the going concern assumption for Investec plc and Investec Limited as well as for the Group.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC PLC
CONTINUED

Our evaluation of the directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- understanding management's going concern assessment process, including obtaining an understanding of the business planning process, assessing the Board approved budgets and the reasonableness and completeness of assumptions applied. In assessing these assumptions, we considered the impact of the current macro-economic environment in which the Group operates on future operating performance and the principal risks affecting the Group;
- involving specialists to assess the results of management's stress testing, including consideration of principal and emerging risks on funding, liquidity and regulatory capital. We performed independent reverse stress testing by evaluating the plausibility of the outcome under which regulatory minimum requirements would be breached. In addition, we evaluated the viability of management actions available to mitigate erosion of capital and liquidity;
- assessing the Group's compliance with external debt covenants;
- inspecting correspondence with the Prudential Regulatory Authority ("PRA"), Financial Conduct Authority ("FCA") and South African Prudential Authority ("PA") for matters that may impact the going concern assessment; and
- evaluating the appropriateness and conformity of the going concern disclosure included in the annual report with the reporting standards, and consistency with management's going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Parent Company's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of three components and audit procedures on specific balances for five components. • The components where we performed full or specific audit procedures accounted for 99% of operating profit before impairment of goodwill and amortisation of acquired intangibles and strategic actions, 99% of Revenue (defined as operating income less interest expense and fee and commission expense) and 99% of total assets.
Key audit matters	• Adequacy of the provision for expected credit losses on loans and advances to customers • Valuation of fair value assets and liabilities with higher risk characteristics and associated income • Provision for regulatory and litigation matters • Gain on the combination of Investec Wealth & Investments Limited with Rathbones Group plc • IT systems and controls impacting financial reporting
Materiality	We applied Group materiality of £42.4m which represents 5% of operating profit before impairment of goodwill and amortisation of acquired intangibles and strategic actions ('operating profit').

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC PLC
CONTINUED

An overview of the scope of the Group audits and Parent Company

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, and changes in the business environment when assessing the level of work to be performed at each company.

Of the eight components selected, we performed an audit of the complete financial information of three components ('full scope components') which were selected based on their size or risk characteristics. For five components ('specific scope components'), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

Component	Scoping
Investec Bank Limited	Full
Investec Bank plc	Full
Investec Limited (consolidation)*	Full
Burstone Group Limited	Specific
Investec Life Limited	Specific
Investec Markets Proprietary Limited	Specific
Investec Property Group Holding Proprietary Limited	Specific
Investec Wealth and Investment International Proprietary Limited	Specific

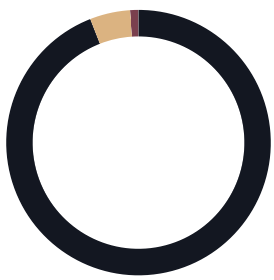
* This component comprises consolidation adjustments and certain other material balances at an Investec Limited Parent Company level.

The reporting components where we performed audit procedures accounted for 99.0% (2023: 99.0%) of the Group's operating profit, 99.0% (2023: 99.0%) of the Group's revenue and 99% (2023: 99.0%) of the Group's total assets. For the current year, the full scope components contributed 95.0% (2023: 94.7%) of the Group's operating profit, 95.5% (2023: 95.8%) of the Group's revenue and 97.7% (2023: 98.6%) of the Group's total assets. The specific scope components contributed 4.8% (2023: 5.3%) of the Group's operating profit, 4.4% (2023: 4.2%) of the Group's revenue and 2.3% (2023: 1.4%) of the Group's total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

The remaining components together represent 0.2% of the Group's operating profit. For these components we performed other procedures, including analytical review and ensuring journals for these components were included in the population from which we selected journals to test, in order to respond to potential risks of material misstatement to the Group financial statements.

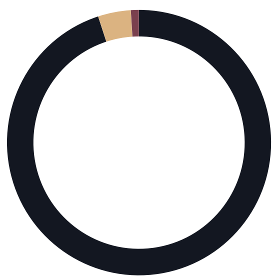
The charts below illustrate the coverage obtained from the work performed by our audit teams.

Operating profit



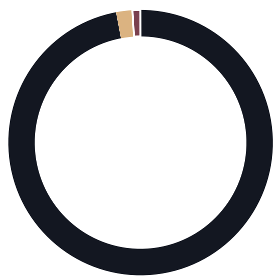
Full scope components	95.0%
Specific scope components	4.8%
Other procedures	0.2%

Revenue



Full scope components	95.5%
Specific scope components	4.4%
Other procedures	0.1%

Total assets



Full scope components	97.7%
Specific scope components	2.3%
Other procedures	0.0%

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC PLC
CONTINUED

Changes from the prior year

Burstone Group Limited (previously Investec Property Fund Limited) was deconsolidated from the Group during the year, as such the scoping of this component changed from full scope in the prior year to specific scope.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms and other audit firms operating under our instruction. Where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

During the current year's audit cycle, the primary audit team followed a programme of in-person visits and virtual oversight reviews that has been designed to ensure that the Senior Statutory Auditor visits all full scope and specific scope locations. These in-person visits and virtual reviews involved discussing the audit approach with the component team and significant issues arising from their work. The primary audit engagement team interacted regularly with the component audit teams, where appropriate, throughout the course of the audit, which included attending planning meetings, maintaining regular communication on the status of the audit, reviewing relevant audit working papers and were responsible for the scope and direction of the audit process. For certain components we also attended audit team meetings with component management as well as component Audit Committee meetings.

This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact the Group. The Group has determined that the most significant future impacts from climate change on its operations will be from credit risk, market risk, liquidity risk, operational risk and reputational risk. These are explained within Section 5 Sustainability (Climate-related disclosures) and Section 8 Annexures (Climate-related disclosures overview) to the Group's integrated and strategic annual report, which form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in the Accounting Policies note how they have reflected the impact of climate change in their financial statements and the significant judgements and estimates relating to climate change. The Group notes that many of the effects arising from climate change will be longer term in nature, with an inherent level of uncertainty and have limited effect on accounting judgments and estimates for the current year under the requirements of UK adopted international accounting standards and IFRS as issued by the IASB.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating the Group's assessment of the impact of climate risk, their climate commitments and the significant judgements and estimates disclosed in the Accounting Policies, and whether these have been appropriately reflected in asset values where these are impacted by future cash flows, and in the timing and nature of liabilities recognised following the requirements of UK adopted international accounting standards and IFRS as issued by the IASB. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit. We also challenged the directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures.

Based on our work we have considered the impact of climate change on the financial statements to impact the adequacy of provision for expected credit losses on loans and advances to customers and the valuation of fair value assets and liabilities with higher risk characteristics and associated income. Details of our procedures and findings are included in our explanation of key audit matters below.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC PLC
CONTINUED

Risk	Our response to the risk

Adequacy of the provision for expected credit losses on loans and advances to customers
 	
Refer to the Audit Committee report (page 8); Accounting policies (pages 55 – 58 and 65); Note 6, Expected credit loss impairment (releases)/charges and 28, Loans and advances to customers and other loans and advances of the Consolidated Financial Statements (page 79 and 124).
 	
The determination of the provision for expected credit losses ('ECL') is highly subjective. The subjectivity relates to the current uncertain geopolitical and economic outlook and the impact of climate change which were considered in our risk assessment.
 	
At year-end the Group reported gross loans and advances to customers subject to expected credit losses of £30,259 million (2023: £29,806 million); expected credit losses on loans and advances to customers at amortised cost and fair value through other comprehensive income ('FVOCI') of £289 million (2023: £289 million); and expected credit loss impairment charges of £79 million (2023: £80 million).
 	
Given the subjective nature of the calculation of ECL there is a heightened risk that the provisions could be misstated.
 	
We focused on the following:
• **ECL models:** The significant level of subjectivity, management judgements and estimation uncertainty applied to ECL – these include:
  ◦ Accounting interpretations, modelling assumptions and data used in the Probability of Default ('PD'), Loss Given Default ('LGD') and Exposure at Default ('EAD') models;
  ◦ Key model assumptions and techniques, including in-model adjustments.
• **Multiple economic scenarios:** The appropriateness of the economic scenarios, and incorporation of forward looking information as determined by management, the probability weights assigned to each and the inputs and assumptions used to estimate their impact;
• **Assessment of significant increase in credit risk:** Allocation of assets recognised in stages 1, 2 and 3, including the determination of the triggers for an asset moving between stages;
• **Post model adjustments:** Measurement and completeness of post model adjustments; and
• **Individually assessed provisions:** Where the measurement of the ECL is dependent on the subjectivity and estimation of recoverable amounts based on various recovery strategies, the valuation of related collateral and timing of cash flows.
 	
The level of risk has remained consistent with the prior year.
	To address the risks we performed the following key procedures, amongst others:
	
	ECL models
	
	We assessed the design and tested the operating effectiveness of key controls, focusing on model governance, including the design, review and approval of relevant models.
	
	We performed a risk assessment on all models involved in the ECL calculation to select a sample of models to test. We involved modelling specialists to assist us to test this sample of ECL models by testing the assumptions, inputs and formulae used. We also assessed the accounting interpretations made for compliance with IFRS 9.
	
	This included performing an assessment of:
	• the model design documentation against accepted industry principles;
	• the appropriateness of the methodology, considering alternative techniques including in-model adjustments; and
	• the programming code to review its consistency with the design documentation.
	
	To evaluate data quality, we agreed a sample of ECL calculation data points to source systems.
	
	Multiple economic scenarios
	
	We assessed the design and tested the operating effectiveness of key controls focusing on management's review and approval of the base case and alternative scenarios, including the probability weights assigned.
	
	We used our internal economists to independently assess the appropriateness of macroeconomic scenario forecasts and the probability weightings applied by management by benchmarking these against third-party data. This assessment included developments related to the current uncertain geopolitical and economic outlook.
	
	We involved our specialists to assess the correlation of the forecast macroeconomic factors to the ECL and to test the impact of the macroeconomic scenarios on PDs, LGD, and SICR.
	
	Assessment of significant increase in credit risk
	
	We assessed the design and tested the operating effectiveness of key controls focusing on the following:
	• assessment and approval of assets determined to have a significant increase in credit risk and monitoring of assets in each stage; and
	• assessment of manual overrides to staging outcomes.
	
	We recalculated the assets in stages 1, 2 and 3 to assess if they were allocated appropriately in line with the Group's criteria and performed sensitivity analysis to assess the impact of different staging criteria on the ECL.
	
	For certain components we also tested the performance of the SICR approach by considering historic volumes of accounts moving into arrears and the forward-looking view of default risk.
	
	Post model adjustments
	
	We obtained an understanding of the model limitations to evaluate the measurement and completeness of the related adjustments. For the plc silo we determined an independent range of adjustments based on our understanding of the models and the current economic environment to compare against management's estimate.
	
	We assessed the governance processes that the Group has put in place to review and approve post model adjustments.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC PLC
CONTINUED

Risk continued	**Our response to the risk** continued
	Individually assessed provisions We selected a sample of loans to recalculate the individually assessed ECL with the involvement of valuation specialists, where appropriate. Our sample considered high-risk sectors. For each sample item selected we formed an independent view of collateral or exit values, cash flow assumptions and exit strategies. We also considered management's potential alternative scenarios and the probability weights assigned. We assessed the discount rate used, re-performed the discounted cash flow calculations and compared our measurement outcomes to those prepared by management, investigating any differences arising above our threshold. **Overall stand-back assessment** We performed a stand-back assessment of the ECL provision and coverage at an overall level and by stage to determine if provision levels were reasonable by considering the overall credit quality of the Group's portfolios, risk profile, the impacts of the current economic conditions and geopolitical factors, and climate change on the Group's customers. We performed peer benchmarking where available to assess overall staging and provision coverage levels. We evaluated the adequacy of disclosures in the financial statements considering the accounting standards including the assumptions and sensitivities disclosed. We tested the data and calculations supporting the disclosures.

We performed full scope audit procedures over this risk area in three components. These three components covered 99% (2023: 99%) of the ECL provision.

Key observations communicated to the Audit Committee

Based on the testing performed we concluded that the ECL provision is within a reasonable range of outcomes and in compliance with IFRS 9.

We highlighted the following matters to the Audit Committee:

- Where the design of key controls was effective, we tested those key controls and concluded they had operated effectively. We identified a limited number of design and operating deficiencies that required us to perform compensating procedures to conclude that the ECL provision was not materially misstated;
- Our testing of models and model assumptions highlighted some model design and performance deficiencies; however, these did not result in a material impact on the financial statements;
- Overall, the post-model adjustments applied were reasonable and addressed model shortcomings identified, however our independent range was outside management's estimate but this did not result in a material impact on the financial statements;
- For individually assessed impairments, staging and multiple economic scenarios, judgemental differences both increasing and decreasing impairment levels were identified; however, none of these individually or in aggregate were material to the financial statements; and
- Our stand-back assessment of the overall provision balance in light of the current economic environment and through peer benchmarking analysis of key indicators, such as coverage ratios, indicated the provision recorded as at year end was reasonable.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF INVESTEC PLC
CONTINUED

Risk	Our response to the risk
Valuation of fair value instruments with higher risk characteristics and associated income Refer to the Audit Committee report (page 8); Accounting policies (pages 55, 58, and 64); Note 17, Financial instruments at fair value, and 36, Investment properties of the Consolidated Financial Statements (pages 108 to 115). As at 31 March 2024, the Group held fair value financial instruments; assets of £11,258 million and liabilities of £5,464 million (2023: assets £12,668 million and liabilities £6,608 million) and Investment properties of £105 million (2023: £722 million). This included certain level 2 and level 3 assets and liabilities with higher risk characteristics whose values can be dependent upon unobservable inputs, where management’s significant judgement is applied. There are also non-financial assets where the net realisable value is at or below cost, meaning they are valued using similar techniques as the Group’s financial instruments. The valuation of certain of these fair value assets and liabilities with higher risk characteristics can include significant judgement, including in relation to the current uncertain geopolitical and economic outlook and the impact of climate change. Therefore, there is a risk of inappropriate revenue recognition through incorrect valuation, as outlined below: • **Complex valuation models –** fair value calculations using complex valuation models for derivatives and fair value loans; • **Valuation techniques –** illiquid investments in, and fair valued loans to unquoted private companies, investment properties valued using different valuation techniques (e.g. price-earnings multiples, discounted cashflow, net asset valuations); • **Inputs where there is limited market observability or liquidity –** Management apply judgement and estimation to determine appropriate inputs for certain of the fair value estimations. These include yield curves, liquidity discounts, volatilities and sector specific inputs, where applicable. • **Fair value adjustments**: Factors such as unobservable inputs, funding costs, low levels of market liquidity, counterparty and own credit risk and volatility increase the level of judgement required. The level of risk has remained consistent with the prior year.	We obtained an understanding of management’s processes and tested the design and operating effectiveness of controls relating to financial instrument valuation and related income statement measurement. We performed, on a sample basis a detailed examination of management’s valuation methodologies and assessed the appropriateness and consistency of model inputs, key assumptions, contractual obligations and exit values. In addition, we assessed whether there were any indicators of aggregate bias in financial instrument valuation pricing sources and methodology assumptions. We considered the impact of the current uncertain geopolitical and economic outlook throughout the procedures performed on the higher risk characteristic financial instruments by challenging whether the valuation methodologies and assumptions used remained appropriate. Throughout our audit procedures, we considered the impact of climate change on the valuation of financial instruments. **Complex valuation models** We involved valuation and modelling specialists, where appropriate, to assist in testing complex model-dependent valuations for derivatives and fair value loans by performing independent revaluation, on a sample basis, to assess the appropriateness of models and the adequacy of assumptions and inputs used. We performed a search for potential contrary evidence by assessing trends in trading profit and loss and counterparty valuation differences. **Valuation techniques** We performed procedures on key judgments made by management in the calculation of fair value of a sample of unlisted investments, fair value loans, profit-sharing arrangements and investment properties, including: • assessing the suitability and completeness of the comparable companies used in the calculation of the earnings multiples in price-earnings multiple valuations; • performing calculations to assess the appropriateness of discount rates used in discounted cashflow valuations, with reference to relevant industry and market data; • assessing external valuation reports received by management, where an external valuer has been engaged, and assessing their competence and objectivity in valuations which reference a net asset valuation; and • determining independent valuation estimates for a sample of financial instruments and investment properties and compared them to management’s estimate. **Illiquid inputs where there is limited market observability or liquidity** We performed procedures on key judgments made by management on inputs used in the valuation of a sample of unlisted equity investments, illiquid securities, fair value corporate, aviation and property loans and unlisted investment portfolios, profit-sharing arrangements and investment properties, including: • for unlisted equity investments, fair value corporate, aviation and property loans, profit-sharing arrangements and illiquid securities, that had been valued using unobservable inputs, assessed alternative data/input sources, where available, to evaluate management’s valuation; • for unlisted equity investments, fair value corporate, aviation and property loans and profit-sharing arrangements we involved valuation specialists to independently assess the valuations of a sample of positions. Our analyses considered the range of acceptable fair values taking account of other qualitative risk factors, such as company and sector specific risk factors; and

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC PLC
CONTINUED

Risk continued	**Our response to the risk** continued
	• for investment properties we assessed data inputs (such as market capitalisation rates) used to derive valuations against market available information. We made use of our real estate valuation specialists, as appropriate, to evaluate these inputs in order to assess whether they were within a reasonable range. For all positions, we compared our determined ranges and estimates to management's fair values. We assessed the appropriateness of the disclosures in the consolidated financial statements in accordance with IFRS 13.

We performed full and specific scope audit procedures over this risk area for five components, which covered 99% (2023: 99%)

Key observations communicated to the Audit Committee

We are satisfied that the assumptions used by management to reflect the fair value of assets and liabilities with higher risk characteristics and the recognition of related income are reasonable and in accordance with IFRS. We highlighted the following matters to the Audit Committee:

- Complex-model dependent valuations and techniques were appropriate based on the output of our independent re-valuations, including the analysis of any trade activity during the year, peer benchmarking, and counterparty valuation differences;
- For the valuation of fair value instruments with higher risk characteristics judgemental differences both increasing and decreasing valuation levels were identified; however, none of these individually or in aggregate were material to the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC PLC

CONTINUED

Risk	Our response to the risk
Provision for regulatory and litigation matters Refer to the Audit Committee Report (page 9); Accounting policies (pages 63 and 65); and Note 54, Contingent liabilities, legal matters and provisions of the Consolidated Financial Statements (pages 151 to 152) The Group operates in an environment where it may be subject to litigation, regulatory investigations and customer remediation. The Group continues to be involved in the ongoing investigations into historical German dividend tax arbitrage transactions where the outcome is dependent on the resolution of the investigation by the Office of the Public Prosecutor in Cologne. Formal claims have also been made by the German Federal Tax Office in Bonn related to reclaims of tax related to the dividend tax arbitrage transactions. Further, whilst the Group is not a claimant nor a defendant to any civil claims in respect of dividend arbitrage transactions, it cannot rule out the possibility of civil claims by or against the Group in the future. In addition, the Group recognised a provision of £30m relating to motor vehicle finance commission arrangements. This is following the Financial Conduct Authority's (FCA) announcement of their industry wide review of historical motor finance commissions arrangements. Significant judgement is required by the Group in determining whether, under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets': • any provision recorded is representative of the Group's best estimate to settle the obligations based on the information available to the Group • any contingent liabilities and underlying significant estimation uncertainties are adequately disclosed. Following the announcement by the FCA in January 2024 on their review of historical motor finance commissions arrangements, this new risk has increased the overall risk of this key audit matter from the prior year.	We reviewed management's provision assessments in accordance with IAS 37, including potential outcome scenarios and associated probabilities. We verified and evaluated whether the methodology, data and significant judgements and assumptions used in the valuation of the provisions were appropriate in the context of the applicable financial reporting framework. We inspected correspondence and made direct inquiry with the Group's internal and external legal counsel. In relation to the Historic German dividend tax arbitrage transactions matter we obtained and evaluated the minutes of committees overseeing management's response and with the assistance of Tax specialists, we considered the matters in dispute. We also inspected the correspondence between the Group and the Office of the Public Prosecutor in Cologne, and between the Group and the German Federal Tax Office in Bonn. We evaluated the appropriateness of management's accounting treatment and disclosure in relation to motor finance commission arrangements and the investigation by the Office of the Public Prosecutor in Cologne, claims by the German Federal Tax Office in Bonn, and the potential related civil claims.
We performed full scope audit procedures over this risk area in the component impacted by the risk.	
Key observations communicated to the Audit Committee	
Based on the information that is currently available management's recognition and estimation of the provision for historical German dividend tax arbitrage transactions and the provision for historic motor vehicle finance discretionary commissions arrangements are reasonable and the related disclosures are appropriate and consistent with the requirements of IAS 37.	

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC PLC CONTINUED

Risk	Our response to the risk
Gain on the combination of Investec Wealth & Investments Limited with Rathbones Group plc Refer to the Audit Committee Report (page 10); Accounting policies (page 53); and Note 13, Discontinued operations and disposal groups held for sale of the Consolidated Financial Statements (pages 98 to 99) On 4 April 2023, the Boards and Management of the Group and Rathbones Group plc ("Rathbones") entered into a definitive agreement regarding an all-share combination of Investec Wealth & Investment Limited ("IW&I UK") and Rathbones (the "Combination") and the combination completed on 21 September 2023. On completion, Rathbones issued new Rathbones shares in exchange for 100% of IW&I UK share capital. The Group now owns 41.25% of the economic interest in Rathbones, with Group's voting rights limited to 29.9%. The results of the IW&I UK business until 21 September 2023 have been consolidated into the Group's results and reflected as profit after tax from discontinued operations. A gain on loss of control of IW&I UK was recognised by the Group, arising from the difference between the consideration received (Rathbones shares) and the net asset value of IWI UK, being £359 million net of transaction costs. The measurement of the gain is sensitive to the following: • The net asset value of IW&I UK on 21 September 2023; • The fair value of the newly issued Rathbones shares; • The accuracy and classification of transaction costs; • Whether the gain is subject to corporation taxes; and • Whether the transaction gives rise to potential unrecorded liabilities. This is a new risk.	Our procedures included the following: • Examining the underlying contracts, in particular focusing on key terms relating to the combination including any indemnities or guarantees; • Assessing management's accounting papers outlining the accounting treatment to be applied to the investment, for the period to and including at the balance sheet date; • Assessing management's tax treatment applied to the transaction; • Testing related transaction costs to ensure appropriateness of their classification and attribution to legal entities; • Testing the fair value of the newly issued Rathbones shares, including the impact of differing voting rights; • Testing the net assets of IW&I UK at 21 September 2023; and • Assessing the appropriateness of the disclosure in relation to the combination.

We performed full scope audit procedures over the risk area in the component impacted by the risk.

Key observations communicated to the Audit Committee

Based on the procedures described above, we considered the accounting treatment, valuation and disclosure in relation to the combination of IW&I UK and Rathbones to be appropriate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC PLC CONTINUED

Risk	Our response to the risk
IT systems and controls impacting financial reporting The IT environment is complex and pervasive to the operations of the Group due to the large volume of transactions processed in numerous locations on a daily basis with extensive reliance on automated controls. Appropriate IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. As part of our audit we rely upon the IT control environment, in particular in relation to: • User access management across application, database and operating systems; • Controls over changes to the IT environment, including transformation, that changes the IT landscape; • IT operational controls; and • IT application or IT-dependent manual controls. These controls contribute to mitigating the risk of potential fraud or error in the financial accounting and reporting records as a result of changes to IT systems, applications or data. The Group has implemented a series of remediation programmes during the year which remain ongoing to address previously identified control deficiencies. Whilst these programmes are implemented we have identified certain risks of inappropriate access and unauthorised changes to applications and production environments in the scope of our audit. The level of risk has remained consistent with the prior year.	We evaluated the design and tested the operating effectiveness of IT general controls in the access management and change management IT processes for key applications, operating systems and databases that are material to financial reporting. We tested the operating effectiveness of key automated controls for in-scope business processes, including automated calculations and the completeness and accuracy of system and data feeds. Certain systems are outsourced to third party service providers. For these systems, we tested IT general controls through evaluating the relevant Service Organisation Controls reports. This included assessing the timing of the reporting, the controls tested by the service auditor and whether they address relevant IT risks. Where control deficiencies were identified and we could not rely on compensating IT controls, we performed substantive testing procedures to address the resulting risk to the financial statements.
We have considered the impact of IT systems and controls impacting financial reporting throughout the audit.	
Key observations communicated to the Audit Committee	
We identified certain control deficiencies predominately in relation to user access controls and the segregation of IT duties. However, based on the initial and additional testing outlined above, we concluded that the findings identified in relation to the IT control environment relevant to the financial statements did not give rise to a material misstatement.	

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC PLC
CONTINUED

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £42.4 million (2023: £42.4 million), which is 5% (2023: 5%) of operating profit before impairment of goodwill and amortisation of acquired intangibles and strategic actions ('operating profit') £847.0 million. We believe that operating profit provides us with the most appropriate measure to reflect the performance of the Group, as this is also the level at which management considers the financial performance of the Group when reporting externally in profit announcements and pre-close trading statements with market analysts and shareholders.

During the course of our audit we reassessed our initial materiality. This reassessment resulted in negligible change in the final materiality level given the actual financial performance of the Group for the year.

We determined materiality for the Parent Company to be £7.6 million (2023: £6.6 million), which is 0.5% (2023: 0.5%) of distributable equity. We believe this reflects the most useful measure for users of the financial statements given the Parent Company's primary purpose is to act as a holding Company with investments in the Group's subsidiaries.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2023: 50%) of our planning materiality, namely £21.2 million (2023: £21.2 million). We have set performance materiality at this percentage based on our understanding of the entity and past experience with the audit.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £4.2 million to £11.7 million (2023: £4.2 million to £11.7 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £2.1 million (2023: £2.1 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report and accounts, including the directors' report (set out on pages 166 to 173 of Group's 2024 integrated and strategic report), strategic report (set out on pages 6 to 100 and page 190 of Group's 2024 integrated and strategic report), sustainability (set out on pages 122 to 140 of Group's 2024 integrated and strategic report), risk disclosures (set out on pages 2 to 94 of Group's 2024 risk and governance report), other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report which includes reporting based on the Task Force on Climate-related Financial Disclosure ('TCFD') recommendations (set out on pages 191 to 202 of Group's 2024 integrated and strategic report).

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF INVESTEC PLC
CONTINUED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors’ remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors’ report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors’ report.

We have nothing to report in respect of the following matters in relation to which the Companies Act2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the directors’ remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Corporate Governance Statement

We have reviewed the directors’ statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Parent Company’s compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors’ statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified (set out on page 171, directors’ report in the Group’s 2024 integrated and strategic report);
- Directors’ explanation as to its assessment of the company’s prospects, the period this assessment covers and why the period is appropriate (set out on page 168, directors’ report in the Group’s 2024 integrated and strategic report);
- Director’s statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities (set out on page 171, directors’ report in the Group’s 2024 integrated and strategic report);
- Directors’ statement on fair, balanced and understandable (set out on page 14);
- Board’s confirmation that it has carried out a robust assessment of the emerging and principal risks (set out on page 8 principal risks in the Group’s 2024 risk and governance report);
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems (set out on page 13); and
- The section describing the work of the audit committee (set out on page 6).

Responsibilities of directors

As explained more fully in the directors’ responsibilities statement on pages 4 to 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent Company and management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC PLC
CONTINUED

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (UK adopted international accounting standards and IFRS as issued by the IASB), the Companies Act 2006 and the UK Corporate Governance Code, the FCA Listing Rules, regulations and supervisory requirements of the PRA, FRC, FCA and PA regulatory requirements, and the relevant tax compliance regulations in the jurisdictions in which the Group operates.
- We understood how the Group and the Parent Company are complying with these legal and regulatory frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters. We also reviewed correspondence between the Group and the Parent Company and UK and South African regulatory bodies; reviewed minutes of the Board, Audit Committee and Risk and Capital Committee; and gained an understanding of the Group's and the Parent Company's approach to governance.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by considering the controls that the Group and the Parent Company has established to address risks identified by the Group and the Parent Company, or that otherwise seek to prevent, deter, or detect fraud. We also considered performance incentives and their potential to influence management to manage earnings.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of those charged with governance and senior management for their awareness of any non-compliance with laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees and inspecting key correspondence with the PRA, FCA and PA.
- Our procedures also involved focused testing referred to in the Key Audit Matters section above and we tested journal entries using a risk based approach analysing general ledger data, with the focus on nonstandard journals.
- The Group and the Parent Company operate in the banking industry which is a highly regulated environment. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee we were appointed by the Parent Company on 27 November 2000 to audit the financial statements for the year ending 31 March 2001 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 23 years, covering the years ending 31 March 2001 to 31 March 2024.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Manprit Dosanjh (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London
24 June 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC LIMITED

To the Shareholders of Investec Limited

Report on the Audit of the Combined Consolidated Financial Statements

Opinion

We have audited the accompanying combined consolidated financial statements of Investec Limited, incorporating Investec plc, ('the Group') which comprise:

Combined consolidated financial statements	Reference
Combined consolidated income statement for the year then ended	Page 43
Combined consolidated statement of total comprehensive income for the year then ended	Page 44
Combined consolidated balance sheet as at 31 March 2024	Page 45
Combined consolidated statement of changes in equity for the year then ended	Pages 46
Combined consolidated cash flow statement for the year then ended	Page 50
Related notes 1 to 64 to the Annual financial statements, including accounting policies	Pages 51 to 173
Information identified as 'audited' in the Investec Group's 2024 remuneration report	2024 Investec Group remuneration report
Information identified as 'audited' in the Investec Group's 2024 risk and governance Report	2024 Investec Group risk and governance report

In our opinion, the combined consolidated financial statements present fairly, in all material respects, the combined consolidated balance sheet of the Group as at 31 March 2024, and its combined consolidated income statement and combined consolidated statement of comprehensive income and combined consolidated cash flow statement for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the combined consolidated financial statements section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the Group and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and in South Africa.

The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the combined consolidated financial statements of the current period. These matters were addressed in the context of our audit of the combined consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the combined consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the combined consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying combined consolidated financial statements.

The following Key Audit Matters apply equally to the audit of the consolidated financial statements:

- Adequacy of the provision for expected credit losses on loans and advances to customers;
- Valuation of fair value assets and liabilities with higher risk characteristics and associated income;
- Provision for regulatory and litigation matters;
- Gain on the combination of Investec Wealth & Investments Limited with Rathbones Group plc; and
- IT systems and controls impacting financial reporting.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC LIMITED
CONTINUED

Risk

Adequacy of the provision for expected credit losses on loans and advances to customers

Refer to the Audit Committee report (page 8); Accounting policies (pages 55 to 58 and 65); Note 6, Expected credit loss impairment (releases)/charges and 28, Loans and advances to customers and other loans and advances of the Consolidated Financial Statements (page 79 and 124)

The determination of the provision for expected credit losses ('ECL') is highly subjective. The subjectivity relates to the current uncertain geopolitical and economic outlook and the impact of climate change which were considered in our risk assessment.

At year-end the Group reported gross loans and advances to customers subject to expected credit losses of £30,259 million (2023: £29,806 million); expected credit losses on loans and advances to customers at amortised cost and fair value through other comprehensive income ('FVOCI') of £289 million (2023: £289 million); and expected credit loss impairment charges of £79 million (2023: £80 million).

Given the subjective nature of the calculation of ECL there is a heightened risk that the provisions could be misstated.

This included the following:

- **ECL models:** The significant level of subjectivity, management judgements and estimation uncertainty applied to ECL – these include:
  - Accounting interpretations, modelling assumptions and data used in the Probability of Default ('PD'), Loss Given Default ('LGD') and Exposure at Default ('EAD') models;
  - Key model assumptions and techniques, including in-model adjustments.
- **Multiple economic scenarios:** The appropriateness of the economic scenarios, and incorporation of forward looking information as determined by management, the probability weights assigned to each and the inputs and assumptions used to estimate their impact;
- **Assessment of significant increase in credit risk:** Allocation of assets recognised in stages 1, 2 and 3, including the determination of the triggers for an asset moving between stages;
- **Post model adjustments:** Measurement and completeness of post model adjustments; and
- **Individually assessed provisions:** Where the measurement of the ECL is dependent on the subjectivity and estimation of recoverable amounts based on various recovery strategies, the valuation of related collateral and timing of cash flows.

Our response to the risk

To address the risks we performed the following key procedures, amongst others:

ECL models

We assessed the design and tested the operating effectiveness of key controls, focusing on model governance, including the design, review and approval of relevant models.

We performed a risk assessment on all models involved in the ECL calculation to select a sample of models to test. We involved modelling specialists to assist us to test this sample of ECL models by testing the assumptions, inputs and formulae used. We also assessed the accounting interpretations made for compliance with IFRS 9.

This included performing an assessment of:

- the model design documentation against accepted industry principles;
- the appropriateness of the methodology, considering alternative techniques including in-model adjustments; and
- the programming code to review its consistency with the design documentation.

To evaluate data quality, we agreed a sample of ECL calculation data points to source systems.

Multiple economic scenarios

We assessed the design and tested the operating effectiveness of key controls focusing on management's review and approval of the base case and alternative scenarios, including the probability weights assigned.

We used our internal economists to independently assess the appropriateness of macroeconomic scenario forecasts and the probability weightings applied by management by benchmarking these against third-party data. This assessment included developments related to the current uncertain geopolitical and economic outlook.

We involved our specialists to assess the correlation of the forecast macroeconomic factors to the ECL and to test the impact of the macroeconomic scenarios on PDs, LGD, and SICR.

Assessment of significant increase in credit risk

We assessed the design and tested the operating effectiveness of key controls focusing on the following:

- assessment and approval of assets determined to have a significant increase in credit risk and monitoring of assets in each stage; and
- assessment of manual overrides to staging outcomes.

We recalculated the assets in stages 1, 2 and 3 to assess if they were allocated appropriately in line with the Group's criteria and performed sensitivity analysis to assess the impact of different staging criteria on the ECL.

For certain components we also tested the performance of the SICR approach by considering historic volumes of accounts moving into arrears and the forward-looking view of default risk.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC LIMITED
CONTINUED

Risk continued	**Our response to the risk** continued
	Post model adjustments We obtained an understanding of the model limitations to evaluate the measurement and completeness of the related adjustments. For the plc silo we determined an independent range of adjustments based on our understanding of the models and the current economic environment to compare against management's estimate. We assessed the governance processes that the Group has put in place to review and approve post model adjustments. **Individually assessed provisions** We selected a sample of loans to recalculate the individually assessed ECL with the involvement of valuation specialists, where appropriate. Our sample considered high-risk sectors. For each sample item selected we formed an independent view of collateral or exit values, cash flow assumptions and exit strategies. We also considered management's potential alternative scenarios and the probability weights assigned. We assessed the discount rate used, re-performed the discounted cash flow calculations and compared our measurement outcomes to those prepared by management, investigating any differences arising above our threshold. **Overall stand-back assessment** We performed a stand-back assessment of the ECL provision and coverage at an overall level and by stage to determine if provision levels were reasonable by considering the overall credit quality of the Group's portfolios, risk profile, the impacts of the current economic conditions and geopolitical factors, and climate change on the Group's customers. We performed peer benchmarking where available to assess overall staging and provision coverage levels. We evaluated the adequacy of disclosures in the financial statements considering the accounting standards including the assumptions and sensitivities disclosed. We tested the data and calculations supporting the disclosures.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC LIMITED
CONTINUED

Risk	Our response to the risk
Valuation of fair value instruments with higher risk characteristics and associated income Refer to the Audit Committee report (page 8); Accounting policies (pages 55, 58, and 64); Note 17, Financial instruments at fair value, and 36, Investment properties of the Consolidated Financial Statements (page 108 and 115). As at 31 March 2024, the Group held fair value financial instruments; assets of £11,258 million and liabilities of £5,464 million (2023: assets £12,668 million and liabilities £6,608 million) and Investment properties of £105 million (2023: £722 million). This included certain level 2 and level 3 assets and liabilities with higher risk characteristics whose values can be dependent upon unobservable inputs, where management's significant judgement is applied. There are also non-financial assets where the net realisable value is at or below cost, meaning they are valued using similar techniques as the Group's financial instruments. The valuation of certain of these fair value assets and liabilities with higher risk characteristics can include significant judgement, including in relation to the current uncertain geopolitical and economic outlook and the impact of climate change. Therefore, there is a risk of inappropriate revenue recognition through incorrect valuation, as outlined below: • **Complex valuation models** – fair value calculations using complex valuation models for derivatives and fair value loans; • **Valuation techniques** – illiquid investments in, and fair valued loans to unquoted private companies, investment properties valued using different valuation techniques (e.g. price-earnings multiples, discounted cashflow, net asset valuations); • **Inputs where there is limited market observability or liquidity** – Management apply judgement and estimation to determine appropriate inputs for certain of the fair value estimations. These include yield curves, liquidity discounts, volatilities and sector specific inputs, where applicable. • **Fair value adjustments:** Factors such as unobservable inputs, funding costs, low levels of market liquidity, counterparty and own credit risk and volatility increase the level of judgement required.	We obtained an understanding of management's processes and tested the design and operating effectiveness of controls relating to financial instrument valuation and related income statement measurement. We performed, on a sample basis a detailed examination of management's valuation methodologies and assessed the appropriateness and consistency of model inputs, key assumptions, contractual obligations and exit values. In addition, we assessed whether there were any indicators of aggregate bias in financial instrument valuation pricing sources and methodology assumptions. We considered the impact of the current uncertain geopolitical and economic outlook throughout the procedures performed on the higher risk characteristic financial instruments by challenging whether the valuation methodologies and assumptions used remained appropriate. Throughout our audit procedures, we considered the impact of climate change on the valuation of financial instruments. **Complex valuation models** We involved valuation and modelling specialists, where appropriate, to assist in testing complex model-dependent valuations for derivatives and fair value loans by performing independent revaluation, on a sample basis, to assess the appropriateness of models and the adequacy of assumptions and inputs used. We performed a search for potential contrary evidence by assessing trends in trading profit and loss and counterparty valuation differences. **Valuation techniques** We performed procedures on key judgments made by management in the calculation of fair value of a sample of unlisted investments, fair value loans, profit-sharing arrangements and investment properties, including: • assessing the suitability and completeness of the comparable companies used in the calculation of the earnings multiples in price-earnings multiple valuations; • performing calculations to assess the appropriateness of discount rates used in discounted cashflow valuations, with reference to relevant industry and market data; • assessing external valuation reports received by management, where an external valuer has been engaged, and assessing their competence and objectivity in valuations which reference a net asset valuation; and • determining independent valuation estimates for a sample of financial instruments and investment properties and compared them to management's estimate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC LIMITED
CONTINUED

Risk continued	**Our response to the risk** continued
	Illiquid inputs where there is limited market observability or liquidity We performed procedures on key judgments made by management on inputs used in the valuation of a sample of unlisted equity investments, illiquid securities, fair value corporate, aviation and property loans and unlisted investment portfolios, profit-sharing arrangements and investment properties, including: • for unlisted equity investments, fair value corporate, aviation and property loans, profit-sharing arrangements and illiquid securities, that had been valued using unobservable inputs, assessed alternative data/input sources, where available, to evaluate management's valuation; • for unlisted equity investments, fair value corporate, aviation and property loans and profit-sharing arrangements we involved valuation specialists to independently assess the valuations of a sample of positions. Our analyses considered the range of acceptable fair values taking account of other qualitative risk factors, such as company and sector specific risk factors; and • for investment properties we assessed data inputs (such as market capitalisation rates) used to derive valuations against market available information. We made use of our real estate valuation specialists, as appropriate, to evaluate these inputs in order to assess whether they were within a reasonable range. For all positions, we compared our determined ranges and estimates to management's fair values. We assessed the appropriateness of the disclosures in the consolidated financial statements in accordance with IFRS 13.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC LIMITED
CONTINUED

Risk	Our response to the risk
Provision for regulatory and litigation matters Refer to the Audit Committee Report (page 9); Accounting policies (page 63 and 65); and Note 54, Contingent liabilities, legal matters and provisions of the Consolidated Financial Statements (page 151 to 152) The Group operates in an environment where it may be subject to litigation, regulatory investigations and customer remediation. The Group continues to be involved in the ongoing investigations into historical German dividend tax arbitrage transactions where the outcome is dependent on the resolution of the investigation by the Office of the Public Prosecutor in Cologne. Formal claims have also been made by the German Federal Tax Office in Bonn related to reclaims of tax related to the dividend tax arbitrage transactions. Further, whilst the Group is not a claimant nor a defendant to any civil claims in respect of dividend arbitrage transactions, it cannot rule out the possibility of civil claims by or against the Group in the future. In addition, the Group recognised a provision of £30m relating to motor vehicle finance commission arrangements. This is following the Financial Conduct Authority's (FCA) announcement of their industry wide review of historical motor finance commissions arrangements. Significant judgement is required by the Group in determining whether, under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets': • any provision recorded is representative of the Group's best estimate to settle the obligations based on the information available to the Group • any contingent liabilities and underlying significant estimation uncertainties are adequately disclosed.	We reviewed management's provision assessments in accordance with IAS 37, including potential outcome scenarios and associated probabilities. We verified and evaluated whether the methodology, data and significant judgements and assumptions used in the valuation of the provisions were appropriate in the context of the applicable financial reporting framework. We inspected correspondence and made direct inquiry with the Group's internal and external legal counsel. In relation to the Historic German dividend tax arbitrage transactions matter we obtained and evaluated the minutes of committees overseeing management's response and with the assistance of Tax specialists, we considered the matters in dispute. We also inspected the correspondence between the Group and the Office of the Public Prosecutor in Cologne, and between the Group and the German Federal Tax Office in Bonn. We evaluated the appropriateness of management's accounting treatment and disclosure in relation to motor finance commission arrangements and the investigation by the Office of the Public Prosecutor in Cologne, claims by the German Federal Tax Office in Bonn, and the potential related civil claims.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC LIMITED
CONTINUED

Risk	Our response to the risk
Gain on the combination of Investec Wealth & Investments Limited with Rathbones Group plc Refer to the Audit Committee Report (page 10); Accounting policies (page 53); and Note 13, Discontinued operations and disposal groups held for sale of the Consolidated Financial Statements (pages 98 to 99) On 4 April 2023, the Boards and Management of the Group and Rathbones Group plc ("Rathbones") entered into a definitive agreement regarding an all-share combination of Investec Wealth & Investment Limited ("IW&I UK") and Rathbones (the "Combination") and the combination completed on 21 September 2023. On completion, Rathbones issued new Rathbones shares in exchange for 100% of IW&I UK share capital. The Group now owns 41.25% of the economic interest in Rathbones, with Group's voting rights limited to 29.9%. The results of the IW&I UK business until 21 September 2023 have been consolidated into the Group's results and reflected as profit after tax from discontinued operations. A gain on loss of control of IW&I UK was recognised by the Group, arising from the difference between the consideration received (Rathbones shares) and the net asset value of IWI UK, being £359 million net of transaction costs. The measurement of the gain is sensitive to the following: • The net asset value of IW&I UK on 21 September 2023; • The fair value of the newly issued Rathbones shares; • The accuracy and classification of transaction costs; • Whether the gain is subject to corporation taxes; and • Whether the transaction gives rise to potential unrecorded liabilities.	Our procedures included the following: • Examining the underlying contracts, in particular focusing on key terms relating to the combination including any indemnities or guarantees; • Assessing management's accounting papers outlining the accounting treatment to be applied to the investment, for the period to and including at the balance sheet date; • Assessing management's tax treatment applied to the transaction; • Testing related transaction costs to ensure appropriateness of their classification and attribution to legal entities; • Testing the fair value of the newly issued Rathbones shares, including the impact of differing voting rights; • Testing the net assets of IW&I UK at 21 September 2023; and • Assessing the appropriateness of the disclosure in relation to the combination.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC LIMITED
CONTINUED

Risk	Our response to the risk
IT systems and controls impacting financial reporting The IT environment is complex and pervasive to the operations of the Group due to the large volume of transactions processed in numerous locations on a daily basis with extensive reliance on automated controls. Appropriate IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. As part of our audit we rely upon the IT control environment, in particular in relation to: • User access management across application, database and operating systems; • Controls over changes to the IT environment, including transformation, that changes the IT landscape; • IT operational controls; and • IT application or IT-dependent manual controls. These controls contribute to mitigating the risk of potential fraud or error in the financial accounting and reporting records as a result of changes to IT systems, applications or data. The Group has implemented a series of remediation programmes during the year which remain ongoing to address previously identified control deficiencies. Whilst these programmes are implemented we have identified certain risks of inappropriate access and unauthorised changes to applications and production environments in the scope of our audit.	We evaluated the design and tested the operating effectiveness of IT general controls in the access management and change management IT processes for key applications, operating systems and databases that are material to financial reporting. We tested the operating effectiveness of key automated controls for in-scope business processes, including automated calculations and the completeness and accuracy of system and data feeds. Certain systems are outsourced to third party service providers. For these systems, we tested IT general controls through evaluating the relevant Service Organisation Controls reports. This included assessing the timing of the reporting, the controls tested by the service auditor and whether they address relevant IT risks. Where control deficiencies were identified and we could not rely on compensating IT controls, we performed substantive testing procedures to address the resulting risk to the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 192-page document titled "Investec Group annual financial statements" which includes the Declaration by the Company Secretary, the Directors' Report and the DLC Audit Committee Report as required by the Companies Act of South Africa, and all other information included in the report that is not marked as audited. The other information does not include the combined consolidated financial statements, the sections marked as audited in the report and our auditor's report thereon.

Our opinion on the combined consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the combined consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the combined consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Combined Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the combined consolidated financial statements in accordance with the basis of presentation described in the accounting policies to the financial statements and for such internal control as the directors determine is necessary to enable the preparation of combined consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so. The directors are responsible for overseeing the financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC LIMITED
CONTINUED

Auditor's Responsibilities for the Audit of the Combined Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined consolidated financial statements, including the disclosures, and whether the combined consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined consolidated financial statements.
- We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the combined consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of Investec Limited for 49 years.

Ernst & Young Inc.

Ernst & Young Inc.

Registered Auditor

Per Ranesh P Hariparsad

Chartered Accountant (SA)

Registered Auditor

Director

24 June 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTEC LIMITED
CONTINUED

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COMBINED CONSOLIDATED INCOME STATEMENT

For the year to 31 March £'000	Notes	2024	2023^
Interest income	2	4 124 150	3 187 420
Interest income calculated using the effective interest method		3 788 749	2 878 803
Other interest income		335 401	308 617
Interest expense	2	(2 785 457)	(1 920 124)
Net interest income	2	**1 338 693**	**1 267 296**
Fee and commission income	3	482 668	453 670
Fee and commission expense	3	(66 481)	(56 315)
Investment income	4	60 381	29 303
Share of post-taxation profit of associates and joint venture holdings	32	55 949	30 034
Trading income arising from			
– customer flow**		131 712	169 110
– balance sheet management and other trading activities		41 496	14 235
Other operating income	5	1 961	4 386
Operating income		**2 046 379**	**1 911 719**
Expected credit loss impairment charges	6	(79 113)	(80 846)
Operating income after expected credit loss impairment charges		**1 967 266**	**1 830 873**
Operating costs	7	(1 120 245)	(1 085 999)
Operating profit before goodwill, acquired intangibles and strategic actions		**847 021**	**744 874**
Impairment of goodwill	37	—	(890)
Amortisation of acquired intangibles	38	(1 483)	(2 535)
Amortisation of acquired intangibles of associates	32	(5 679)	(1 542)
Closure and rundown of the Hong Kong direct investments business		(785)	(450)
Operating profit		**839 074**	**739 457**
Net gain on distribution of associate to shareholders	12	—	154 438
Financial impact of strategic actions	12	(16 576)	(30)
Profit before taxation from continuing operations		**822 498**	**893 865**
Taxation on operating profit before goodwill and acquired intangibles	9	(172 066)	(163 522)
Taxation on acquired intangibles and net gain on distribution of associate to shareholders	9	879	15 182
Profit after taxation from continuing operations		**651 311**	**745 525**
Profit after taxation and financial impact of strategic actions from discontinued operations	13	302 877	71 906
Operating profit before non-controlling interests from discontinued operations	13	45 824	76 844
Financial impact of strategic actions net of taxation from discontinued operations	12	257 053	(4 938)
Profit after taxation from total Group		**954 188**	**817 431**
Profit attributable to non-controlling interests		(1 382)	(752)
Profit attributable to non-controlling interests of discontinued operations	13	(11 766)	(11 814)
Earnings of total Group attributable to shareholders		**941 040**	**804 865**
Earnings attributable to ordinary shareholders		891 964	764 446
Earnings attributable to perpetual preferred securities and other Additional Tier 1 security holders		49 076	40 419

^ Restated as detailed in note 62.

** Included in trading income arising from customer flow, as required by IAS 1, is income of £241.4 million(2023: £251.0 million) and interest expense of £109.7 million (2023:£81.9 million).

Earnings per share

For the year to 31 March	Notes	2024	2023^
Basic earnings per share total Group – pence	10	**105.3**	**85.8**
Diluted basic earnings per share total Group – pence	10	**101.0**	**82.5**
Basic earnings per share continuing operations – pence	10	**71.0**	**79.1**
Diluted basic earnings per share continuing operations – pence	10	**68.1**	**76.0**
Basic earnings per share discontinued operations – pence	10	**34.3**	**6.7**
Diluted basic earnings per share discontinued operations – pence	10	**32.9**	**6.5**

COMBINED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

£'000	Notes	2024	2023^
Profit after taxation from continuing operations		651 311	745 525
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*^	9	(16 585)	22 194
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income*^	9	11 359	(52 843)
Gain on realisation of debt instruments at FVOCI recycled through the income statement*	9	(4 789)	(2 960)
Foreign currency adjustments on translating foreign operations^		(194 634)	(218 726)
Net equity movements of interests in associate undertakings		257	
Items that will not be reclassified to the income statement			
Effect of rate change on deferred taxation relating to adjustment for IFRS 9		—	(7)
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income*	9	(14 415)	(657)
Movement in post-retirement benefit liabilities*	9	(362)	75
Net gain attributable to own credit risk*	9	748	104
Total comprehensive income from continuing operations		**432 890**	**492 705**
Total comprehensive income attributable to ordinary shareholders from continuing operations		421 238	518 902
Total comprehensive loss attributable to non-controlling interests from continuing operations		(37 424)	(66 616)
Total comprehensive income attributable to perpetual preferred securities and Other Additional Tier 1 security holders from continuing operations		49 076	40 419
Total comprehensive income from continuing operations		**432 890**	**492 705**
Profit after taxation from discontinued operations		302 877	71 906
Other comprehensive income from discontinued operations:			
Items that may be reclassified to the income statement			
Foreign currency adjustments on translating foreign operations		55 377	(85 455)
Total comprehensive income from discontinued operations		**358 254**	**(13 549)**
Total comprehensive income attributable to ordinary shareholders from discontinued operations		346 488	(25 363)
Total comprehensive income attributable to non-controlling interests from discontinued operations		11 766	11 814
Total comprehensive income from discontinued operations		**358 254**	**(13 549)**
Profit after taxation from total Group		954 188	817 431
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*^	9	(16 585)	22 194
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income*^	9	11 359	(52 843)
Gain on realisation of debt instruments at FVOCI recycled through the income statement*	9	(4 789)	(2 960)
Foreign currency adjustments on translating foreign operations^		(139 257)	(304 181)
Net equity movements of interests in associate undertakings		257	—
Items that will never be reclassified to the income statement			
Effect of rate change on deferred taxation relating to adjustment for IFRS 9		—	(7)
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	9	(14 415)	(657)
Movement in post-retirement benefit liabilities*	9	(362)	75
Net gain attributable to own credit risk*	9	748	104
Total comprehensive income from total Group		**791 144**	**479 156**
Total comprehensive income attributable to ordinary shareholders		767 726	493 539
Total comprehensive loss attributable to non-controlling interests		(25 658)	(54 802)
Total comprehensive income attributable to perpetual preferred securities and Other Additional Tier 1 security holders		49 076	40 419
Total comprehensive income from total Group		**791 144**	**479 156**

* Net of taxation of £17.3 million (31 March 2023: £0.03 million) except for the impact of rate changes on deferred tax as shown separately above.

^ Restated as detailed in note 62.

COMBINED CONSOLIDATED BALANCE SHEET

At 31 March £'000	Notes	2024	2023^	2022^
Assets				
Cash and balances at central banks	20	6 279 088	6 437 709	5 998 270
Loans and advances to banks	21	1 063 745	1 450 627	2 552 061
Non-sovereign and non-bank cash placements		451 482	442 254	439 715
Reverse repurchase agreements and cash collateral on securities borrowed	22	4 381 520	3 995 190	4 988 443
Sovereign debt securities	23	4 943 147	4 404 243	3 776 596
Bank debt securities	24	596 436	915 686	1 519 860
Other debt securities	25	1 148 147	1 229 392	1 229 287
Derivative financial instruments	26	853 938	1 363 912	1 583 526
Securities arising from trading activities	27	1 596 260	1 836 327	1 312 951
Loans and advances to customers	28	30 645 313	30 112 969	29 806 356
Own originated loans and advances to customers securitised	29	269 034	272 879	375 763
Other loans and advances	28	117 513	142 726	128 284
Other securitised assets	29	66 704	103 151	123 888
Other financial instruments at fair value through profit or loss in respect of liabilities to customers**	30	154 738	110 891	59 549
Investment portfolio**	31	807 030	1 330 907	912 872
Interests in associated undertakings and joint venture holdings	32	858 420	53 703	734 434
Current taxation assets		64 378	69 322	33 653
Deferred taxation assets	33	204 861	234 034	223 794
Other assets	34	1 672 582	2 030 476	2 380 201
Property and equipment	35	238 072	278 561	335 420
Investment properties	36	105 975	722 481	820 555
Goodwill	37	75 367	262 632	258 404
Software	38	9 707	15 401	9 443
Other acquired intangible assets	38	—	41 136	44 152
Non-current assets classified as held for sale	36	22 270	35 761	79 229
		56 625 727	**57 892 370**	**59 726 706**
Liabilities				
Deposits by banks		3 446 776	3 617 524	3 178 668
Derivative financial instruments	26	1 069 119	1 543 140	1 699 199
Other trading liabilities	40	1 369 332	1 278 452	1 612 314
Repurchase agreements and cash collateral on securities lent	22	915 208	938 107	863 285
Customer accounts (deposits)	41	39 507 805	39 555 669	40 118 412
Debt securities in issue	42	1 541 194	1 802 586	2 043 640
Liabilities arising on securitisation of own originated loans and advances	29	208 571	163 787	238 370
Liabilities arising on securitisation of other assets	29	71 751	81 609	95 885
Current taxation liabilities		72 697	69 780	26 841
Deferred taxation liabilities	33	5 198	26 545	19 624
Other liabilities	43	1 816 139	2 311 103	2 718 111
Liabilities to customers under investment contracts	30	154 889	110 891	59 549
		50 178 679	**51 499 193**	**52 673 898**
Subordinated liabilities	44	972 806	1 084 630	1 316 191
		51 151 485	**52 583 823**	**53 990 089**
Equity				
Ordinary share capital	45	247	247	247
Ordinary share premium	47	1 010 066	1 208 161	1 516 024
Treasury shares	48	(604 994)	(564 678)	(318 987)
Other reserves		(866 739)	(773 262)	(554 040)
Retained income		5 222 098	4 452 413	3 970 449
Ordinary shareholders' equity		**4 760 678**	**4 322 881**	**4 613 693**
Perpetual preference share capital and premium	46	127 136	136 259	174 869
Shareholders' equity excluding non-controlling interests		**4 887 814**	**4 459 140**	**4 788 562**
Other Additional Tier 1 securities in issue	49	586 103	398 568	411 683
Non-controlling interests	50	325	450 839	536 372
Total equity		**5 474 242**	**5 308 547**	**5 736 617**
Total liabilities and equity		**56 625 727**	**57 892 370**	**59 726 706**

** During the year the Group reassessed the order of liquidity within the balance sheet and moved 'Investment portfolio' to below 'Other financial instruments at fair value through profit or loss in respect of liabilities to customers' as it was 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. In addition, 'Insurance liabilities, including unit-linked liabilities' has been aggregated with 'Liabilities to customers under investment contracts'.

^ Restated as detailed in note 62.

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

£'000	Ordinary share capital	Ordinary share premium	Treasury shares
At 31 March 2022	**247**	**1 516 024**	**(318 987)**
Restatement	—	—	—
At 1 April 2022	**247**	**1 516 024**	**(318 987)**
Movement in reserves 1 April 2022 – 31 March 2023			
Profit after taxation	—	—	—
Effect of rate change on deferred taxation relating to adjustment for IFRS 9	—	—	—
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	—	—	—
Movement in post-retirement benefit liabilities	—	—	—
Total comprehensive income for the year	**—**	**—**	**—**
Issue of Other Additional Tier 1 security instruments	—	—	—
Redemption of Other Additional Tier 1 security instruments	—	—	—
Movement of treasury shares	—	—	(245 691)
Share-based payments adjustments	—	—	—
Transfer between cash flow hedge reserve and retained income	—	—	—
Transfer to regulatory general risk reserves	—	—	—
Employee benefit liability recognised	—	—	—
Share buy-back of ordinary share capital	—	(56 863)	—
Repurchase of perpetual preference share capital	—	—	—
Net equity impact of non-controlling interest movements	—	—	—
Reduction in share premium	—	(251 000)	—
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 shareholders	—	—	—
At 31 March 2023	**247**	**1 208 161**	**(564 678)**

^ Restated as detailed in note 62.

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

Other reserves												
Capital reserve account	Fair value reserve^	Regulatory general risk reserve	Cash flow hedge reserve^	Foreign currency reserves	Own credit risk 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^**
(16 998)	**1 577**	**39 728**	**(103 213)**	**(572 035)**	**713**	**4 069 776**	**4 616 832**	**174 869**	**4 791 701**	**411 683**	**536 372**	**5 739 756**
—	2 922	—	93 266	—	—	(99 327)	(3 139)	—	(3 139)	—	—	(3 139)
(16 998)	**4 499**	**39 728**	**(9 947)**	**(572 035)**	**713**	**3 970 449**	**4 613 693**	**174 869**	**4 788 562**	**411 683**	**536 372**	**5 736 617**
—	—	—	—	—	—	804 865	804 865	—	804 865	—	12 566	817 431
—	(7)	—	—	—	—	—	(7)	—	(7)	—	—	(7)
—	—	—	22 194	—	—	—	22 194	—	22 194	—	—	22 194
—	(52 843)	—	—	—	—	—	(52 843)	—	(52 843)	—	—	(52 843)
—	(2 960)	—	—	—	—	—	(2 960)	—	(2 960)	—	—	(2 960)
—	(657)	—	—	—	—	—	(657)	—	(657)	—	—	(657)
—	—	—	—	(198 348)	—	—	(198 348)	(18 514)	(216 862)	(19 951)	(67 368)	(304 181)
—	—	—	—	—	104	—	104	—	104	—	—	104
—	—	—	—	—	—	75	75	—	75	—	—	75
—	**(56 467)**	**—**	**22 194**	**(198 348)**	**104**	**804 940**	**572 423**	**(18 514)**	**553 909**	**(19 951)**	**(54 802)**	**479 156**
—	—	—	—	—	—	—	—	—	—	22 787	—	22 787
—	—	—	—	—	—	—	—	—	—	(15 951)	—	(15 951)
5 683	—	—	—	—	—	—	(240 008)	—	(240 008)	—	—	(240 008)
—	—	—	—	—	—	25 904	25 904	—	25 904	—	—	25 904
—	—	—	1 271	—	—	(1 271)	—	—	—	—	—	—
—	—	6 341	—	—	—	(6 341)	—	—	—	—	—	—
—	—	—	—	—	—	(9 224)	(9 224)	—	(9 224)	—	—	(9 224)
—	—	—	—	—	—	—	(56 863)	—	(56 863)	—	—	(56 863)
—	—	—	—	—	—	717	717	(20 096)	(19 379)	—	—	(19 379)
—	—	—	—	—	—	—	—	—	—	—	118	118
—	—	—	—	—	—	251 000	—	—	—	—	—	—
—	—	—	—	—	—	(40 419)	(40 419)	8 568	(31 851)	31 851	—	—
—	—	—	—	—	—	—	—	(8 568)	(8 568)	(31 851)	—	(40 419)
—	—	—	—	—	—	(260 673)	(260 673)	—	(260 673)	—	—	(260 673)
—	—	—	—	—	—	—	—	—	—	—	(30 849)	(30 849)
—	—	—	—	—	—	(282 669)	(282 669)	—	(282 669)	—	—	(282 669)
(11 315)	**(51 968)**	**46 069**	**13 518**	**(770 383)**	**817**	**4 452 413**	**4 322 881**	**136 259**	**4 459 140**	**398 568**	**450 839**	**5 308 547**

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

£'000	Ordinary share capital	Ordinary share premium	Treasury shares
At 1 April 2023	**247**	**1 208 161**	**(564 678)**
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	—	—	—
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	—	—	—
Movement in post-retirement benefit liabilities	—	—	—
Net equity movements of interests in associate undertakings	—	—	—
Total comprehensive income for the year	**—**	**—**	**—**
Issue of Other Additional Tier 1 security instruments	—	—	—
Redemption of Other Additional Tier 1 security instruments	—	—	—
Other equity movements	—	—	—
Gain on Additional Tier 1 security instruments callback	—	—	—
Movement of treasury shares	—	—	(40 316)
Share-based payments adjustments	—	—	—
Release of capital reserve (included in share premium) to retained earnings	—	(180 687)	—
Transfer to regulatory general risk reserves	—	—	—
Share buy-back of ordinary share capital	—	(17 408)	—
Repurchase of perpetual preference share capital	—	—	—
Transaction with equity holders	—	—	—
Net equity impact of non-controlling interest movements	—	—	—
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 31 March 2024	**247**	**1 010 066**	**(604 994)**

^ Restated as detailed in note 62.

COMBINED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED

Other reserves												
Capital reserve account	Fair value reserve	Regulatory general risk reserve	Cash flow hedge reserve	Foreign currency reserves	Own credit risk 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**
(11 315)	**(51 968)**	**46 069**	**13 518**	**(770 383)**	**817**	**4 452 413**	**4 322 881**	**136 259**	**4 459 140**	**398 568**	**450 839**	**5 308 547**
—	—	—	—	—	—	941 040	941 040	—	941 040	—	13 148	954 188
—	—	—	(16 585)	—	—	—	(16 585)	—	(16 585)	—	—	(16 585)
—	11 359	—	—	—	—	—	11 359	—	11 359	—	—	11 359
—	(4 789)	—	—	—	—	—	(4 789)	—	(4 789)	—	—	(4 789)
—	(14 415)	—	—	—	—	—	(14 415)	—	(14 415)	—	—	(14 415)
—	—	—	—	(77 730)	—	—	(77 730)	(9 383)	(87 113)	(13 338)	(38 806)	(139 257)
—	—	—	—	—	748	—	748	—	748	—	—	748
—	—	—	—	—	—	(362)	(362)	—	(362)	—	—	(362)
—	—	—	—	—	—	257	257	—	257	—	—	257
—	**(7 845)**	**—**	**(16 585)**	**(77 730)**	**748**	**940 935**	**839 523**	**(9 383)**	**830 140**	**(13 338)**	**(25 658)**	**791 144**
—	—	—	—	—	—	—	—	—	—	382 130	—	382 130
—	—	—	—	—	—	—	—	—	—	(141 892)	—	(141 892)
—	—	—	—	—	—	—	—	—	—	(39 365)	—	(39 365)
—	—	—	—	—	—	1 420	1 420	—	1 420	—	—	1 420
687	—	—	—	—	—	—	(39 629)	—	(39 629)	—	—	(39 629)
—	—	—	—	—	—	2 664	2 664	—	2 664	—	—	2 664
—	—	—	—	—	—	180 687	—	—	—	—	—	—
—	—	7 248	—	—	—	(7 248)	—	—	—	—	—	—
—	—	—	—	—	—	—	(17 408)	—	(17 408)	—	—	(17 408)
—	—	—	—	—	—	(14)	(14)	260	246	—	—	246
—	—	—	—	—	—	(2 971)	(2 971)	—	(2 971)	—	—	(2 971)
—	—	—	—	—	—	—	—	—	—	—	717	717
—	—	—	—	—	—	—	—	—	—	—	(412 974)	(412 974)
—	—	—	—	—	—	(49 076)	(49 076)	10 441	(38 635)	38 635	—	—
—	—	—	—	—	—	—	—	(10 441)	(10 441)	(38 635)	—	(49 076)
—	—	—	—	—	—	(296 712)	(296 712)	—	(296 712)	—	—	(296 712)
—	—	—	—	—	—	—	—	—	—	—	(12 599)	(12 599)
(10 628)	**(59 813)**	**53 317**	**(3 067)**	**(848 113)**	**1 565**	**5 222 098**	**4 760 678**	**127 136**	**4 887 814**	**586 103**	**325**	**5 474 242**

COMBINED CONSOLIDATED CASH FLOW STATEMENT

For the year to 31 March £'000	Notes	2024	2023^
Cash inflow from operating activities			
Profit before taxation adjusted for non-cash, non-operating items and other required adjustments	52	997 131	1 009 019
Taxation paid		(178 708)	(171 292)
Increase in operating assets	52	(2 390 759)	(2 533 949)
Increase in operating liabilities	52	1 703 789	2 118 629
Net cash inflow from operating activities		**131 453**	**422 407**
Cash flows from investing activities			
Cash flow on disposal of Group operations*		11 870	—
Cash flow on acquisition of Group operations, net of cash acquired		(28 559)	(9 708)
Derecognition of cash on disposal of subsidiaries*		(174 953)	—
Cash flow on capital reduction of associates and joint venture holdings	32	759	565
Cash flow on acquisition of property, equipment, software and other intangible assets	35/38	(18 983)	(30 337)
Cash flow on disposal of property, equipment, software and other intangible assets	35/38	496	25 487
Net cash outflow from investing activities		**(209 370)**	**(13 993)**
Cash flows from financing activities			
Dividends paid to ordinary shareholders	11	(296 712)	(260 673)
Dividends paid to other equity holders		(57 808)	(71 268)
Acquisition of non-controlling interest		—	118
Repurchase of perpetual preference shares		—	(19 379)
Cash flow on movement in perpetual preference shares		246	—
Proceeds on issue of other Additional Tier 1 securities in issue	49	382 130	22 787
Repayment of other Additional Tier 1 securities in issue	49	(140 472)	(15 951)
Cash flow on acquisition of treasury shares, net of related costs		(96 295)	(262 248)
Share buyback of ordinary share capital		(17 408)	(56 863)
Proceeds on subordinated liabilities raised	44	52 169	460 934
Repayment of subordinated liabilities	44	(153 688)	(665 648)
Lease liabilities paid	43	(44 218)	(46 493)
Net cash outflow from financing activities		**(372 056)**	**(914 684)**
Effects of exchange rates on cash and cash equivalents		**(95 500)**	**(109 104)**
Net decrease in cash and cash equivalents		**(545 473)**	**(615 374)**
Cash and cash equivalents at the beginning of the year		7 797 650	8 413 024
Cash and cash equivalents at the end of the year		**7 252 177**	**7 797 650**
Cash and cash equivalents is defined as including:			
Cash and balances at central banks		6 279 088	6 437 709
On demand loans and advances to banks		972 617	1 359 689
Expected credit loss on cash and cash equivalents		472	252
Cash and cash equivalents at the end of the year		**7 252 177**	**7 797 650**

* Includes cash and cash equivalents derecognised from Investec Wealth & Investment Limited balance sheet as a result of the all-share combination with Rathbones Group PLC. There are no other cash flow impacts as a result of this transaction. Includes cash and cash equivalents derecognised from Investec Property Fund Limited (IPF) balance sheet as a result the sale of IPF management companies and deconsolidation of IPF. There were additional cash flows relating to the IPF transaction included in cash flow on disposal/acquisition of Group operations, net of cash acquired above.

^ Restated as detailed in note 62.

Cash and cash equivalents is defined as including: cash and balances at central banks and on demand loans and advances to banks which comprises of £973 million (2023: £1 360 million) of the loans and advances to banks carrying amount. All cash and cash equivalents have a maturity profile of less than three months.

The Group is required to maintain reserve deposits with central banks and other regulatory authorities and these amounted to £441.5 million (2023: £527.2 million). These are included in cash and cash equivalents.

Included within net cash inflow from operating activities is interest received of £3.9 billion (2023: £2.9 billion), interest paid of £2.5 billion (2023: £1.6 billion) and dividends received of £35.3 million (2023: £27.7 million).

Cash flows from discontinued operations

Cash inflows from operating activities of £39.1 million (2023: £122.9 million), cash outflows from investing activities of £10.2 million (2023: £7.3 million) and cash outflows from financing activities of £72.9 million (2023: £81.1 million) were incurred in the year relating to discontinued operations. Cash flows from discontinued operations have been included in the consolidated statement of cash flow above.

ACCOUNTING POLICIES

Basis of presentation

The Group annual financial statements are prepared in accordance with UK adopted international accounting standards and with International Financial Reporting Standards (IFRS® Accounting Standards) as issued by the International Accounting Standards Board (IASB).

As stated on page 4, the directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

The accounting policies adopted by the Group are consistent with the prior year except as noted below:

On 1 April 2023, the Group adopted IFRS 17 Insurance Contracts which sets out the requirements that an entity should apply in accounting for insurance contracts it issues and reinsurance contracts it holds. It applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. Management performed an analysis of the impact and concluded that the impact is immaterial for the purposes of this set of financial statements.

The Group has adopted International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure. The mandatory exception applies retrospectively.

The Group annual financial statements have been prepared on a historical cost basis, except otherwise indicated.

Presentation of information

Capital disclosures relating to the nature and extent of risks have been included in sections marked as audited in the risk management report on pages 86 to 94 of the Investec Group's 2024 risk and governance report.

Certain disclosures required under IAS 24 Related Party Disclosures have been included in the section marked as audited in the Investec Group's 2024 remuneration report on pages 27 to 51.

Basis of consolidation

Investec consists of two separate legal entities, being Investec plc and Investec Limited that operate under a dual listed Company (DLC) structure (Group). The effect of the DLC structure is that Investec plc and its subsidiaries and Investec Limited and its subsidiaries operate together as a single economic entity, with neither assuming a dominant role and accordingly are reported as a single reporting entity under IFRS.

All subsidiaries or structured entities are consolidated when the Group controls an investee. The Group controls an investee if it is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial results of subsidiaries are included in the consolidated annual financial statements of the Group from the date on which control is obtained until the date the Group can no longer demonstrate control.

The Group performs a reassessment of control whenever there is a change in the substance of the relationship between the Group and an investee. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The Group also holds investments in private equity investments, which give rise to significant, but not majority, voting rights. Assessing these voting rights and whether the Group controls these entities requires judgement that affects the date at which subsidiaries are consolidated or deconsolidated.

Entities, other than subsidiary undertakings, in which the Group exercises significant influence or joint control over operating and financial policies, are treated as interests in associated undertakings and joint venture holdings. Interests in associated undertakings and joint venture holdings are accounted for using the equity method from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. In circumstances where interests in associated undertakings and joint venture holdings arise in which the Group has no strategic intention, these investments are classified as 'venture capital' holdings and are elected as held at fair value through profit or loss.

For equity accounted associates and joint venture holdings, the combined consolidated annual financial statements include the attributable share of the results and reserves of associated undertakings and joint venture holdings. The Group's interests in associated undertakings and joint venture holdings are included in the consolidated balance sheet at cost plus the post-acquisition changes in the Group's share of the net assets of the associated undertakings and joint venture holdings.

After application of the equity method, management evaluates if there is objective evidence that its net investment in the associate or joint venture is impaired.

ACCOUNTING POLICIES
CONTINUED

Because goodwill forms part of the carrying amount of the net investments in an associate or a joint venture, it is not separately recognised, therefore it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets. Instead, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 as a single asset, by comparing its recoverable amount (higher of value-in-use and fair value less costs of disposal) with its carrying amount whenever there is objective evidence that the net investment may be impaired.

The consolidated balance sheet reflects the associated undertakings and joint venture holdings net of accumulated impairment losses.

All intergroup balances, transactions and unrealised gains or losses within the Group that do not reflect an impairment to the asset are eliminated in full regarding subsidiaries and to the extent of the interest in associated undertakings and joint venture holdings.

Segmental reporting

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

The Group's segmental reporting is presented in the form of a business analysis. The business analysis is presented in terms of the Group's four principal business divisions namely, Wealth & Investment, Private Banking, Corporate and Investment Banking, and Other and Group Investments. Group costs that are disclosed separately largely relate to Group brand and marketing costs and a portion of executive and support functions which are associated with Group-level activities. These costs are not incurred by the operating divisions and are necessary to support the operational functioning of the Group.

A geographical analysis is also presented in terms of the main geographies in which the Group operates representing the Group's exposure to various economic environments.

For further detail on the Group's segmental reporting basis, refer to pages 72 to 100 of the divisional review section of the Investec Group's 2024 integrated and strategic annual report.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred at the acquisition date fair value and the amount of any prior non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed immediately in the income statement.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and the designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the income statement.

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

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

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

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

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

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

ACCOUNTING POLICIES
CONTINUED

Discontinued operations

A disposal group qualifies as a discontinued operation if it is a component of an entity that has either been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement.

All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise. Additional disclosures are provided in note 13.

Share-based payments to employees

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

The fair value of the services received in respect of equity-settled share-based payments is determined by reference to the fair value of the shares or share options on the date of grant to the employee. The cost of the share-based payment, together with a corresponding increase in equity, is recognised in the income statement over the period the service conditions of the grant are met, with the amount changing according to the number of awards expected to vest. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

Fair value measurements are based on option pricing models, taking into account the risk-free interest rate, volatility of the underlying equity instrument, expected dividends and share prices at grant date.

Where the terms of an equity-settled award are modified, the minimum expense recognised in staff costs is the expense as if the terms had not been modified. An additional expense is recognised for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The liability, in respect of cash-settled share-based payments, is recognised at the current fair value taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered the service to date. The change in fair value is recognised in the income statement. Subsequent to vesting the liability is measured at fair value, with gains and losses recognised in the income statement until such time as the liability is settled.

The loss of control of an employing subsidiary of the Group gives rise to an acceleration of the equity-settled share-based payments charge for the related employees and, on loss of control, the Group recognises the amount that would have been recognised for the award if it remained in place on its original terms.

Employee benefits

The Group operates various defined contribution schemes.

In respect of the defined contribution schemes, all employer contributions are charged to the income statement as incurred, in accordance with the rules of the scheme, and included under staff costs.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The long-term employment benefits liability relates to the obligation of the Investec Group to deliver ordinary shares of Ninety One plc and Ninety One Limited to employees over a predetermined vesting period. The fair value of this liability is calculated by applying the Black-Scholes option pricing model at each reporting date. The changes in fair value will be recognised as an employee benefit expense. The liability is included in other liabilities on the balance sheet.

Foreign currency transactions and foreign operations

The presentation currency of the Group is Pound Sterling, being the functional currency of Investec plc. The functional currency of Investec Limited is South African Rand.

Foreign operations are subsidiaries, interests in associated undertakings and joint venture holdings or branches of the Group, the activities of which are based in a functional currency other than that of the reporting entity. The functional currency of Group entities is determined based on the primary economic environment in which the entity operates.

Foreign currency transactions are translated into the functional currency of the entity in which the transactions arise, based on rates of exchange ruling at the date of the transactions.

ACCOUNTING POLICIES
CONTINUED

At each balance sheet date foreign currency items are translated as follows:

- Monetary items (other than monetary items that form part of the net investment in a foreign operation) are translated using closing rates, with gains or losses recognised in the income statement
- Exchange differences arising on monetary items that form part of the net investment in a foreign operation are determined using closing rates and recognised as a separate component of equity (foreign currency reserve) upon consolidation and are reclassified to the income statement upon disposal of the net investment
- Non-monetary items that are measured at historical costs are translated using the exchange rates ruling at the date of the transaction. Non-monetary items that are measured at fair value are translated using the exchange rate at the date of the valuation, with movements due to changes in foreign currency being presented in terms of the accounting policy for changes in the fair value movement of the respective item.

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

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

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

Revenue recognition

Revenue consists of interest income, fee and commission income, investment income, trading income arising from customer flow, trading income arising from balance sheet management and other trading activities, share of post-taxation profit of associates and joint venture holdings and other operating income.

Interest income on debt instruments at amortised cost and FVOCI is recognised in the income statement using the effective interest method. Calculation of the effective interest rate takes into account fees payable or receivable that are an integral part of the instruments yield, premiums or discounts on acquisition or issue, early redemption fees and transaction costs.

The effective interest method is based on the estimated life of the underlying instrument and, where this estimate is not readily available, the contractual life. Interest on instruments at fair value through profit or loss is recognised based on the contractual rates.

Fee and commission income includes revenue from contracts with customers earned from transactional banking fees, providing advisory services as well as portfolio management and includes rental income from investment properties and insurance income recognised at a point in time.

Revenue from contracts with customers is recognised in accordance with five steps to: identify the contract; identify the performance obligations; determine the transaction price; allocate the transaction price to the performance obligations; and recognise revenue when the performance obligations are satisfied.

Investment advisory and management fees are earned over the period in which the services are provided. Performance fees can be variable and recognition is constrained until such time as it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the services related to the transactions have been completed under the terms of the contract.

Investment income includes income, other than margin from securities held for the purpose of generating interest yield, dividends and capital appreciation.

Customer flow trading income includes income from trading activities arising from making and facilitating client activities.

Trading income arising from balance sheet management and other trading activities consists of proprietary trading income and other gains or losses arising from balance sheet management.

Trading profit includes the unrealised profit on trading portfolios, which are marked-to-market daily. Equity investments received in lieu of corporate finance fees are included in investment portfolio and valued accordingly.

Dividend income is recognised when the Group's right to receive payment is established.

Included in other operating income is incidental rental income, gains on realisation of properties (other than investment properties which is included in investment income), operating lease income, income from assurance activities and revenue from other investments. Operating costs associated with these investments are included in operating costs in the income statement.

ACCOUNTING POLICIES
CONTINUED

Rewards programme

The Group has a Rewards programme whereby account cardholders are awarded Rewards points in proportion to eligible transactions. Rewards points may be redeemed at a later stage for goods or services at a variety of lifestyle, shopping, travel and financial partners. Client rewards are considered to be a cost of the interchange service fee revenue stream included in fees and commission income, where the cardholder is not considered to be the customer but rather that the associated rewards are incentives paid to cardholders in respect of this stream. As a result, the costs to provide cardholders with these rewards are considered to be expenses and recognised in fee and commission expenses as the related income is earned, with the obligation to settle these points reflected in other liabilities until such time as they are redeemed.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of an asset or a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The Group classifies disclosed fair values according to a hierarchy that reflects the significance of observable market inputs.

A transfer is made between the hierarchy levels when the inputs have changed or there has been a change in the valuation method. Transfers are deemed to occur at the end of each semi-annual reporting period.

Financial instruments

Financial instruments are initially recognised at their fair value. For financial assets or financial liabilities not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities are included in the initial measurement. All other transaction costs are recorded in the income statement immediately. Regular way purchase and sales transactions in respect of financial assets that require delivery of a financial instrument within the time frame established by market convention are recorded at trade date.

Business model assessment

For financial assets, IFRS 9 requires that a business model assessment is carried out which reflects how the Group manages the assets in order to generate cash flows. The assessment is at a portfolio level, being the level at which the portfolio is managed. Factors considered by the Group in determining the business model for a Group of assets include past experience on how the cash flows for these assets were collected, how the assets' performance is evaluated and reported and how risks are assessed and managed.

The standard sets out different types of business models:

- **Hold to collect:** it is intended to hold the asset to maturity to earn interest, collecting repayments of principal and interest from the customer. These assets are accounted for at amortised cost
- **Hold to collect and sell:** this model is similar to the hold to collect model, except that the entity may elect to sell some or all of the assets before maturity to achieve the objectives of the business model. These assets are accounted for at FVOCI
- **Hold to sell/managed on a fair value basis:** the entity originates or purchases an asset with the intention of disposing of it in the short or medium term to benefit from capital appreciation or the portfolio is managed on a fair value basis. These assets are accounted for at FVPL.

However, the Group may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:

- Elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in OCI
- A debt instrument that meets the amortised cost or FVOCI criteria as measured at FVPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

The classification into one of these categories is based on the Group's business model for managing the assets and the contractual cash flow characteristics of the assets.

ACCOUNTING POLICIES
CONTINUED

Solely payments of principal and interest (SPPI)

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

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

Financial instruments measured at amortised cost

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

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

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

Financial assets measured at fair value through other comprehensive income (FVOCI)

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

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

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

Impairment of financial assets held at amortised cost or FVOCI

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

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

Stage 1

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

Stage 2

Financial assets are considered to be in Stage 2 when their credit risk has increased significantly since initial recognition. A loss allowance equivalent to a lifetime ECL is required to be held.

The Group's primary indicator for Stage 2 assets are distressed loans, potential problem loans and exposures in arrears that require additional attention and supervision from watchlist committees and are under management review.

Assets in forbearance are considered to be, at a minimum, Stage 2. Forbearance measures refer to concessions such as modification of the terms and conditions or refinancing that has been granted to a debtor in financial difficulty. These exposures are assessed on a case-by-case basis to determine whether the proposed modifications will be considered as forbearance. Where the Credit Committee considers it likely that the client will be able to return to perform against the original contractual obligations within a reasonable time frame these assets will be considered performing and in Stage 2. Forbearance is distinguished from commercial renegotiations which take place as part of normal business activity and standard banking practice.

ACCOUNTING POLICIES
CONTINUED

In addition to loans under management review, an asset may also move from Stage 1 to Stage 2 if the model calculated probability of default (PD) has significantly increased since origination. This is tested on both a relative and absolute basis to assess whether a significant deterioration in lifetime risk of default has occurred. Currently in the UK, there is a common definition across the Bank's exposures regarding what constitutes a significant PD movement. The test involves both an absolute and relative movement threshold. An asset is considered to have been subjected to a significant increase in credit risk if the appropriate PD has doubled relative to the value at origination and on an absolute basis has increased by more than 1%. Any asset with an original rating that is classified as investment grade will be judged to have had a significant movement if the new PD would classify it as sub-investment grade and the equivalent rating has moved by more than three notches. In South Africa, the change in the lifetime PD from deal origination to the reporting date is monitored monthly. The absolute and relative changes in lifetime PDs are tested against predefined trigger levels. When the change in lifetime PDs exceeds the trigger levels, it is considered a significant increase in credit risk and the exposure is migrated to Stage 2. The trigger levels have been defined for each asset class and are a function of the internal credit rating and the remaining maturity of the exposure.

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

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

Stage 3

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

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

Definition of default

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

ECL

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

Write-offs

The Group has developed specific guidelines on write-off aimed at granting full compliance with IFRS 9 and the document 'Guidance to banks on non-performing loans' issued by the European Central Bank.

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

Cured assets

Loans and advances are regularly assessed to determine whether conditions which led to a significant increase in credit risk or impairment still exist. Where applicable, the cured asset will move to the appropriate performing stage which reflects the re-assessed credit risk in line with our Arrears, default and recovery (ADR) policy which is aligned to the applicable Regulatory requirements.

Process to determine ECL

ECLs are calculated using three main components:

- A probability of default (PD)
- A loss given default (LGD)
- The exposure at default (EAD).

ACCOUNTING POLICIES
CONTINUED

The 12-month and lifetime PDs represent the probability of a default occurring over the next 12 months or the lifetime of the financial exposures, respectively, based on conditions existing at the balance sheet date and future forecast macro-economic conditions that affect credit risk.

The LGD represents losses expected on default, taking into account the mitigating effect of collateral, its expected value when realised and the time value of money.The forecast value for the collateral is also affected by the range of forward-looking probability weighted macro-economic scenarios.

The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdown of a committed facility.

The calculation of the 12-month ECL is based on the 12-month PD and LGD along with the EAD and EIR for the asset. Lifetime ECL is calculated using the lifetime PD curve, and the appropriate LGDs and EADs and discount rates derived from the EIR based on the remaining life of the financial asset.

Expert judgement models or appropriate proxies for PD's are also utilised for certain portfolios where the ECL is found to be minimal, either due to the portfolio's small relative size or the low default nature of these portfolios, such as cash and balances held at central banks.

Management adjustments are made to modelled output to account for situations where additional information and known or expected risk factors have not been captured in the modelling process.

Financial instruments held at fair value through profit and loss

Financial instruments held at fair value through profit or loss include all instruments classified as held for trading, those instruments designated as held at fair value through profit or loss and those financial assets which do not meet the criteria for amortised cost or FVOCI.

Financial instruments classified as FVPL are initially recorded at fair value on the balance sheet with changes in fair value subsequently recognised in the income statement. Financial instruments are classified as held for trading when they are held with the intention of short-term disposal, held with the intention of generating short-term profit, or are derivatives which are not designated as part of effective hedges. Financial instruments designated as held at fair value through profit or loss are designated as such on initial recognition of the instrument and remain in this classification until derecognition.

Financial assets and liabilities are designated as held at fair value through profit or loss only if:

- They eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- A group of financial liabilities or both financial assets and financial liabilities is managed and their performances evaluated on a fair value basis in accordance with a documented risk management or investment strategy and information about the Group is provided internally on that basis to the Group's key management personnel; or
- A financial liability contract contains one or more embedded derivatives (which significantly modifies the cash flows that would be required by the contract and is not clearly prohibited from separation from the host contract) and the Group has designated the entire hybrid contract as a financial instrument at fair value through profit or loss.

Changes in fair value of financial liabilities designated at fair value that is attributable to changes in own credit is recognised in other comprehensive income. Any other changes in fair value are recognised in the income statement.

Equity instruments measured at FVOCI

The Group measures equity instruments at FVOCI when it considers the investments to be strategic or held for long-term dividend yield. The equity instruments are not held for trading. Gains or losses on the derecognition of these equity securities are not transferred to profit or loss.

Otherwise, equity instruments are measured at fair value through profit or loss (except for dividend income, which is recognised in profit or loss).

Securitisation/credit investment and trading activities exposures

The Group makes use of securitisation vehicles as a source of finance, as a means of risk transfer and to leverage returns through the retention of equity tranches in low default rate portfolios. The Group predominantly focuses on the securitisation of residential and commercial mortgages and lease receivables. The Group also trades in structured credit investments.

The structured entities are consolidated under IFRS 10 Consolidated Financial Statements when the Group has exposure to or rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Loans and advances that are originated are transferred to structured entities, and the structured entities issue debt securities to external investors to fund the purchase of the securitised assets. When the Group consolidates the structured entity, the Group recognises the assets and liabilities on a gross basis. When the Group does not consolidate the structured entity, the securitised assets are derecognised and only any position still held by the Group in the structured entity is reflected.

ACCOUNTING POLICIES
CONTINUED

Day-one profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument or based on the valuation technique whose variables include only data from observable markets, the difference between the transaction price and fair value is recognised immediately in the income statement. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the income statement when the inputs become observable, when the instrument is derecognised or over the life of the transaction.

Derecognition of financial assets and liabilities

A financial asset, or a portion thereof, is derecognised when the Group's rights to cash flows have expired or when the Group has transferred its rights to cash flows relating to the financial assets and either (a) the Group has transferred substantially all the risks and rewards associated with the financial assets or (b) the Group has neither transferred nor retained substantially all the risks and rewards associated with the financial assets but has transferred control of the assets.

The treatment of a renegotiation or modification of the contractual cash flows of a financial asset depends upon whether the modification is done for commercial reasons, in which case if they are significant the old asset is derecognised and a new asset recognised, or because of financial difficulties of the borrower.

A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled or expired. When an existing financial liability is replaced or modified with substantially different terms, such a replacement or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Reclassification of financial instruments

Financial assets are only reclassified where there has been a change in business model. Financial liabilities can be reclassified to equity.

Derivative instruments

All derivative instruments of the Group are recorded on the balance sheet at fair value. Positive and negative fair values are reported as assets and liabilities, respectively.

Derivative positions are entered into either for trading purposes or as part of the Group's asset and liability management activities to manage exposures to foreign currency, interest rate and equity risks. Both realised and unrealised profit or losses arising on derivatives are recognised in the income statement as part of trading income (other than circumstances in which cash flow hedging is applied as detailed in the hedge accounting section below).

Derivative instruments entered into as economic hedges which do not qualify for hedge accounting and derivatives that are entered into for trading purposes are treated in the same way as instruments that are held-for-trading.

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

Hedge accounting

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

The Group applies either fair value, cash flow hedge or hedge of net investments in foreign operations accounting when the transactions meet the specified hedge accounting criteria.

To qualify for hedge accounting treatment, the Group ensures that all of the following conditions are met:

- At inception of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s) including the risk management objectives and the strategy in undertaking the hedge transaction. Also at the inception of the hedge relationship, a formal assessment is undertaken to ensure the hedging instrument is expected to be highly effective in offsetting the designated risk in the hedged item. A hedge is expected to be highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated are expected to offset in a range of 80% to 125%
- For cash flow hedges, a forecasted transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect the income statement
- The effectiveness of the hedge can be reliably measured, i.e. the fair value or cash flows of the hedged item that are attributable to the hedged risk and the fair value of the hedging instrument can be reliably measured
- The hedge effectiveness is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

ACCOUNTING POLICIES
CONTINUED

For qualifying fair value hedges, the change in fair value of the hedging instrument is recognised in the income statement. Changes in fair value of the hedged item that is attributable to the hedged risk are also recognised in the income statement.

For qualifying cash flow hedges in respect of non-financial assets and liabilities, the change in fair value of the hedging instrument relating to the effective portion is initially recognised directly in other comprehensive income in the cash flow hedge reserve and is included in the initial cost of any asset/liability recognised or in all other cases released to the income statement when the hedged firm commitment or forecasted transaction affects net profit. If the forecast transaction or firm commitment is no longer expected to occur, the balance included in other comprehensive income is reclassified to the income statement immediately and recognised in trading income from balance sheet management and other trading activities.

For qualifying cash flow hedges in respect of financial assets and liabilities, the change in fair value of the hedging instrument, which represents an effective hedge, is initially recognised in other comprehensive income and is reclassified to the income statement in the same period during which the relevant financial asset or liability affects the income statement. Any ineffective portion of the hedge is immediately recognised in the income statement.

For qualifying hedges of a net investment in a foreign operation including a hedge of a monetary item that is accounted for as part of the net investment are accounted for in a way similar to cash flow hedges. Changes in the fair value of the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the income statement. On disposal of the foreign operation, the cumulative value of any such gain or loss recorded in other comprehensive income is reclassified to the income statement.

Hedge accounting is discontinued when it is determined that the instrument ceases to be highly effective as a hedge; when the derivative expires, or is sold, terminated or exercised; when the hedged item matures or is sold or repaid; when a forecasted transaction is no longer deemed highly probable or when the designation as a hedge is revoked.

Sources of hedge ineffectiveness may arise from basis risk, including but not limited to the discount rates used for calculating the fair value of derivatives, hedges using instruments with a non-fair value, and notional and timing differences between the hedged items and hedging instruments.

Offsetting of financial assets and liabilities

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

Issued debt and equity financial instruments

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

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

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

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

Treasury shares represent issued equity repurchased by the Group which have not been cancelled. Treasury shares are deducted from shareholders' equity and represent the purchase consideration, including directly attributable costs. Where treasury shares are subsequently sold or reissued, net proceeds received are included in shareholders' equity.

Dividends on ordinary shares are recognised as a deduction from equity at the earlier of payment date or the date that it is approved by Investec plc (in relation to dividends declared by Investec plc) and Investec Limited (in relation to dividends declared by Investec Limited) shareholders.

Non-sovereign and non-bank cash placements

Non-sovereign and non-bank cash placements relates to overnight deposits placed with large corporate clients callable on demand.

Sale and repurchase agreements (including securities borrowing and lending)

Securities sold subject to a commitment to repurchase, at a fixed price or a selling price plus a lender's return, remain on-balance sheet. Proceeds received are recorded as a liability on the balance sheet under 'repurchase agreements and cash collateral on securities lent'. Securities that are purchased under a commitment to resell the securities at a future date are not recognised on the balance sheet. The consideration paid is recognised as an asset under 'reverse repurchase agreements and cash collateral on securities borrowed'.

Where sovereign debt securities have been purchased at the same time as derivatives with the same counterparty, such that the combined position has the economic substance similar to secured lending, an asset is recognised under 'reverse repurchase agreements and cash collateral on securities borrowed'.

ACCOUNTING POLICIES
CONTINUED

The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of the agreement using the effective interest method.

Securities borrowing transactions that are not cash collateralised are not included on the balance sheet. Securities lending and borrowing transactions which are cash collateralised are accounted for in the same manner as securities sold or purchased subject to repurchase commitments.

The cash collateral from agency-based scrip lending transactions are disclosed on a net basis, in accordance with master netting agreements and the intention to settle net.

Insurance contracts

Insurance contracts are those contracts in which the Group assumes significant insurance risk. Reinsurance contracts are insurance contracts issued by a reinsurer to compensate the Group for claims arising from one or more insurance contracts issued by the Group. An assessment of significant insurance risk is made only once, being at contract inception. If a contract is deemed to be within the scope of IFRS 17, it remains an insurance contract until all rights and obligations are extinguished (i.e. discharged, cancelled or expired) or until the contract is derecognised because of a contract modification. Where the terms of an insurance contract are modified, the Group derecognises the original contract and recognises a new contract, applying IFRS 17 or other applicable standard.

The insurance and reinsurance contract assets or liabilities are determined with reference to what is included in the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). For reinsurance contract assets or liabilities, this is referred to as the asset for remaining coverage (ARC) and the asset recoverable on incurred claims (ARIC). The line items on the balance sheet include all rights and obligations from a portfolio of insurance contracts. Portfolios that are in an asset position are presented separately from those in a liability position.The Group reduces the LRC and recognises insurance revenue as it provides insurance contract services. The insurance service result, which is the separate recognition of insurance revenue and insurance service expenses is included in in the fee and commission income on the income statement.

Insurance contracts and reinsurance contracts are measured using the Premium Allocation Approach (PAA). This is for contracts with a short boundary, a coverage period of less than 12 months or where it meets the eligibility criteria.

Financial guarantees

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due, in accordance with the terms of a debt instrument. Financial guarantees, which are not classified as insurance contracts, are initially recognised at fair value, adjusted for the transaction costs that are directly attributable to the issuance of the guarantee.

Subsequent to initial recognition, the liability under each guarantee is measured at the higher of the amount recognised less cumulative amount of income recognised in accordance with IFRS 15 and the best estimate of expected credit loss calculated for the financial guarantee. Subsequent to initial measurement, all changes in the balance sheet carrying value are recognised in the income statement.

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and impairments.

Cost is the cash equivalent paid or the fair value of the consideration given to acquire an asset and includes other expenditures that are directly attributable to the acquisition of the asset.

Depreciation is provided on the depreciable amount of each component on a straight-line basis over the expected useful life of the asset.

The depreciable amount related to each asset is determined as the difference between the cost and the residual value of the asset. The residual value is the estimated amount, net of disposal costs that the Group would currently obtain from the disposal of an asset in similar age and condition as expected at the end of its useful life.

The current and comparative annual depreciation rates for each class of property and equipment are as follows:

- Equipment 10% – 33%
- Furniture and vehicles 10% – 25%
- Freehold buildings 2% – 4%
- Leasehold property and improvements*
- Right-of-use assets*

* Leasehold improvements depreciation rates are determined by reference to the appropriate useful life of its separate components, limited to the period of the lease. Leasehold property and right-of-use asset depreciation rates are determined by reference to the period of the lease.

No depreciation is provided on freehold land. However, similar to other property-related assets, it is subject to impairment testing when an indication of impairment exists.

ACCOUNTING POLICIES
CONTINUED

Routine maintenance and service costs for Group assets are expensed as incurred. Subsequent expenditure is only capitalised if it is probable that future economic benefits associated with the item will flow to the Group.

Investment properties

Properties held for capital appreciation or rental yield are classified as investment properties. Investment properties are initially measured at cost plus transaction costs and subsequently carried at fair value, with fair value gains or losses recognised in the income statement in investment income.

Fair value of investment property is calculated by taking into account the expected rental stream associated with the property, and are supported by market evidence.

Leases

At inception of a contract the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and
- The Group has the right to direct the use of the asset.

As a lessee, the Group recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the rate implicit in the lease, or, where that is not available, at the Group's incremental borrowing rate.

The lease liability will increase for the accrual of interest, and will result in a constant rate of return throughout the life of the lease, and reduce when payments are made.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any indirect costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is subsequently remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

Where the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in the income statement if the carrying amount of the ROU asset has been reduced to zero.

The Group has elected not to recognise ROU assets and lease liabilities for low value assets and short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is the lessor, the lease must be classified as either a finance lease or an operating lease. A finance lease is a lease which confers substantially all the risks and rewards of the leased assets on the lessee. An operating lease is a lease where substantially all of the risks and rewards of the leased asset remain with the lessor.

When the lease is deemed a finance lease, the leased asset is not held on the balance sheet; instead a finance lease receivable is recognised representing the minimum lease payments receivable under the terms of the lease, discounted at the rate of interest implicit in the lease.

When the lease is deemed an operating lease, the lease income is recognised on a straight-line basis over the period of the lease unless another systematic basis is more appropriate.

For the balance sheet, the ROU assets are included within property and equipment, finance lease receivables are included within loans and advances to customers and other assets and the lease liabilities are included within other liabilities.

Where the Group has a head lease and sublease arrangement with external partners, the finance lease receivable is recognised in other assets on the balance sheet.

Trading properties

Trading properties are carried at the lower of cost and net realisable value.

ACCOUNTING POLICIES
CONTINUED

Software and other acquired intangible assets

Software and other acquired intangible assets are recorded at cost less accumulated amortisation and impairments. Software and intangible assets with a finite life are amortised over the useful life on a straight-line basis. Amortisation of each asset starts when it becomes available for use. The depreciable amount related to each asset is determined as the difference between the cost and the residual value of the asset.

The current and comparative annual amortisation rates for each class of intangible assets are as follows:

- Client relationships 8 to 20 years
- Acquired software 3 to 7 years
- Internally generated software 5 years

Impairment of non-financial assets

At each balance sheet date, the Group reviews the carrying value of non-financial assets, other than investment property, for indication of impairment. The recoverable amount, being the higher of fair value less cost of disposal and value-in-use, is determined for any assets for which an indication of impairment is identified. If the recoverable amount of an asset is less than its carrying value, the carrying value of the asset is reduced to its recoverable amount.

Impairment losses are recognised as an expense in the income statement in the period in which they are identified. Reversals of impairment losses are recognised in income in the period in which the reversals are identified, to the extent that the carrying value of the asset does not exceed the amount that would have been calculated without impairment.

Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Assets in the measurement scope of IFRS 5 are carried at the lower of their carrying amount and fair value less costs to sell.

Trust and fiduciary activities

The Group acts as a trustee or in other fiduciary capacities that result in the holding, placing or managing of assets for the account of and at the risk of clients. As these are not assets of the Group, they are not recognised on the balance sheet but are included at market value as part of third party assets under management.

Taxation and deferred taxation

Current taxation payable is provided for based on the amount expected to be payable on taxable profit at rates that are enacted or substantively enacted and applicable to the relevant period.

Deferred taxation is provided on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base, except where such temporary differences arise from:

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction has no effect on the income statement or taxable profit
- Temporary differences associated with the investments in subsidiaries and interests in associated undertakings and joint venture holdings, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred taxation assets or liabilities are measured using the taxation rates that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation assets are recognised to the extent that it is probable that future taxable profit will be available against which the deferred taxation asset can be utilised. Items recognised directly in other comprehensive income are net of related current and deferred taxation.

Borrowing costs

Borrowing costs that are directly attributable to property developments which take a substantial period of time to develop are capitalised to qualifying properties.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the income statement net of any reimbursement. Contingent assets and contingent liabilities are not recognised on the balance sheet.

ACCOUNTING POLICIES
CONTINUED

Standards and interpretations issued but not yet effective

The following significant standards and interpretations, which have been issued but are not yet effective, are applicable to the Group. These standards and interpretations have not been applied in these annual financial statements. The Group intends to comply with these standards from the effective dates.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. These new requirements are expected to impact all reporting entities.

IFRS 18 and the consequential amendments to other standards is effective for reporting periods beginning on or after 1 January 2027 and the Group is considering its impact.

Amendments to IFRS 9 Amendments to Classification and Measurement of Financial Instruments and IFRS 7 disclosures

The amendments clarify that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date.

The classification of financial assets with ESG linked features has been clarified via additional guidance on the assessment of contingent features.

Clarifications have been made on non-recourse loans and contractually linked instruments.

Additional disclosures are introduced for financial instruments with contingent features and equity instruments classified at fair value through OCI. The amendments are effective for annual periods starting on or after 1 January 2026 and the Group is considering the impact.

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

Key management assumptions

In preparation of the annual financial statements, the Group makes estimations and applies judgement that could affect the reported amount of assets and liabilities within the next financial year.

Key areas in which estimates are made include:

- In accordance with IFRS 13 Fair Value Measurement, the Group categorises financial instruments carried on the balance sheet at fair value using a three level hierarchy. Financial instruments categorised as level 1 are valued using quoted market prices and therefore there is minimal judgement applied in determining fair value. However, the fair value of financial instruments categorised as level 2 and, in particular, level 3 are determined using valuation techniques including discounted cash flow analysis, price-earnings multiples, net asset value and complex valuation models. The valuation techniques for level 3 financial instruments involve management judgement and estimates, the extent of which, depends on the complexity of the instrument, counterparty and own credit risk, funding cost, low levels of market liquidity, and the availability of market observable information. In particular, significant uncertainty exists in the valuation of unlisted investments and fair value loans in the private equity and direct investments portfolios.The estimation of fair value is subject to an uncertain economic outlook. Key valuation inputs are based on the most relevant observable market information and can include expected cash flows, yield curves, discount rates, growth rates, earnings multiples and the underlying assets and liabilities within a business, adjusted where necessary for factors that specifically apply to the individual investments, sector specific factors and recognising market volatility and liquidity. Further details of the Group's level 3 financial instruments, valuation techniques, key valuation inputs applied and the sensitivity of the valuation including the effect of applying reasonably possible alternative assumptions in determining their fair value are set out in note 17.

  Details of unlisted investments can be found in note 31 with further analysis contained in the risk management section on pages 60 and 61 in the Investec Group's 2024 risk and governance report.

- In accordance with IFRS 10 Consolidated Financial statements, the Group controls and consolidates an investee where the Group has power over the entity's relevant activities, is exposed to variable returns from its involvement with the investee and has the ability to affect the returns through its power over the entity. Determining whether the group controls another entity requires judgement by identifying an entity's relevant activities, being those activities that significantly affect the investee's returns, and whether the Group controls those relevant activities by considering the rights attached to both current and potential voting rights, de facto control and other contractual rights including whether such rights are substantive.

  Details of subsidiaries can be found in note 58 and note 59.

- Valuation of investment properties is performed twice annually by qualified internal valuers and at least half of the portfolio is valued by independent external valuers annually. The valuation is performed by capitalising the budgeted net income of the property at the market-related yield applicable at the time.

  The carrying value of investment property can be found in note 36 with further analysis contained on pages 60 and 61 in the Investec Group's 2024 risk and governance report.

ACCOUNTING POLICIES
CONTINUED

- The measurement of ECL has reliance on expert credit judgement. Key judgmental areas are highlighted below and are subject to robust governance processes. Key drivers of measurement uncertainty include:
  – The assessment of staging due to a significant increase in credit risk
  – Adequacy of post model adjustments;
  – Assessment of ECL on Stage 3 exposures, including the valuation of collateral, expected timing of cash flows, client industry considerations and recovery strategies
  – The determination of write-off points
  – A range of forward-looking probability weighted macro-economic scenarios
  – Estimations of probabilities of default, loss given default and exposures at default using models.

Following a detailed review of the outcome of the ECL models, management reduced the level of but still maintained an overlay provision in the UK. Detail of the approach followed and management's assumptions are set out on page 57 of the Investec Group's 2024 risk and governance report.

- The Group's income tax charge and balance sheet provision are judgemental in nature. This arises from certain transactions for which the ultimate tax treatment can only be determined by final resolution with the relevant local tax authorities. The Group has recognised in its current tax provision certain amounts in respect of taxation that involve a degree of estimation and uncertainty where the tax treatment cannot finally be determined until a resolution has been reached by the relevant tax authority and whether the proposed tax treatment will be accepted by the authorities. The carrying amount of this provision is sensitive to the resolution of issues, which is often dependent on the timetable and progress of discussion and negotiations with the relevant tax authorities, arbitration process and legal proceedings in the relevant tax jurisdictions in which the Group operates. Issues can take many years to resolve and assumptions on the likely outcome would therefore have to be made by the Group in order to determine if an exposure should be measured based on the most likely amount or expected value. In making any estimates, management's judgement has been based on various factors, including:
  - The current status of tax audits and enquiries;
  - The current status of discussions and negotiations with the relevant tax authorities;
  - The results of any previous claims; and
  - Any changes to the relevant tax environments.
- The Group operates in a legal and regulatory environment that exposes it to litigation risks. As a result, the Group is involved in disputes and legal proceedings which arise in the ordinary course of business. The Group evaluates all facts, the probability of the outcome of legal proceedings, commercial outcomes and advice from internal and external legal counsel when considering the accounting implications. Refer to note 54.
- The Group makes use of reasonable and supportable information to make accounting judgements and estimates related to climate change. This includes information about the observable impact of climate change on the current credit risk of clients and the valuation of assets. Many of the effects arising from climate change will be longer term in nature, with an inherent level of uncertainty and have limited effect on accounting judgements and estimates for the current period.

  The following items represent the most significant effects that climate change can have on the shorter term:

  – The measurement of ECL considers the ability of borrowers to make contractual payments as and when they become due. Investec performed an assessment of specific sectors that could be most impacted by climate risk in all jurisdictions, specifically focusing on the ability of the clients in these sectors to meet their financing needs. The assessment further included a review of Investec's appetite to fund clients in the respective sectors. While these have not resulted in material impact to ECL, the determination of the impact of these risks into PD, LGD and other inputs into the ECL calculation is ongoing.

  – The assessment of asset impairment, based on value in use, and the ability to recognise deferred tax assets are based on future expected cash flows. The expected cash flows are based on management's best estimate of the operational results, including the near-term impact of climate risk. The Group did not consider any additional adjustments to the cash flows to account for this risk given the time frame of the cash flows that were considered – The use of market indicators as inputs to fair value is assumed to include current information and knowledge regarding the effect of climate risk. .

Key areas in which judgement is applied include:

- On the basis of current financial projections and having made appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence up to 24 June 2025, which is a period greater than twelve months from the date of issue of the financial statements. Accordingly, the going concern basis is adopted in the preparation of the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. Combined consolidated segmental analysis

For the year to 31 March 2024 £'000	UK and Other	Southern Africa	Total
Segmental geographic analysis – income statement			
Net interest income	802 587	536 106	1 338 693
Net fee and commission income	148 585	267 602	416 187
Investment income	14 319	46 062	60 381
Share of post-taxation profit of associates and joint venture holdings	55 793	156	55 949
Trading income arising from			
– customer flow	101 060	30 652	131 712
– balance sheet management and other trading activities	27 761	13 735	41 496
Other operating income/(loss)	2 150	(189)	1 961
Operating income	**1 152 255**	**894 124**	**2 046 379**
Expected credit loss impairment (charges)/release	(86 050)	6 937	(79 113)
Operating income after expected credit loss impairment charges	**1 066 205**	**901 061**	**1 967 266**
Operating costs	(645 321)	(474 924)	(1 120 245)
Operating profit before goodwill, acquired intangibles and strategic actions	**420 884**	**426 137**	**847 021**
Profit attributable to non-controlling interests	(1 204)	(178)	(1 382)
Adjusted operating profit	**419 680**	**425 959**	**845 639**
Amortisation of acquired intangibles	(940)	(543)	(1 483)
Amortisation of acquired intangibles of associates	(5 679)	—	(5 679)
Closure and rundown of the Hong Kong direct investments business	(785)	—	(785)
Financial impact of strategic actions	(16 576)	—	(16 576)
Earnings attributable to shareholders before taxation	**395 700**	**425 416**	**821 116**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(86 374)	(85 692)	(172 066)
Taxation on acquired intangibles and strategic actions	727	152	879
Earnings attributable to shareholders from continuing operations	**310 053**	**339 876**	**649 929**
Discontinued operations			
Profit after taxation and financial impact of strategic actions from discontinued operations	389 551	(86 674)	302 877
Operating profit before non-controlling interests from discontinued operations	31 046	14 778	45 824
Financial impact of strategic actions net of taxation from discontinued operations	358 505	(101 452)	257 053
Profit attributable non-controlling interests of discontinuing operations	—	(11 766)	(11 766)
Earnings attributable to shareholders	**699 604**	**241 436**	**941 040**
Selected returns and key statistics			
Cost to income ratio	56.1%	53.1%	54.8%
Staff compensation to operating income	37.6%	39.1%	38.3%
Effective operational tax rate	23.7%	20.1%	21.8%
Total assets (£'million)	30 086	26 540	56 626

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

1. Combined consolidated segmental analysis continued

For the year to 31 March 2023^ £'000	UK and Other	Southern Africa	Total
Segmental geographic analysis – income statement			
Net interest income	708 839	558 457	1 267 296
Net fee and commission income	108 760	288 595	397 355
Investment income	18 215	11 088	29 303
Share of post-taxation profit of associates and joint venture holdings	9 844	20 190	30 034
Trading income/(loss) arising from			
– customer flow	86 114	82 996	169 110
– balance sheet management and other trading activities	13 123	1 112	14 235
Other operating income/(loss)	6 879	(2 493)	4 386
Operating income	**951 774**	**959 945**	**1 911 719**
Expected credit loss impairment charges	(66 712)	(14 134)	(80 846)
Operating income after expected credit loss impairment charges	**885 062**	**945 811**	**1 830 873**
Operating costs	(581 780)	(504 219)	(1 085 999)
Operating profit before goodwill, acquired intangibles and strategic actions	**303 282**	**441 592**	**744 874**
Profit attributable to non-controlling interests	—	(752)	(752)
Adjusted operating profit	**303 282**	**440 840**	**744 122**
Impairment of goodwill	(805)	(85)	(890)
Amortisation of acquired intangibles	—	(2 535)	(2 535)
Amortisation of acquired intangibles of associates	(1 003)	(539)	(1 542)
Closure and rundown of the Hong Kong direct investments business	(450)	—	(450)
Net gain on distribution of associate to shareholders	86 945	67 493	154 438
Financial impact of strategic actions	(30)	—	(30)
Earnings attributable to shareholders before taxation	**387 939**	**505 174**	**893 113**
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(59 500)	(104 022)	(163 522)
Taxation on acquired intangibles and net gain on distribution of associate to shareholders	—	15 182	15 182
Earnings attributable to shareholders from continuing operations	**328 439**	**416 334**	**744 773**
Discontinued operations			
Profit after taxation and financial impact of strategic actions from discontinued operations	59 023	12 883	71 906
Operating profit before non-controlling interests from discontinued operations	63 961	12 883	76 844
Financial impact of strategic actions net of taxation from discontinued operations	(4 938)	—	(4 938)
Profit attributable to non-controlling interests of discontinued operations	—	(11 814)	(11 814)
Earnings attributable to shareholders	**387 462**	**417 403**	**804 865**
Selected returns and key statistics			
Cost to income ratio	61.1%	52.6%	56.8%
Staff compensation to operating income	46.3%	37.8%	42.7%
Effective operational tax rate	20.3%	24.7%	22.9%
Total assets (£'million)	28 433	29 459	57 892

^ Restated as detailed in note 62.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

1. Combined consolidated segmental analysis continued

For the year to 31 March 2024 £'000	UK and Other						
	Private Client						
		Specialist Banking					
	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other	**Total Specialist Banking**	Group Investments	Group Costs	**Total**
Net interest income/(expense)	—	132 302	670 285	802 587	—	—	802 587
Net fee and commission income	—	833	147 752	148 585	—	—	148 585
Investment income	—	1 138	1 460	2 598	11 721	—	14 319
Share of post-taxation profit of associates and joint venture holdings	31 014	—	24 779	24 779	—	—	55 793
Trading income/(loss) arising from							
– customer flow	—	4 869	96 191	101 060	—	—	101 060
– balance sheet management and other trading activities	—	(99)	27 860	27 761	—	—	27 761
Other operating income/(loss)	—	—	2 150	2 150	—	—	2 150
Operating income	**31 014**	**139 043**	**970 477**	**1 109 520**	**11 721**	**—**	**1 152 255**
Expected credit loss impairment charges/(release)	—	(13 557)	(72 493)	(86 050)	—	—	(86 050)
Operating income after expected credit loss impairment charges	**31 014**	**125 486**	**897 984**	**1 023 470**	**11 721**	**—**	**1 066 205**
Operating costs	—	(57 090)	(558 983)	(616 073)	—	(29 248)	(645 321)
Operating profit/(loss) before goodwill, acquired intangibles and strategic actions	**31 014**	**68 396**	**339 001**	**407 397**	**11 721**	**(29 248)**	**420 884**
Profit attributable to non-controlling interests	—	—	(1 204)	(1 204)	—	—	(1 204)
Adjusted operating profit/(loss) from continuing operations	**31 014**	**68 396**	**337 797**	**406 193**	**11 721**	**(29 248)**	**419 680**
Profit before taxation from discontinued operations	47 828	—	—	—	—	—	47 828
Profit attributable non-controlling interests of discontinuing operations	—	—	—	—	—	—	—
Operating profit/(loss) before goodwill, acquired intangibles and after non-controlling interests	**78 842**	**68 396**	**337 797**	**406 193**	**11 721**	**(29 248)**	**467 508**
Selected returns and key statistics							
Cost to income ratio	n/a	41.1%	57.7%	55.6%	n/a	n/a	56.1%
Total assets (£'million)	184	5 326	24 417	29 743	159	n/a	30 086

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

Southern Africa							
Private Client							
	Specialist Banking						
Wealth & Investment	Private Banking	Corporate, Investment Banking and Other	**Total Specialist Banking**	Group Investments	Group Costs	**Total**	**Total Group**
13 902	259 378	271 433	530 811	(8 607)	—	536 106	1 338 693
107 721	45 048	114 836	159 884	(3)	—	267 602	416 187
871	9 127	27 589	36 716	8 475	—	46 062	60 381
—	113	43	156	—	—	156	55 949
1 917	—	28 735	28 735	—	—	30 652	131 712
(633)	(149)	14 517	14 368	—	—	13 735	41 496
42	4	(235)	(231)	—	—	(189)	1 961
123 820	**313 521**	**456 918**	**770 439**	**(135)**	**—**	**894 124**	**2 046 379**
5	2 471	4 461	6 932	—	—	6 937	(79 113)
123 825	**315 992**	**461 379**	**777 371**	**(135)**	**—**	**901 061**	**1 967 266**
(86 852)	(167 837)	(205 053)	(372 890)	(234)	(14 948)	(474 924)	(1 120 245)
36 973	**148 155**	**256 326**	**404 481**	**(369)**	**(14 948)**	**426 137**	**847 021**
—	—	(178)	(178)	—	—	(178)	(1 382)
36 973	**148 155**	**256 148**	**404 303**	**(369)**	**(14 948)**	**425 959**	**845 639**
—	—	—	**—**	14 778	—	14 778	62 606
—	—	—	**—**	(11 766)	—	(11 766)	(11 766)
36 973	**148 155**	**256 148**	**404 303**	**2 643**	**(14 948)**	**428 971**	**896 479**
70.1%	53.5%	44.9%	48.4%	n/a	n/a	53.1%	54.8%
187	10 087	15 999	26 086	267	n/a	26 540	56 626

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

1. Combined consolidated segmental analysis continued

	UK and Other						
	Private Client						
		Specialist Banking					
For the year to 31 March 2023^ **£'000**	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other	**Total Specialist Banking**	Group Investments	Group Costs	**Total**
Net interest income/(expense)	—	128 945	579 894	708 839	—	—	708 839
Net fee and commission income	—	1 946	106 814	108 760	—	—	108 760
Investment income/(loss)	—	141	4 864	5 005	13 210	—	18 215
Share of post-taxation profit/(loss) of associates and joint venture holdings	—	—	4 951	4 951	4 893	—	9 844
Trading income arising from							
– customer flow	—	4 449	81 665	86 114	—	—	86 114
– balance sheet management and other trading activities	—	13	13 110	13 123	—	—	13 123
Other operating income/(loss)	—	—	6 879	6 879	—	—	6 879
Operating income	**—**	**135 494**	**798 177**	**933 671**	**18 103**	**—**	**951 774**
Expected credit loss impairment charges	—	(6 344)	(60 368)	(66 712)	—	—	(66 712)
Operating income after expected credit loss impairment charges	**—**	**129 150**	**737 809**	**866 959**	**18 103**	**—**	**885 062**
Operating costs	—	(58 996)	(504 575)	(563 571)	—	(18 209)	(581 780)
Operating profit/(loss) before goodwill, acquired intangibles and strategic actions	**—**	**70 154**	**233 234**	**303 388**	**18 103**	**(18 209)**	**303 282**
Profit attributable to non-controlling interests	—	—	—	—	—	—	—
Adjusted operating profit/(loss) from continuing operations	**—**	**70 154**	**233 234**	**303 388**	**18 103**	**(18 209)**	**303 282**
Profit before taxation from discontinued operations	91 756	—	—	**—**	—	—	91 756
Profit attributable non-controlling interests of discontinuing operations	—	—	—	**—**	—	—	—
Operating profit/(loss) before goodwill, acquired intangibles and after non-controlling interests	**91 756**	**70 154**	**233 234**	**303 388**	**18 103**	**(18 209)**	**395 038**
Selected returns and key statistics							
Cost to income ratio	n/a	43.5%	63.2%	60.4%	n/a	n/a	61.1%
Total assets (£'million)	996	5 202	22 063	27 265	172	n/a	28 433

^ Restated as detailed in note 62.

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Southern Africa							
Private Client							
	Specialist Banking						
Wealth & Investment	Private Banking	Corporate, Investment Banking and Other	**Total Specialist Banking**	Group Investments	Group Costs	**Total**	**Total Group**
10 172	299 154	259 732	558 886	(10 601)	—	558 457	1 267 296
108 063	52 283	128 249	180 532	—	—	288 595	397 355
382	15 000	4 574	19 574	(8 868)	—	11 088	29 303
—	(158)	125	(33)	20 223	—	20 190	30 034
1 196	—	81 800	81 800	—	—	82 996	169 110
399	50	663	713	—	—	1 112	14 235
(38)	6	(2 461)	(2 455)	—	—	(2 493)	4 386
120 174	**366 335**	**472 682**	**839 017**	**754**	**—**	**959 945**	**1 911 719**
(3)	(11 333)	(2 798)	(14 131)	—	—	(14 134)	(80 846)
120 171	**355 002**	**469 884**	**824 886**	**754**	**—**	**945 811**	**1 830 873**
(87 372)	(175 386)	(224 991)	(400 377)	(1 127)	(15 343)	(504 219)	(1 085 999)
32 799	**179 616**	**244 893**	**424 509**	**(373)**	**(15 343)**	**441 592**	**744 874**
—	—	(752)	(752)	—	—	(752)	(752)
32 799	**179 616**	**244 141**	**423 757**	**(373)**	**(15 343)**	**440 840**	**744 122**
—	—	—	**—**	11 864	—	11 864	103 620
—	—	—	**—**	(11 814)	—	(11 814)	(11 814)
32 799	**179 616**	**244 141**	**423 757**	**(323)**	**(15 343)**	**440 890**	**835 928**
72.7%	47.9%	47.7%	47.8%	n/a	n/a	52.6%	56.8%
229	10 460	17 414	27 874	1 356	n/a	29 459	57 892

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

1. Combined consolidated segmental analysis continued

At 31 March 2024 £'000	UK and Other	Southern Africa	Total
Segmental geographic analysis – balance sheet assets and liabilities			
Assets			
Cash and balances at central banks	5 661 623	617 465	6 279 088
Loans and advances to banks	675 926	387 819	1 063 745
Non-sovereign and non-bank cash placements	—	451 482	451 482
Reverse repurchase agreements and cash collateral on securities borrowed	1 140 115	3 241 405	4 381 520
Sovereign debt securities	1 928 134	3 015 013	4 943 147
Bank debt securities	297 255	299 181	596 436
Other debt securities	708 285	439 862	1 148 147
Derivative financial instruments	437 254	416 684	853 938
Securities arising from trading activities	157 332	1 438 928	1 596 260
Loans and advances to customers	16 570 313	14 075 000	30 645 313
Own originated loans and advances to customers securitised	—	269 034	269 034
Other loans and advances	117 513	—	117 513
Other securitised assets	66 704	—	66 704
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	154 738	154 738
Investment portfolio	405 410	401 620	807 030
Interests in associated undertakings and joint venture holdings	857 247	1 173	858 420
Current taxation assets	59 941	4 437	64 378
Deferred taxation assets	119 730	85 131	204 861
Other assets	736 579	936 003	1 672 582
Property and equipment	72 947	165 125	238 072
Investment properties	—	105 975	105 975
Goodwill	68 669	6 698	75 367
Software	4 571	5 136	9 707
Non-current assets classified as held for sale	—	22 270	22 270
	30 085 548	**26 540 179**	**56 625 727**
Liabilities			
Deposits by banks	2 150 251	1 296 525	3 446 776
Derivative financial instruments	472 598	596 521	1 069 119
Other trading liabilities	18 449	1 350 883	1 369 332
Repurchase agreements and cash collateral on securities lent	85 091	830 117	915 208
Customer accounts (deposits)	20 783 754	18 724 051	39 507 805
Debt securities in issue	1 273 106	268 088	1 541 194
Liabilities arising on securitisation of own originated loans and advances	—	208 571	208 571
Liabilities arising on securitisation of other assets	71 751	—	71 751
Current taxation liabilities	37 414	35 283	72 697
Deferred taxation liabilities	—	5 198	5 198
Other liabilities	1 025 313	790 826	1 816 139
Liabilities to customers under investment contracts	—	154 889	154 889
	25 917 727	**24 260 952**	**50 178 679**
Subordinated liabilities	668 810	303 996	972 806
	26 586 537	**24 564 948**	**51 151 485**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

1. Combined consolidated segmental analysis continued

At 31 March 2023^ £'000	UK and Other	Southern Africa	Total
Segmental geographic analysis – balance sheet assets and liabilities			
Assets			
Cash and balances at central banks	5 400 401	1 037 308	6 437 709
Loans and advances to banks	889 034	561 593	1 450 627
Non-sovereign and non-bank cash placements	—	442 254	442 254
Reverse repurchase agreements and cash collateral on securities borrowed	1 338 699	2 656 491	3 995 190
Sovereign debt securities	1 221 744	3 182 499	4 404 243
Bank debt securities	204 691	710 995	915 686
Other debt securities	697 275	532 117	1 229 392
Derivative financial instruments	633 649	730 263	1 363 912
Securities arising from trading activities	127 537	1 708 790	1 836 327
Loans and advances to customers	15 567 809	14 545 160	30 112 969
Own originated loans and advances to customers securitised	—	272 879	272 879
Other loans and advances	142 665	61	142 726
Other securitised assets	78 231	24 920	103 151
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	110 891	110 891
Investment portfolio	489 204	841 703	1 330 907
Interests in associated undertakings and joint venture holdings	52 320	1 383	53 703
Current taxation assets	69 257	65	69 322
Deferred taxation assets	134 564	99 470	234 034
Other assets	959 421	1 071 055	2 030 476
Property and equipment	121 014	157 547	278 561
Investment properties	—	722 481	722 481
Goodwill	255 267	7 365	262 632
Software	9 415	5 986	15 401
Other acquired intangible assets	40 550	586	41 136
Non-current assets classified as held for sale	—	35 761	35 761
	28 432 747	**29 459 623**	**57 892 370**
Liabilities			
Deposits by banks	2 168 795	1 448 729	3 617 524
Derivative financial instruments	701 282	841 858	1 543 140
Other trading liabilities	28 184	1 250 268	1 278 452
Repurchase agreements and cash collateral on securities lent	119 321	818 786	938 107
Customer accounts (deposits)	19 115 554	20 440 115	39 555 669
Debt securities in issue	1 449 545	353 041	1 802 586
Liabilities arising on securitisation of own originated loans and advances	—	163 787	163 787
Liabilities arising on securitisation of other assets	81 609	—	81 609
Current taxation liabilities	40 303	29 477	69 780
Deferred taxation liabilities	22 216	4 329	26 545
Other liabilities	1 229 580	1 081 523	2 311 103
Liabilities to customers under investment contracts	—	110 891	110 891
	24 956 389	**26 542 804**	**51 499 193**
Subordinated liabilities	731 483	353 147	1 084 630
	25 687 872	**26 895 951**	**52 583 823**

^ Restated as detailed in note 62.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

1. Combined consolidated segmental analysis continued

Segmental geographical and business analysis of adjusted operating profit before goodwill, acquired intangibles, non-operating items, taxation and after non-controlling interests.

For the year to 31 March 2024 £'000	Private Client	Private Client / Specialist Banking	Specialist Banking			
	Wealth & Investment	**Private Banking**	**Corporate, Investment Banking and Other**	**Group Investments**	**Group Costs**	**Total Group**
UK and Other	31 014	68 396	337 797	11 721	(29 248)	419 680
Southern Africa	36 973	148 155	256 148	(369)	(14 948)	425 959
Continuing operations adjusted operating profit	**67 987**	**216 551**	**593 945**	**11 352**	**(44 196)**	**845 639**
Discontinued operations	47 828	—	—	3 012	—	50 840
Total Group adjusted operating profit	**115 815**	**216 551**	**593 945**	**14 364**	**(44 196)**	**896 479**
Non-controlling interests of continuing operations						1 382
Non-controlling interests of discontinued operations						11 766
Adjusted operating profit before non-controlling interests						**909 627**
Operating profit before non-controlling interests from continuing operations						847 021
Operating profit before non-controlling interests of discontinued operations						62 606

For the year to 31 March 2023^ £'000	Private Client	Private Client / Specialist Banking	Specialist Banking			
	Wealth & Investment	**Private Banking**	**Corporate, Investment Banking and Other**	**Group Investments**	**Group Costs**	**Total Group**
UK and Other	—	70 154	233 234	18 103	(18 209)	303 282
Southern Africa	32 799	179 616	244 141	(373)	(15 343)	440 840
Continuing operations adjusted operating profit	**32 799**	**249 770**	**477 375**	**17 730**	**(33 552)**	**744 122**
Discontinued operations	91 756	—	—	50	—	91 806
Total Group adjusted operating profit	**124 555**	**249 770**	**477 375**	**17 780**	**(33 552)**	**835 928**
Non-controlling interests of continuing operations						752
Non-controlling interests of discontinued operations						11 814
Adjusted operating profit before non-controlling interests						**848 494**
Operating profit before non-controlling interests from continuing operations						744 874
Operating profit before non-controlling interests of discontinued operations						103 620

^ Restated as detailed in note 62.

Refer to note 7 for a further analysis of operating costs.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

2. Net interest income

For the year to 31 March 2024 £'000	Notes	UK and Other: Average balance sheet value	UK and Other: Interest income	UK and Other: Average yield	Southern Africa: Average balance sheet value	Southern Africa: Interest income	Southern Africa: Average yield	Total: Average balance sheet value	Total: Interest income
Cash, near cash and bank debt and sovereign debt securities	1	8 872 354	415 377	4.82%	8 631 588	621 345	6.98%	17 503 942	1 036 722
Core loans	2	16 247 191	1 304 525	8.03%	14 176 839	1 559 924	10.89%	30 424 030	2 864 449
Private client		5 295 948	272 640	5.15%	9 988 597	1 084 691	10.74%	15 284 545	1 357 331
Corporate, Investment Banking and Other		10 951 243	1 031 885	9.42%	4 188 242	475 233	11.23%	15 139 485	1 507 118
Other debt securities and other loans and advances		891 414	66 290	7.44%	446 033	28 671	6.36%	1 337 447	94 961
Other	3	190 123	116 100	n/a	35 460	11 918	n/a	225 583	128 018
		26 201 082	**1 902 292**		**23 289 920**	**2 221 858**		**49 491 002**	**4 124 150**

For the year to 31 March 2024 £'000	Notes	UK and Other: Average balance sheet value	UK and Other: Interest expense	UK and Other: Average yield	Southern Africa: Average balance sheet value	Southern Africa: Interest expense	Southern Africa: Average yield	Total: Average balance sheet value	Total: Interest expense
Deposits by banks and other debt-related securities	4	3 702 896	(74 690)	2.02%	2 229 500	(169 006)	7.48%	5 932 396	(243 696)
Customer accounts (deposits)		19 743 560	(882 517)	4.49%	19 479 601	(1 453 394)	7.34%	39 223 161	(2 335 911)
Subordinated liabilities		692 448	(51 961)	7.50%	326 382	(27 155)	8.20%	1 018 830	(79 116)
Other	5	259 387	(90 537)	n/a	117 238	(36 197)	n/a	376 625	(126 734)
		24 398 291	**(1 099 705)**		**22 152 721**	**(1 685 752)**		**46 551 012**	**(2 785 457)**
Net interest income			**802 587**			**536 106**			**1 338 693**
Net interest margin			**3.10%**			**2.26%**			

The average balance sheet value and average yield for Southern Africa have been determined in Rands. The average balance sheet value shown above has been translated using the average Rand: Pound Sterling exchange rate for the period of R23.54 (2023: R20.45).

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, finance lease receivables as well as interest income from derivative financial instruments and off-balance sheet assets 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, lease liabilities as well as interest expense from derivative financial instruments where there is no associated balance sheet value.

* The average balance sheet value is calculated using a straight-line 13 point average.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

2. Net interest income continued

For the year to 31 March 2023^ £'000	Notes	UK and Other Average balance sheet value*	UK and Other Interest income	UK and Other Average yield	Southern Africa Average balance sheet value*	Southern Africa Interest income	Southern Africa Average yield	Total Average balance sheet value	Total Interest income
Cash, near cash and bank debt and sovereign debt securities	1	9 311 384	207 453	2.30%	9 292 880	511 675	5.12%	18 604 264	719 128
Core loans	2	15 268 383	913 761	6.00%	15 199 345	1 424 790	8.73%	30 467 728	2 338 551
Private client		5 085 272	212 142	4.22%	11 079 276	1 029 729	8.65%	16 164 548	1 241 871
Corporate, Investment Banking and Other		10 183 111	701 619	6.89%	4 120 069	395 061	8.94%	14 303 180	1 096 680
Other debt securities and other loans and advances		731 308	38 862	5.31%	618 067	34 674	5.23%	1 349 375	73 536
Other	3	225 900	47 668	n/a	50 054	8 537	n/a	275 954	56 205
		25 536 975	**1 207 744**		**25 160 346**	**1 979 676**		**50 697 321**	**3 187 420**

For the year to 31 March 2023^ £'000	Notes	UK and Other Average balance sheet value*	UK and Other Interest expense	UK and Other Average yield	Southern Africa Average balance sheet value*	Southern Africa Interest expense	Southern Africa Average yield	Total Average balance sheet value	Total Interest expense
Deposits by banks and other debt-related securities	4	3 766 167	(50 216)	1.34%	2 351 057	(124 275)	3.24%	6 117 224	(174 491)
Customer accounts (deposits)		19 002 059	(382 561)	2.02%	21 179 824	(1 228 310)	5.42%	40 181 883	(1 610 871)
Subordinated liabilities		737 888	(33 615)	4.56%	128 489	(38 459)	8.45%	866 377	(72 074)
Other	5	352 681	(32 513)	n/a	432 265	(30 175)	n/a	784 946	(62 688)
		23 858 795	**(498 905)**		**24 091 635**	**(1 421 219)**		**47 950 430**	**(1 920 124)**
Net interest income			**708 839**			**558 457**			**1 267 296**
Net interest margin			**2.81%**			**2.20%**			

The average balance sheet value and average yield for Southern Africa have been determined in Rands. The average balance sheet value shown above has been translated using the average Rand: Pound Sterling exchange rate for the period of R23.54 (2023: R20.45).

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, finance lease receivables as well as interest income from derivative financial instruments and off-balance sheet assets 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, lease liabilities as well as interest expense from derivative financial instruments where there is no associated balance sheet value.

^ Restated as detailed in note 62.
* The average balance sheet value is calculated using a straight-line 13 point average.

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CONTINUED

3. Fee and commission income and fee and commission expense

For the year to 31 March 2024 £'000	UK and Other	Southern Africa	Total
Wealth & Investment net fee and commission income	**—**	**107 721**	**107 721**
Fund management fees/fees for funds under management	—	68 457	68 457
Private client transactional fees*	—	42 885	42 885
Fee and commission expense	—	(3 621)	(3 621)
Specialist Banking net fee and commission income	**148 585**	**159 884**	**308 469**
Specialist Banking fee and commission income**	164 043	207 286	371 329
Specialist Banking fee and commission expense	(15 458)	(47 402)	(62 860)
Group Investments net fee and commission income	**—**	**(3)**	**(3)**
Group Investments fee and commission income	—	(3)	(3)
Group Investments fee and commission expense	—	—	—
Net fee and commission income	**148 585**	**267 602**	**416 187**
Fee and commission income	164 043	318 625	482 668
Fee and commission expense	(15 458)	(51 023)	(66 481)
Net fee and commission income	**148 585**	**267 602**	**416 187**
Annuity fees (net of fees payable)	11 922	189 356	201 278
Deal fees	136 663	78 246	214 909

For the year to 31 March 2023^ £'000	UK and Other	Southern Africa	Total
Wealth & Investment net fee and commission income	**—**	**108 063**	**108 063**
Fund management fees/fees for funds under management	—	66 418	66 418
Private client transactional fees*	—	44 614	44 614
Fee and commission expense	—	(2 969)	(2 969)
Specialist Banking net fee and commission income	**108 760**	**180 532**	**289 292**
Specialist Banking fee and commission income**	123 511	219 127	342 638
Specialist Banking fee and commission expense	(14 751)	(38 595)	(53 346)
Group Investments net fee and commission income	**—**	**—**	**—**
Group Investments fee and commission income	—	—	—
Group Investments fee and commission expense	—	—	—
Net fee and commission income	**108 760**	**288 595**	**397 355**
Fee and commission income	123 511	330 159	453 670
Fee and commission expense	(14 751)	(41 564)	(56 315)
Net fee and commission income	**108 760**	**288 595**	**397 355**
Annuity fees (net of fees payable)	15 743	195 802	211 545
Deal fees	93 017	92 793	185 810

* Trust and fiduciary fees amounted to £0.4 million (2023: £0.4 million) and are included in Private client transactional fees.

** Included in Specialist Banking is fee and commission income of £7.1 million (2023: £6.8 million) for operating lease income which is out of the scope of IFRS 15 – Revenue from contracts with customers. Refer to note 14 for details on operating lease disclosures.

^ Restated as detailed in note 62.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

4. Investment income

For the year to 31 March 2024 £'000	Listed equities	Unlisted equities**	Fair value investments	Warrants and profit shares	Investment portfolio	Debt securities (sovereign, bank and other)	Investment and trading properties	Other asset and liability categories	Total
UK and Other									
Realised	(2 742)	38 646	—	287	36 191	831	—	(8 368)	28 654
Unrealised*	2 798	(30 382)	—	450	(27 134)	(253)	(12 500)	12 369	(27 518)
Dividend income	11 722	1 261	—	—	12 983	—	—	200	13 183
Funding and other net related income	—	—	—	—	—	—	—	—	—
	11 778	**9 525**	**—**	**737**	**22 040**	**578**	**(12 500)**	**4 201**	**14 319**
Southern Africa									
Realised	(17)	(56 239)	—	4 100	(52 156)	5 254	118	(495)	(47 279)
Unrealised*	2 398	52 639	6 253	1 913	63 203	3 561	(89)	(277)	66 398
Dividend income	5 635	16 441	—	—	22 076	—	—	12	22 088
Funding and other net related (costs)/income	—	(2 223)	—	—	(2 223)	—	7 078	—	4 855
	8 016	**10 618**	**6 253**	**6 013**	**30 900**	**8 815**	**7 107**	**(760)**	**46 062**
Investment income/(loss)	**19 794**	**20 143**	**6 253**	**6 750**	**52 940**	**9 393**	**(5 393)**	**3 441**	**60 381**

For the year to 31 March 2023^ £'000	Listed equities	Unlisted equities**	Fair value investments	Warrants and profit shares	Investment portfolio	Debt securities (sovereign, bank and other)	Investment and trading properties	Other asset and liability categories	Total
UK and Other									
Realised	(994)	53 495	—	1 062	53 563	(529)	(1 118)	(38 758)	13 158
Unrealised*	1 147	(51 330)	—	(1 281)	(51 464)	(5 649)	(2 325)	43 874	(15 564)
Dividend income	13 210	6 312	—	—	19 522	—	—	234	19 756
Funding and other net related income	—	—	—	—	—	—	865	—	865
	13 363	**8 477**	**—**	**(219)**	**21 621**	**(6 178)**	**(2 578)**	**5 350**	**18 215**
Southern Africa									
Realised	159	1 522	—	4 326	6 007	9 867	3 478	(6 007)	13 345
Unrealised*	(978)	(8 253)	(8 799)	487	(17 543)	1 238	3 055	(1 485)	(14 735)
Dividend income	1 894	5 242	—	—	7 136	—	—	782	7 918
Funding and other net related (costs)/income	—	(1 977)	—	—	(1 977)	—	6 537	—	4 560
	1 075	**(3 466)**	**(8 799)**	**4 813**	**(6 377)**	**11 105**	**13 070**	**(6 710)**	**11 088**
Investment income/(loss)	**14 438**	**5 011**	**(8 799)**	**4 594**	**15 244**	**4 927**	**10 492**	**(1 360)**	**29 303**

* In a year of realisation, any prior period mark-to-market gains/(losses) recognised are reversed in the unrealised line item and recognised in the realised line item.
** Includes income/(losses) from unlisted equities classified as non-current assets held for sale in Southern Africa.
^ Restated as detailed in note 62.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

5. Other operating income

For the year to 31 March £'000	2024	2023
Income from government grants*	1 361	6 184
(Losses)/gains on realisation of properties	(32)	76
Unrealised losses on other investments	(922)	(6 342)
Income from operating leases	1 554	4 468
	1 961	**4 386**

* Income from government grants includes Research and Development Expenditure credits and income from the Capability and Innovation Fund from the Banking Competition Remedies Limited.

6. Expected credit loss impairment charges

For the year to 31 March £'000	2024	2023^
Expected credit loss impairment charges/(releases) is recognised on the following assets:		
Loans and advances to customers	85 407	67 904
Expected credit loss impairment charges (refer to note 28)	90 451	89 152*
Post write-off recoveries	(5 044)	(21 248)
Own originated loans and advances to customers securitised	(238)	(348)
Core loans	**85 169**	**67 556**
Other loans and advances	(3)	593
Other balance sheet assets	(1 377)	4 427*
Undrawn commitments and guarantees	(4 676)	8 270
	79 113	**80 846**

^ Restated as detailed in note 62.
* £0.7 million restated following balance sheet restatement of loans from non-sovereign and non-bank cash placements to loans and advances to customers. Refer to note 62.

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7. Operating costs

For the year to 31 March £'000	2024	2023^
Staff costs	783 030	790 805
Salaries and wages^^	398 136	406 936
Variable remuneration^^	233 499	233 734
Share-based payments expense^^	47 461	45 114
Pension and provident fund contributions^^	38 516	39 314
Other	65 418	65 707
Business expenses*	164 850	126 050
Equipment expenses (excluding depreciation)	85 136	81 055
Premises expenses	44 909	44 504
Premises expenses (excluding depreciation)	22 994	23 056
Premises depreciation	21 915	21 448
Marketing expenses	33 613	32 100
Depreciation, amortisation and impairment on property, equipment, intangibles and software	8 707	11 485
Total operating costs	**1 120 245**	**1 085 999**
The following amounts were paid by the Group to the auditors in respect of the audit of the financial statements and for other services provided to the Group:		
Ernst & Young fees		
Total audit fees	**10 812**	**10 533**
Audit of the Group's accounts	3 682	3 443
Audit of the Group's subsidiaries	7 130	7 090
Total non-audit fees	**2 753**	**3 518**
Audit-related assurance services[1]	1 527	2 004
Other assurance services[2]	680	1 020
Services related to corporate finance transactions[3]	—	87
Other non-audit services	471	407
Total auditors' remuneration	**13 565**	**14 051**
PwC 2024/ KPMG 2023 fees		
Total audit fees	**2 762**	**2 724**
Audit of Investec Limited and its subsidiaries	2 762	2 724
Total non-audit fees	**1 037**	**2 241**
Audit-related assurance services[1]	718	292
Other assurance services[2]	259	8
Tax compliance and advisory services for Investec plc	47	125
Services related to corporate finance transactions[3]	13	—
Other non-audit services for Investec plc	—	1 816
Total auditors' remuneration	**3 799**	**4 965**
Total fees paid for the year ended 31 March 2024	17 364	19 016
Total non-audit fees paid for the year ended 31 March 2024	3 790	5 759

^ Restated as detailed in note 62.
^^ For details of the directors' emoluments, pensions and their interests refer to pages 27 to 51 in the Investec Group's 2024 remuneration report.
* Business expenses mainly comprise insurance costs, consulting and professional fees, travel expenses and subscriptions. In the current year a provision relating to motor vehicle financing has been included in business expenses. Refer to note 54.

1 Audit-related assurance services consist of review of interim financial information and reporting accountant services.
2 Other assurance services relate to services required by law or regulation (including reporting on regulatory returns, agreed-upon-procedures relating to statutory and regulatory filings and reporting to regulators on client assets).
3 Services related to corporate finance transactions relate to comfort letters on debt issuances.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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7. Operating costs (continued)

Segmental analysis of operating costs

For the year to 31 March 2024 £'000	Wealth & Investment	Specialist Banking	Group Investments	Group Costs	UK and Other
Staff costs	—	420 197	—	13 290	433 487
Business expenses	—	107 332	—	13 285	120 617
Equipment expenses (excluding depreciation)	—	48 162	—	1 218	49 380
Premises expenses	—	28 038	—	813	28 851
Marketing expenses	—	9 337	—	642	9 979
Depreciation, amortisation and impairment on property, equipment, intangibles and software	—	3 007	—	—	3 007
	—	**616 073**	**—**	**29 248**	**645 321**

For the year to 31 March 2024 £'000	Wealth & Investment	Specialist Banking	Group Investments	Group Costs	Southern Africa
Staff costs	56 000	288 639	—	4 904	349 543
Business expenses	12 890	24 940	234	6 169	44 233
Equipment expenses (excluding depreciation)	11 297	24 214	—	245	35 756
Premises expenses	3 688	12 042	—	328	16 058
Marketing expenses	2 756	17 846	—	3 032	23 634
Depreciation, amortisation and impairment on property, equipment, intangibles and software	221	5 209	—	270	5 700
	86 852	**372 890**	**234**	**14 948**	**474 924**

For the year to 31 March 2023^ £'000	Wealth & Investment	Specialist Banking	Group Investments	Group Costs	UK and Other
Staff costs	—	410 280	—	9 328	419 608
Business expenses	—	71 932	—	8 001	79 933
Equipment expenses (excluding depreciation)	—	42 919	—	427	43 346
Premises expenses	—	25 921	—	270	26 191
Marketing expenses	—	9 012	—	183	9 195
Depreciation, amortisation and impairment on property, equipment, intangibles and software	—	3 507	—	—	3 507
	—	**563 571**	**—**	**18 209**	**581 780**

For the year to 31 March 2023^ £'000	Wealth & Investment	Specialist Banking	Group Investments	Group Costs	Southern Africa
Staff costs	56 716	308 693	—	5 788	371 197
Business expenses	12 467	26 514	1 127	6 009	46 117
Equipment expenses (excluding depreciation)	11 561	25 960	—	188	37 709
Premises expenses	3 600	14 409	—	304	18 313
Marketing expenses	2 799	17 323	—	2 783	22 905
Depreciation, amortisation and impairment on property, equipment, intangibles and software	229	7 478	—	271	7 978
	87 372	**400 377**	**1 127**	**15 343**	**504 219**

^ Restated as detailed in note 62.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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8. Share-based payments and employee benefits

The Group operates share option and long-term share incentive plans for employees which are on an equity-settled and cash-settled basis.

The purpose of the staff share schemes is to promote an *esprit de corps* within the organisation, create an awareness of the Investec Group performance and provide an incentive to maximise individual business unit and Group performance by allowing all staff to share in the risks and rewards of the Group.

Awards made under the UK share schemes are settled in Investec Plc shares (INVP) and those under South African share schemes are settled in Investec Limited shares (INL).

These awards are contingent on the continued employment of employees up to the date of vesting.

The share incentive plans are granted in the following award types, each of which vest in line with the specified parameters.

Equity-settled awards granted under Investec share plans

Forfeitable share awards are shares held in the name of or for the benefit of an employee, for which the employee has dividend and voting rights.

Conditional awards are the right to receive a share at a future date once the service conditions have been met. Employees do not have a right to dividends or voting rights on these grants until vesting.

Nil-cost options are share options in respect of which no option price is payable and where the employee has no dividends or voting rights.

Equity settled share appreciation rights are conditional rights to acquire securities on vesting.

Forfeitable and conditional awards and nil cost options are awarded to employees for no consideration. These are settled by grants from the Group's share scheme trusts, which acquire shares through purchase of shares in one market.

Share appreciation rights are awarded to employees with a strike price. These are settled by grants from the Group's share scheme trusts, through the acquisition of call options from third parties.

Cash-settled awards

Cash settled share appreciation rights are conditional rights to receive cash on vesting.

These rights are awarded to employees with a strike price and are settled by grants from Investec Limited, through the acquisition of call options from third parties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

8. Share-based payments and employee benefits continued

Equity-settled options (continued)

For the year to 31 March £'000	2024	2023
Weighted average fair value of awards granted in the year		
UK schemes	19 600	25 576
South African schemes	24 714	33 152

Equity-settled options

	UK schemes				South African schemes			
	2024		2023		2024		2023	
Details of equity-settled awards outstanding during the year	**Number of shares**	**Weighted average exercise price £**	Number of shares	Weighted average exercise price £	**Number of shares**	**Weighted average exercise price R**	Number of shares	Weighted average exercise price R
Outstanding at the beginning of the year	28 785 417	—	29 590 241	—	28 542 307	6.60	26 601 046	—
Property Fund deconsolidation *	—	—	—	—	(259 286)	7.08	—	—
Sale of business ^	(748 335)	—	—	—	—	—	—	—
Granted during the year	5 525 265	—	5 542 176	—	6 952 574	21.54	8 509 927	22.14
Exercised during the year	(5 182 871)	—	(4 788 744)	0.01	(6 698 245)	—	(5 635 542)	—
Awards forfeited during the year	(658 715)	—	(1 558 256)	—	(866 749)	4.84	(933 124)	—
Outstanding at the end of the year	**27 720 761**	**—**	**28 785 417**	**—**	**27 670 601**	**12.01**	**28 542 307**	**6.60**
Vested and exercisable at the end of the year	**861 064**	**—**	**932 470**	**—**	**302 228**	**—**	**492 909**	**—**

* The Group deconsolidated its existing 24.3% investment in the Investec Property Fund management companies on 6 July 2023.

^ The Group sold it's Wealth & Investment business in the UK to Rathbones Group Plc on 21 September 2023, acquiring a 41.25% interest in Rathbones.

The weighted average share price during the year was £4.81 (2023: £4.59) for the UK schemes and R111.30 (2023: R92.95) for the South African schemes.

The weighted average share price for options exercised during the year was £4.58 (2023: £4.57) for the UK schemes and R111.14 (2023: R90.22) for the South African schemes.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

8. Share-based payments and employee benefits continued

Equity-settled options (continued)

	UK schemes		South African schemes	
Additional information relating to awards	**2024**	2023	**2024**	2023
Long-term incentive options with strike prices				
Exercise price range	n/a	n/a	R 93.31 - R 105.57	R93.31
Weighted average remaining contractual life	n/a	n/a	2.55 years	3.16 years
Weighted average fair value of options and long-term grants during the period	n/a	n/a	R13.86	R14.42
Long-term incentive shares with no strike price				
Exercise price range	£nil	£nil	Rnil	Rnil
Weighted average remaining contractual life of outstanding awards	1.69 years	1.99 years	1.67 years	1.81 years
Weighted average fair value of options and long-term grants granted during the period	£3.55	£4.61	R102.73	R95.89
The fair value of equity settled share appreciation rights were calculated using the Black-Scholes option pricing model while nil cost share grants were valued at market price, adjusted for relevant terms and conditions as applicable. For shares granted during the period, the inputs were as follows:				
Share price at date of grant	£4.25 - £5.13	£4.70 - £4.81	R103.60 - R120.45	R95.89 - R100.81
Exercise price	£nil	£nil	Rnil, R105.57	Rnil, R93.31
Expected volatility ^	n/a	n/a	29.74% - 29.84%	25.42 %
Option life	2.00 - 7.01 years	3.66 - 7.01 years	1.00 - 5.03 years	2.50 - 5.00 years
Expected dividend yields	n/a	n/a	8.46% - 8.88%	5.89% - 6.06%
Risk-free rate	n/a	n/a	8.89% - 9.29%	7.07% - 7.52%

^ The expected volatility is determined by extracting historical volatilities from a trading and risk platform and performing a linear interpolation across strikes and maturities.

The fair value of forfeitable and conditional awards was calculated using market prices, adjusted for certain terms and conditions where applicable.

The fair value of share appreciation rights was calculated using the Black-Scholes pricing model.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

8. Share-based payments and employee benefits continued

Equity-settled options (continued)

	2024		2023	
Summary by share plan and award type	**Number of shares outstanding**	**Year of vesting**	Number of shares outstanding	Year of vesting
Investec Plc	**27 720 761**		**28 785 417**	
Investec 1 Limited Share Incentive Plan	11 522 009		15 740 666	
Conditional awards	70 571	3,4,5	137 473	3,4,5
Forfeitable shares	11 446 438	3,4,5	15 598 193	3,4,5
Nil cost options	5 000	4,5	5 000	4,5
Investec plc Executive Incentive Plan 2013	6 446 810		7 541 227	
Executive Conditional awards	6 436 810	1,2,3 & 3,4,5 & 3,4,5,6,7	7 531 227	1,2,3 & 3,4,5 & 3,4,5,6,7
Nil cost options	10 000	4,5	10 000	4,5
Investec plc Share Incentive Plan 2021	9 751 942		5 503 524	
Conditional awards	314 045	3,4,5	76 349	3,4,5
Executive Conditional awards	2 222 905	1,2,3 & 3,4,5 & 3,4,5,6,7	1 428 850	1,2,3 & 3,4,5 & 3,4,5,6,7
Forfeitable shares	7 214 992	3,4,5	3 998 325	3,4,5
Investec Limited	**27 670 601**		**28 542 307**	
Investec Limited Share Incentive plan	12 534 542		19 668 375	
Conditional awards	359 542	3,4,5	457 112	3,4,5
Forfeitable awards	12 175 000	3,4,5	19 211 263	3,4,5
Investec Limited Share Incentive plan 2021	15 136 059		8 873 932	
Conditional awards	46 385	3,4,5	46 385	3,4,5
Share appreciation rights	3 377 933	3,4,5	2 019 529	3,4,5
Forfeitable awards	11 711 741	3,4,5	6 808 018	3,4,5
Outstanding at the end of the year	**55 391 362**		**57 327 724**	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

8. Share-based payments and employee benefits continued

Equity-settled options (continued)

	2024		2023	
Summary by share plan	**Number of shares outstanding**	**Maximum award limit per individual**	Number of shares outstanding	Maximum award limit per individual
Investec Plc				
Investec 1 Limited Share Incentive Plan	11 522 009	10 000 000	15 740 666	10 000 000
Investec plc Executive Incentive Plan 2013	6 446 810	2 500 000	7 541 227	2 500 000
Investec plc Share Incentive Plan 2021	9 751 942	15 000 000	5 503 524	15 000 000
Investec Limited				
Investec Limited Share Incentive plan	12 534 542	10 000 000	19 668 375	10 000 000
Investec Limited Share Incentive plan 2021	15 136 059	15 000 000	8 873 932	15 000 000
Outstanding at the end of the year	**55 391 362**		**57 327 724**	

	UK schemes		South African schemes	
Awards granted but not exercised by option vesting period	**2024**	2023	**2024**	2023
Year to 31 March 2023	—	932 470	—	492 909
Year to 31 March 2024	861 064	5 363 823	302 228	6 567 568
Year to 31 March 2025	7 643 931	7 642 215	7 875 132	8 116 562
Year to 31 March 2026	9 201 369	9 398 810	7 485 673	7 766 108
Year to 31 March 2027	5 226 958	3 846 730	7 554 943	5 557 675
Year to 31 March 2028	3 743 032	995 814	4 395 276	41 485
Year to 31 March 2029	625 093	444 531	48 072	—
Year to 31 March 2030	290 162	161 024	9 277	—
Year to 31 March 2031	129 152	—	—	—
Outstanding at the end of the year	**27 720 761**	**28 785 417**	**27 670 601**	**28 542 307**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

8. Share-based payments and employee benefits continued

Cash-settled options

	South African schemes			
	2024		2023	
Details of cash-settled awards outstanding during the year	**Number of options**	**Weighted average exercise price R**	Number of options	Weighted average exercise price R
Outstanding at the beginning of the year	3 606 097	54.03	3 606 097	54.03
Property Fund deconsolidation	(16 329)	54.03	—	—
Outstanding at the end of the year	**3 589 768**	**54.03**	**3 606 097**	**54.03**
Vested and exercisable at the end of the year	**—**	**—**	**—**	**—**

The cash-settled award to employees was a once-off award in the 2022 financial year and going forward awards are equity-settled with a strike price.

The liability, which is included in other liabilities on the balance sheet, is valued at £7.7 million (2023: £3.3 million) and an expense of £4.9 million (2023: £1.7 million) has been recognised in share-based payments expense within operating costs in the income statement.

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

	South African schemes	
At 31 March	**2024**	2023
The value of the cash-settled liability was calculated by using the Black-Scholes option pricing model:		
For the liability calculated the inputs into the model were as follows:		
Listed share price at 31 March	R124.93	R98.12
Exercise price	R54.03	R54.03
Expected volatility ^	27.85% - 27.96%	30.61 %
Option life	0.42 - 2.08 years	1.41 - 3.08 years
Expected dividend yields	6.40% - 8.45%	5.94% - 6.34%
Risk-free rate	8.05% - 8.26%	7.75% - 7.92%

^ The expected volatility is determined by extracting historical volatilities from a trading and risk platform and performing a linear interpolation across strikes and maturities.

	South African schemes	
Awards granted but not exercised by option vesting period	**2024**	2023
Year to 31 March 2025	1 196 563	1 202 006
Year to 31 March 2026	2 393 205	2 404 091
Outstanding at the end of the year	**3 589 768**	**3 606 097**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

8. Share-based payments and employee benefits continued

In March 2020, as part of the Investec Asset Management Limited demerger, each participant of the Investec share option and long-term share incentive plans, received the right to one Ninety One share award for every two Investec share awards they had. The Ninety One share awards were granted on the same terms and vesting period as the Investec awards they related to.

Investec DLC has an obligation to deliver Ninety One shares to the holders of Investec share awards, accordingly this obligation was classified and measured as an 'other long-term liability' in terms of IAS 19 Employee Benefits (IAS 19). The initial liability of £14.8 million was calculated at the date of demerger for the portion of the awards already vested. The total value of the liability represented was accounted for in retained income. In the current and prior year, the liability was subsequently measured through profit or loss.

Management concluded that the share price used to calculate the liability as at the date of the demerger (13 March 2020) approximated the fair value of the share price to be used to calculate the liability as at 31 March 2020. Management performed procedures to support this assumption.

In the prior year, on 30 May 2022, the Group's 15% shareholding in Ninety One DLC was distributed to ordinary shareholders. Each participant of the Investec share option and long-term share incentive plans for employees, received the right to receive 0.13751 Ninety One shares for each Investec share option they had.

In addition, management approved the acceleration of certain remaining Ninety One awards. Participants had 90 days to exercise the acceleration. The acceleration excluded awards made to senior management.

The IAS 19 long-term employment benefit liability movement recognised in the income statement for the year ended 31 March 2024 was a loss of £0.73 million (2023: loss of £5.4 million).

	UK schemes				South African schemes			
	2024		2023		**2024**		2023	
Details of awards outstanding during the year	**Number of shares**	**Weighted average exercise price £**	Number of shares	Weighted average exercise price £	**Number of shares**	**Weighted average exercise price R**	Number of shares	Weighted average exercise price R
Outstanding at the beginning of the year	2 735 148	—	4 312 508	0.01	952 998	—	4 940 271	—
Sale of business	—	—	—	—	—	—	—	—
Grant linked to Ninety One Distribution	—	—	4 316 708	—	—	—	4 411 398	—
Granted during the year ^	103 046	—	1 120	—	26 772	—	—	—
Exercised during the year	(1 201 482)	—	(5 706 136)	—	(845 350)	—	(8 281 466)	—
Lapsed during the year	(21 369)	—	(189 052)	0.17	(8 547)	—	(117 205)	—
Outstanding at the end of the year	**1 615 343**	**—**	**2 735 148**	**—**	**125 873**	**—**	**952 998**	**—**
Exercisable at the end of the year	**421 724**	**—**	**1 054 811**	**—**	**29 545**	**—**	**789 931**	**—**

^ The Ninety One shares granted are due to the Group reaching predetermined performance conditions. These awards are aligned with the uptick in Investec shares in the ratio of one Ninety One share for every two Investec shares.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

8. Share-based payments and employee benefits continued

	UK schemes		South African schemes	
At 31 March	**2024**	2023	**2024**	2023
The exercise price range and weighted average remaining contractual life for options and shares outstanding were as follows:				
Options with strike prices				
Exercise price range	n/a	n/a	n/a	n/a
Weighted average remaining contractual life	n/a	n/a	n/a	n/a
Long-term awards with no strike price				
Exercise price	£nil	£nil	Rnil	Rnil
Weighted average remaining contractual life	1.19 years	1.51 years	0.68 years	1.08 years
The fair value of the liability was calculated by using the Black-Scholes option pricing model				
For the liability calculated the inputs into the model were as follows:				
Listed share price at 31 March	£1.71	£1.85	R40.34	R40.54
Exercise price	£nil	£nil	Rnil	Rnil
Expected volatility ^	30.96% - 31.37%	37.67%	31.17% - 31.26%	31.27%
Option life	0 - 4.42 years	0 - 5.41 years	0.16 - 2.08 years	0.15 - 3.08 years
Expected dividend yields	0% - 5.54%	0% - 9.82%	0% - 10.08%	0% - 8.49%
Risk-free rate	3.78% - 5.07%	3.67% - 4.45%	8.24% - 8.82%	7.63% - 8.02%

^ The expected volatility is determined by extracting historical volatilities from a trading and risk platform and performing a linear interpolation across strikes and maturities.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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9. Taxation

For the year to 31 March £'000	2024	2023^
Income statement taxation charge		
Current taxation		
UK		
– in respect of the current year	83 973	68 176
– in respect of prior year adjustments	3 110	(7 359)
Corporation tax before double tax relief	87 083	60 817
– Double taxation relief	(566)	(335)
	86 517	**60 482**
Southern Africa		
– in respect of the current year	88 308	96 215
– in respect of release of taxation provisions no longer required	—	—
– in respect of prior year adjustments	(8 156)	2 494
	80 152	**98 709**
Europe	7 383	5 478
Australia	333	438
Other*	1 338	638
Withholding taxation on companies	362	421
Total current taxation	**176 085**	**166 166**
Deferred taxation		
UK	(9 689)	(7 632)
Southern Africa	5 026	(10 291)
Europe	(199)	102
Australia	—	—
Other	(36)	(5)
Total deferred taxation	**(4 898)**	**(17 826)**
Total taxation charge for the year	**171 187**	**148 340**
Total taxation charge for the year comprises:		
Taxation on operating profit before acquired intangibles and gain on distribution of associate to shareholders	172 066	163 522
Taxation on acquired intangibles and gain on distribution of associate to shareholders	(879)	(15 182)
	171 187	**148 340**

^ Restated as detailed in note 62.
* Where Other largely includes India and North America.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

9. Taxation continued

For the year to 31 March £'000	2024	2023^
Deferred taxation comprises:		
Origination and reversal of temporary differences	(3 534)	(10 345)
Changes in taxation rates	(616)	(6 710)
Adjustment in respect of prior years	(748)	(771)
	(4 898)	**(17 826)**
The deferred taxation movements in the income statement arise from:		
Deferred capital allowance	(3 125)	(11 304)
Income and expenditure accruals	7 732	(3 324)
Asset in respect of unexpired options	(6 349)	(2 258)
Unrealised fair value adjustments on financial instruments	1 487	(1 978)
Movement in deferred tax assets related to assessed losses	(765)	6 092
Liability in respect of pension surplus	10	11
Deferred taxation on acquired intangibles	(367)	(588)
Revaluation of investment properties	(161)	396
Finance lease accounting	(3 359)	(5 003)
Other temporary differences	(1)	130
	(4 898)	**(17 826)**
The rates of corporation taxation for the relevant years are:	%	%
UK	25 %	19 %
South Africa	27 %	28 %
Europe (average)	10 %	10 %
Australia	30 %	30 %
Profit before taxation	**822 498**	**893 865**
Taxation on profit before taxation	**171 187**	**148 340**
Effective taxation rate (%)	20.81%	16.60%
Taxation on profit on ordinary activities before taxation at UK rate of 25% (2023: 19%) and SA rate of 27% (2023: 27%)	214 136	210 308
The standard rate of UK and South African normal taxation has been affected by:		
Tax impact of equity accounted earnings of associate	431	(6 221)
Release of deferred tax on demerger	—	(14 735)
Taxation adjustments relating to foreign earnings	(26 099)	(11 284)
Unrealised capital losses	6 955	2 022
Bank surcharge*	6 910	17 068
Impairment of goodwill and non-operating items	(298)	1 200
Taxation relating to prior years	(5 905)	(5 483)
Share options accounting expense	(212)	739
Non-taxable income	(25 902)	(20 080)
Net other permanent differences	1 792	1 421
Change in tax rate	(616)	(6 915)
Tax rate differential on profits of a capital nature	(6 761)	2 510
Movement in unrecognised trading losses	(1 797)	5 539
Revaluation of investments	(1 833)	—
Change in expected tax consequences due to distribution	—	(34 594)
Total taxation charge as per income statement	**171 187**	**148 340**

^ Restated as detailed in note 62.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

9. Taxation continued

For the year to 31 March £'000	2024	2023^
Other comprehensive income taxation effects		
Fair value movements on cash flow hedges taken directly to other comprehensive income	(16 585)	22 194
– Pre-taxation	(12 742)	24 385
– Taxation effect	(3 843)	(2 191)
Gains on realisation of debt instruments at FVOCI recycled through the income statement	(4 789)	(2 960)
– Pre-taxation	(6 340)	(4 153)
– Taxation effect	1 551	1 193
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	11 359	(52 843)
– Pre-taxation	26 655	(53 472)
– Deferred taxation	(15 296)	629
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	(14 415)	(657)
– Pre-taxation	(14 684)	(1 021)
– Deferred taxation	269	364
Net gain/(loss) attributable to own credit risk	748	104
– Pre-taxation	1 008	131
– Taxation effect	(260)	(27)
Movement in post retirement benefits liabilities	(362)	—
– Pre-taxation	(617)	—
– Taxation effect	255	—
Statement of changes in equity taxation effects		
Share-based payment IFRS 2 adjustment taxation effect	6 984	491
Additional Tier 1 Capital taxation effect	(16 880)	(16 880)
IFRS 9 transitional adjustments taxation effect	—	(7)

^ Restated as detailed in note 62.

Global Minimum Tax

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates in. The South African National Treasury issued draft Pillar Two legislation for public comment. This legislation will be effective for the Group's financial year beginning 1 April 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions (Guernsey, Jersey, Isle of Man and Mauritius) where the transitional safe harbour relief does not apply and the Pillar Two effective tax rate is below 15%. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

We will continue to review the impact of the Pillar Two rules as further guidance is released by the Organisation for Economic Co-operation and Development's (OECD) and additional governments implement this tax regime.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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10. Earnings per share

For the year to 31 March	2024	2023^
Total Group		
Earnings from total Group	**£'000**	£'000
Earnings attributable to shareholders	941 040	804 865
(other equity holders)	(49 076)	(40 419)
(Loss)/gain on repurchase of perpetual preference shares and Other Additional Tier 1 Capital	1 406	717
Earnings and diluted earnings attributable to ordinary shareholders	**893 370**	**765 163**
Adjusted earnings from total Group		
Earnings attributable to shareholders	941 040	804 865
Impairment of goodwill	—	890
Amortisation of acquired intangibles	7 907	15 160
Amortisation of acquired intangibles of associates	5 679	1 542
Closure and rundown of the Hong Kong direct investments business	785	450
Net gain on distribution of associate to shareholders	—	(154 438)
Financial impact of strategic actions	16 576	30
Financial impact of strategic actions of discontinued operations	(265 390)	4 938
Taxation on acquired intangibles and strategic actions	(879)	(15 182)
Taxation on acquired intangibles and strategic actions of discontinued operations and amortisation of acquired intangibles	6 722	(2 031)
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(49 076)	(40 419)
Accrual adjustment on earnings attributable to other equity holders*	(866)	(1 453)
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items	**662 498**	**614 352**
Headline earnings from total Group		
Earnings attributable to shareholders	941 040	804 865
Impairment of goodwill	—	890
Financial impact of strategic actions of discontinued operations excluding implementation costs	(280 737)	—
Gain on distribution of associate to shareholders	—	(155 146)
Taxation on gain on distribution of associate to shareholders	—	(14 501)
Taxation on strategic actions of discontinued operations	8 337	—
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(49 076)	(40 419)
Property revaluation, net of taxation and non-controlling interests**	(1 958)	(1 355)
Headline adjustments of associates	—	561
(Loss)/gain on repurchase of perpetual preference shares and Other Additional Tier 1 Capital	1 406	717
Headline earnings attributable to ordinary shareholders* **	**619 012**	**595 612**
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	992 158 239	1 003 063 501
Weighted average number of treasury shares held by Investec Limited	(50 920 311)	(11 201 481)
Weighted average number of treasury shares held by share schemes	(92 431 241)	(99 921 608)
Weighted average number of shares in issue during the year	848 806 687	891 940 412
Weighted average number of shares resulting from future dilutive potential shares	35 478 832	35 365 704
Adjusted weighted number of shares potentially in issue	**884 285 519**	**927 306 116**
Basic earnings per share – pence	**105.3**	**85.8**
Diluted basic earnings per share – pence	101.0	82.5
Adjusted earnings per share – pence	**78.1**	**68.9**
Diluted adjusted earnings per share – pence	74.9	66.3
Headline earnings per share – pence***	**72.9**	**66.8**
Diluted headline earnings per share – pence***	70.0	64.2

Prior to becoming a subsidiary, the investment in Capitalmind associates met the definition of a venture capital investment as defined in the Headline Earnings Circular 1/2023. During the period a gain of £4 million was recognised as a result of a stepped acquisition of Capitalmind from 30% to 60% that required a revaluation of the previously held 30%. This amount was included in headline earnings.

* In accordance with IFRS, dividends attributable to equity holders are accounted for when a constructive liability arises i.e. on declaration by the Board of Directors and approval by the shareholders where required. Investec is of the view that EPS is best reflected by adjusting for earnings that are attributed to equity instruments (other than ordinary shares) on an accrual basis and therefore adjusts the paid dividend on such instruments to accrued in arriving at adjusted EPS.

** Taxation on property revaluation headline earnings adjustments amounted to £0.7 million (2023: £1.0 million) with an impact of £nil (2023: £3.6 million) on earnings attributable to non-controlling interests. The amount includes property revaluations included in equity accounted earnings.

*** Headline earnings per share and diluted headline earnings per share have been calculated and are disclosed in accordance with the JSE listing requirements, and in terms of circular 1/2023 issued by the South African Institute of Chartered Accountants.

^ Restated as detailed in note 62.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

10. Earnings per share continued

For the year to 31 March	2024	2023^
Continuing operations		
Earnings from continuing operations	**£'000**	£'000
Earnings attributable to shareholders from continuing operations	649 929	744 773
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(49 076)	(40 419)
(Loss)/gain on repurchase of perpetual preference shares and Other Additional Tier 1 Capital	1 406	717
Earnings and diluted earnings attributable to ordinary shareholders from continuing operations	**602 259**	**705 071**
Adjusted earnings from continuing operations		
Earnings attributable to shareholders from continuing operations	649 929	744 773
Impairment of goodwill	—	890
Amortisation of acquired intangibles	1 483	2 535
Amortisation of acquired intangibles of associates	5 679	1 542
Closure and rundown of the Hong Kong direct investments business	785	450
Net gain on distribution of associate to shareholders	—	(154 438)
Financial impact of strategic actions	16 576	30
Taxation on acquired intangibles and strategic actions	(879)	(15 182)
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(49 076)	(40 419)
Accrual adjustment on earnings attributable to other equity holders*	(866)	(1 453)
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items from continuing operations	**623 631**	**538 728**
Headline earnings from continuing operations		
Earnings attributable to shareholders from continuing operations	649 929	744 773
Impairment of goodwill	—	890
Gain on distribution of associate to shareholders	—	(155 146)
Taxation on gain on distribution of associate to shareholders	—	(14 501)
Dividends payable to perpetual preference shareholders and Other Additional Tier 1 security holders (other equity holders)	(49 076)	(40 419)
Headline adjustments of associates	—	561
Property revaluation, net of taxation and non-controlling interests**	(1 958)	(2 586)
(Loss)/gain on repurchase of perpetual preference shares and Other Additional Tier 1 Capital	1 406	717
Headline earnings attributable to ordinary shareholders from continuing operations* **	**600 301**	**534 289**
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	992 158 239	1 003 063 501
Weighted average number of treasury shares held by Investec Limited	(50 920 311)	(11 201 481)
Weighted average number of treasury shares held by share schemes	(92 431 241)	(99 921 608)
Weighted average number of shares in issue during the year	**848 806 687**	**891 940 412**
Weighted average number of shares resulting from future dilutive potential shares	35 478 832	35 365 704
Adjusted weighted number of shares potentially in issue	**884 285 519**	**927 306 116**
Basic earnings per share from continuing operations – pence	**71.0**	**79.1**
Diluted basic earnings per share from continuing operations – pence	68.1	76.0
Adjusted earnings per share from continuing operations – pence	**73.5**	**60.4**
Diluted adjusted earnings per share from continuing operations – pence	70.5	58.1
Headline earnings per share from continuing operations – pence* **	**70.7**	**59.9**
Diluted headline earnings per share from continuing operations – pence***	67.9	57.6

* In accordance with IFRS, dividends attributable to equity holders are accounted for when a constructive liability arises i.e. on declaration by the board of directors and approval by the shareholders where required. Investec is of the view that EPS is best reflected by adjusting for earnings that are attributed to equity instruments (other than ordinary shares) on an accrual basis and therefore adjusts the paid dividend on such instruments to accrued in arriving at adjusted EPS.

** Taxation on property revaluation headline earnings adjustments amounted to £0.7 million (2023: £1.0 million) with an impact of £nil (2023: £nil) on earnings attributable to non-controlling interests. The amount includes property revaluations included in equity accounted earnings.

*** Headline earnings per share and diluted headline earnings per share have been calculated and is disclosed in accordance with the JSE listing requirements, and in terms of circular 1/2023 issued by the South African Institute of Chartered Accountants.

^ Restated as detailed in note 62.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

10. Earnings per share continued

For the year to 31 March	2024	2023^
Discontinued operations		
Earnings from discontinued operations	**£'000**	£'000
Earnings and diluted earnings attributable to ordinary shareholders from discontinued operations	**291 111**	**60 092**
Adjusted earnings from continuing operations		
Earnings attributable to shareholders from discontinued operations	291 111	60 092
Financial impact of strategic actions of discontinued operations	(265 390)	4 938
Taxation on acquired intangibles and strategic actions of discontinued operations	6 722	(2 031)
Amortisation of acquired intangibles	6 424	12 625
Adjusted earnings attributable to ordinary shareholders before goodwill, acquired intangibles and non-operating items from discontinued operations	**38 867**	**75 624**
Headline earnings from discontinued operations		
Earnings attributable to shareholders	291 111	60 092
Financial impact of strategic actions of discontinued operations excluding implementation costs	(280 737)	—
Taxation on strategic actions	8 337	—
Property revaluation, net of taxation and non-controlling interests**	—	1 231
Headline earnings attributable to ordinary shareholders from discontinued operations* **	**18 711**	**61 323**
Weighted number of shares in issue		
Weighted total average number of shares in issue during the year	992 158 239	1 003 063 501
Weighted average number of treasury shares held by Investec Limited	(50 920 311)	(11 201 481)
Weighted average number of treasury shares held by share schemes	(92 431 241)	(99 921 608)
Weighted average number of shares in issue during the year	**848 806 687**	**891 940 412**
Weighted average number of shares resulting from future dilutive potential shares	35 478 832	35 365 704
Adjusted weighted number of shares potentially in issue	**884 285 519**	**927 306 116**
Basic earnings per share from discontinued operations – pence	**34.3**	**6.7**
Diluted basic earnings per share from discontinued operations – pence	32.9	6.5
Adjusted earnings per share from discontinued operations – pence	**4.6**	**8.5**
Diluted adjusted earnings per share from discontinued operations – pence	4.4	8.2
Headline earnings per share from discontinued operations – pence* **	**2.2**	**6.9**
Diluted headline earnings per share from discontinued operations – pence***	2.1	6.6

** Taxation on property revaluation headline earnings adjustments amounted to £nil million (2023: £1.0 million) with an impact of £nil (2023: £3.6 million) on earnings attributable to non-controlling interests. The amount includes property revaluations included in equity accounted earnings.

*** Headline earnings per share and diluted headline earnings per share have been calculated and are disclosed in accordance with the JSE listing requirements, and in terms of circular 1/2023 issued by the South African Institute of Chartered Accountants.

^ Restated as detailed in note 62.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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11. Dividends

	2024		2023	
For the year to 31 March	**Pence per share**	**Total £'000**	Pence per share	Total £'000
Ordinary dividend				
Final dividend for prior year	17.5	161 086	14.0	134 796
Interim dividend for current year	15.5	135 626	13.5	125 877
Total dividend attributable to ordinary shareholders recognised in current financial year	**33.0**	**296 712**	**27.5**	**260 673**

The directors have proposed a final dividend in respect of the financial year ended 31 March 2024 of 19.0 pence per ordinary share.

This will be paid as follows:

- For Investec Limited shareholders, through a dividend payment by Investec Limited of 444 cents per ordinary share
- For Investec plc non-South African shareholders, through a dividend paid by Investec plc of 19.0 pence per ordinary share
- For Investec plc South African shareholders, through a dividend payment by Investec Limited on the SA DAS share of 19.0 pence per ordinary share
- The final dividend to shareholders registered on 23 August 2024 is subject to the approval of the members of Investec plc and Investec Limited at the annual general meeting which is scheduled to take place on 8 August 2024 and, if approved, will be paid on 6 September 2024.

On 30 May 2022, c.15% shareholding in Ninety One DLC was distributed to ordinary shareholders which amounted to £282.7 million.

For the year to 31 March **£'000**	**2024**	2023
Perpetual preference dividend*		
Final dividend for prior year	4 838	4 139
Interim dividend for current year	5 603	4 429
Total dividend attributable to perpetual preference shareholders recognised in current financial year	**10 441**	**8 568**
The directors have declared a final dividend in respect of the financial year ended 31 March 2024 of 31.33562 pence (Investec plc shares traded on the JSE Limited) and 31.33562 pence (Investec plc shares traded on the International Stock Exchange), 559.65411 cents (Investec plc Rand-denominated shares) and 455.64697 cents (Investec Limited).The final dividend will be payable to shareholders on the register at the close of business on 28 June 2024 for all dividends.		
Dividend attributable to other Additional Tier 1 securities in issue	**38 635**	**31 851**
The dividends paid on other Additional Tier 1 floating rate notes pay dividends on a quarterly basis. Refer to note 49 for detail on rates.		
Total perpetual preference dividends and other Additional Tier 1 securities	**49 076**	**40 419**

* Perpetual preference share dividends from Investec Limited and Investec plc.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

12. Financial impact of strategic actions

For the year to 31 March £'000	2024	2023
Continuing operations		
Net gain on distribution of associate to shareholders	—	154 438
Financial impact of strategic actions*	(16 576)	(30)
Financial impact of strategic actions of continuing operations	**(16 576)**	**154 408**
Taxation on financial impact of strategic actions	—	14 501
Net financial impact of strategic actions of continuing operations	**(16 576)**	**168 909**
Discontinued operations**		
Remeasurement on deconsolidation of IPF and net of gain on sale of the IPF management business	(93 949)	—
Gain/(costs)on the loss of control of Investec Wealth and Investment UK on the combination with Rathbones Group	359 339	(4 938)
Financial impact of strategic actions of discontinued operations	**265 390**	**(4 938)**
Taxation on financial impact of strategic actions	(8 337)	—
Financial impact of strategic actions of discontinued operations after taxation	**257 053**	**(4 938)**

* This includes implementation costs incurred in Rathbones post implementation of the Rathbones transaction.
** Refer to note 13 for further information on discontinued operations.

Net gain on distribution of associate to shareholders

Net gain on loss of significant influence over Ninety One **£'000**	2024	2023
The gain on the distribution is calculated as follows:		
Fair value of the distribution	—	282 669
Remaining shares held in Ninety One	—	244 590
Derecognition of the previously equity accounted investment in Ninety One	—	(386 019)
Foreign currency translation reserve recycled to the income statement on distribution	—	13 906
Gain on the distribution of Ninety One shares before tax	—	**155 146**
Implementation costs	—	(708)
Gain on distribution of Ninety One shares before tax	—	**154 438**
Taxation benefit (release of deferred taxation)	—	14 501
Gain on distribution of Ninety One shares net of taxation and implementation costs	**—**	**168 939**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

13. Discontinued operations

During the year, the Group had two significant strategic actions which have been reflected as discontinued operations.

The effective date of the combination of Investec Wealth & Investment Limited and Rathbones Group Plc was 21 September 2023, at which point the Group deconsolidated its 100% holding in Investec Wealth & Investment Limited and in return acquired a 41.25% interest in Rathbones Group plc which is accounted for as an equity investment.

The completion date of the sale of the Investec Property Fund (IPF) management companies was 6 July 2023 at which point the Group deconsolidated its existing c.24.3% investment in IPF.

The Investec Wealth & Investment business and IPF have been disclosed as discontinued operations. The Wealth & Investment business was disclosed in the Wealth & Investment segment in the 'UK and other' geography and the IPF business was disclosed in the Group Investments segment in the Southern Africa geography.

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

For the year to 31 March £'000	2024	2023
Operating profit before strategic actions and non-controlling interests	62 606	103 620
Amortisation of acquired intangibles	(6 424)	(12 625)
Taxation on operating profit	(11 973)	(16 182)
Taxation on amortisation of acquired intangibles	1 615	2 031
Operating profit before strategic actions and non-controlling interests from discontinued operations	**45 824**	**76 844**
Financial impact of strategic actions net of taxation	257 053	(4 938)
Financial impact of strategic actions	265 390	(4 938)
Taxation on strategic actions	(8 337)	—
Profit after taxation and financial impact of strategic actions from discontinued operations	**302 877**	**71 906**
Profit attributable to non-controlling interests of discontinued operations	(11 766)	(11 814)
Earnings from discontinued operations attributable to shareholders	**291 111**	**60 092**

The table below presents the income statement from discontinued operations included in the total Group income statement for the year to 31 March 2024.

For the year to 31 March 2024 £'000	UK and Other	Southern Africa	Total
Net interest income/(expense)	17 324	(6 194)	11 130
Net fee and commission income	161 610	13 088	174 698
Investment income	—	3 390	3 390
Trading income/(loss) arising from			
– customer flow	—	(9 749)	(9 749)
– balance sheet management and other trading activities	—	17 181	17 181
Total operating income before expected credit loss impairment charges	**178 934**	**17 716**	**196 650**
Expected credit loss impairment charges	—	(267)	(267)
Operating income	**178 934**	**17 449**	**196 383**
Operating costs	(131 106)	(2 671)	(133 777)
Operating profit before strategic actions and non-controlling interests	**47 828**	**14 778**	**62 606**
Profit attributable to non-controlling interests from discontinued operations	—	(11 766)	(11 766)
Operating profit before strategic actions	**47 828**	**3 012**	**50 840**
Amortisation of acquired intangibles	(6 424)	—	(6 424)
Financial impact of strategic actions	359 339	(93 949)	265 390
Profit/(loss) before taxation	**400 743**	**(90 937)**	**309 806**
Taxation on operating profit before strategic actions	(11 973)	—	(11 973)
Taxation on acquired intangibles and strategic action	781	(7 503)	(6 722)
Earnings/(loss) from discontinued operations attributable to shareholders	**389 551**	**(98 440)**	**291 111**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

13. Discontinued operations continued

The table below presents the income statement from discontinued operations included in the total Group income statement for the year to 31 March 2023.

For the year to 31 March 2023

£'000	UK and Other	Southern Africa	Total
Net interest income/(expense)	22 763	(21 213)	1 550
Net fee and commission income	324 907	50 001	374 908
Investment loss	—	(46 448)	(46 448)
Share of post-taxation loss of associates and joint venture holdings	—	(885)	(885)
Trading income/(loss) arising from			
– customer flow	—	(10 995)	(10 995)
– balance sheet management and other trading activities	—	43 479	43 479
Total operating income before expected credit loss impairment charges	**347 670**	**13 939**	**361 609**
Expected credit loss impairment charges	—	(243)	(243)
Operating income	**347 670**	**13 696**	**361 366**
Operating costs	(255 914)	(1 832)	(257 746)
Operating profit before strategic actions and non-controlling interests	**91 756**	**11 864**	**103 620**
Profit attributable to non-controlling interests from discontinued operations	—	(11 814)	(11 814)
Operating profit before strategic actions	**91 756**	**50**	**91 806**
Amortisation of acquired intangibles	(12 625)	—	(12 625)
Financial impact of strategic actions	(4 938)	—	(4 938)
Profit before taxation	**74 193**	**50**	**74 243**
Taxation on operating profit before strategic actions	(17 201)	1 019	(16 182)
Taxation on acquired intangibles	2 031	—	2 031
Earnings from discontinued operations attributable to shareholders	**59 023**	**1 069**	**60 092**

Investec Wealth & Investment Limited

On 21 September 2023, the Investec Group successfully completed the all-share combination of Investec Wealth & Investment Limited with Rathbones Group Plc (Rathbones). On completion Rathbones issued new Rathbones shares in exchange for 100% of Investec Wealth & Investment Limited's share capital. The Group now owns 41.25% of the economic interest in the enlarged Rathbones Group, with the Group's voting rights limited to 29.9%. The Group's holding in Rathbones Group Plc is equity accounted for as an interest in associated undertakings and joint venture holdings in accordance with IAS 28.

Gain on loss of control of Investec Wealth & Investment Limited

For the year to 31 March

£'000	2024
The gain is calculated as follows:	
Fair value of 41.25 % received in Rathbones Group	779 421
Net asset value of Investec Wealth & Investment previously consolidated (including goodwill)	(405 755)
Gain on the combination of Rathbones Group before taxation	**373 666**
Implementation costs	(14 327)
Gain on the loss of control of Investec Wealth and Investment UK on the combination with Rathbones Group	**359 339**
Taxation on gain	(834)
Gain on combination of Rathbones Group net of taxation and implementation costs	**358 505**

Major classes of assets and liabilities at date of deconsolidation

£'000	2024
Loans and advances to banks	172 595
Goodwill	242 355
Other assets	360 378
Other liabilities	(369 573)
Net asset value of Investec Wealth & Investment previously consolidated (including goodwill)	**405 755**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

13. Discontinued operations continued

Remeasurement on deconsolidation of IPF and net of gain on sale of the 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 over the IPF management function which was, until the current period, wholly owned by the Group, further 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 the 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

For the year to 31 March £'000	2024
The loss is calculated as follows:	
Fair value of the consideration	34 330
Fair value of investment at 6 July 2023	61 035
Net asset value of IPF previously consolidated (including non-controlling interests)	(545 891)
Non-controlling interest derecognised previously included in the consolidation of IPF at 6 July 2023	412 974
Foreign currency translation reserve recycled to the income statement on sale	(55 377)
Loss before taxation and costs	**(92 929)**
Implementation costs	(1 020)
Loss before taxation	**(93 949)**
Taxation (release of deferred taxation)	(7 503)
Loss on sale of IPF management function and deconsolidation net of taxation and implementation costs	**(101 452)**

Major classes of assets and liabilities at date of deconsolidation

£'000	2024
Investment properties	568 568
Investment portfolio	425 863
Other assets	88 056
Deposits by banks	(258 403)
Debt securities in issue	(208 464)
Other liabilities	(69 729)
Net asset value of IPF previously consolidated (including non-controlling interests)	**545 891**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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14. Operating lease disclosures

For the year to 31 March £'000	2024	2023^
Operating lease income recognised in operating income	**7 115**	**6 783**
Operating lease receivables		
Future minimum lease payments receivable under non-cancellable operating leases:		
Less than one year	9 601	9 275
One to two years	8 823	9 291
Two to three years	8 354	7 492
Three to four years	5 245	6 767
Four to five years	2 439	4 250
Greater than five years	7 745	4 548
	42 207	**41 623**

^ Restated to reflect the impact of restatements related to discontinued operations detailed in note 62

The Group leases property to third parties under operating lease arrangements. The term of the leases range between three and ten years with annual escalation clauses. The majority of the leases have renewal options.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

15. Analysis of income and impairments by category of financial instrument

	At fair value through profit or loss		
	IFRS 9 mandatory		
For the year to 31 March £'000	Trading**	Non-trading**	Designated at inception
2024			
Interest income	114 946	184 036	25 667
Interest expense	(101 443)	(141)	(47 295)
Fee and commission income	24 941	2 278	—
Fee and commission expense	(5 880)	(478)	—
Investment income/(loss)	2 854	41 264	2 009
Share of post-taxation profit of associates and joint venture holdings	—	—	—
Trading income/(loss) arising from			
– customer flow***	242 649	(1 559)	451
– balance sheet management and other trading activities	17 962	28 265	(7 155)
Other operating income/(loss)	—	81	—
Operating income	**296 029**	**253 746**	**(26 323)**
Expected credit loss impairment charges	—	—	5 849
Operating income after expected credit loss impairment charges	**296 029**	**253 746**	**(20 474)**
2023^			
Interest income	57 910	127 579	109 505
Interest expense	(32 726)	(3 309)	(70 051)
Fee and commission income	26 352	1 169	—
Fee and commission expense	(326)	(397)	—
Investment income/(loss)	(6 427)	8 676	10 185
Share of post-taxation profit of associates and joint venture holdings	—	—	—
Trading income/(loss) arising from			
– customer flow	253 823	(2 576)	1 218
– balance sheet management and other trading activities	(19 819)	20 271	10 463
Other operating (loss)/income	—	(3 090)	—
Operating income	**278 787**	**148 323**	**61 320**
Expected credit loss impairment charges	—	—	(1 095)
Operating income after expected credit loss impairment charges	**278 787**	**148 323**	**60 225**

^ Restated as detailed in note 62.

* Includes off-balance sheet items.

** Fair value through profit and loss income statement items have been split as trading and non-trading, as defined by regulatory rules for the trading book and banking book requirements, respectively. Trading consists of positions held for trading intent or hedge elements of the trading book. *Non-trading consists of income and expenses from positions that are expected to be held to maturity.*

*** Included in trading income arising from customer flow, as required by IAS 1, is income of £241.4 million(2023: £251.0 million) and interest expense of £109.7 million(2023:£81.9 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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At fair value through comprehensive income					
Debt instruments with a dual business model	Equity instruments	Amortised cost	Non-financial instruments	Other fee income and expenses*	**Total**
338 177	—	3 450 571	10 753	—	4 124 150
(154)	—	(2 624 285)	(12 139)	—	(2 785 457)
—	—	210 171	3 595	241 683	482 668
(168)	—	(40 864)	(904)	(18 187)	(66 481)
6 172	11 843	877	(4 652)	14	60 381
—	—	—	55 949	—	55 949
—	—	(109 653)	—	(176)	131 712
—	—	2 229	139	56	41 496
—	—	1 619	(334)	595	1 961
344 027	**11 843**	**890 665**	**52 407**	**223 985**	**2 046 379**
4 649	—	(94 287)	—	4 676	(79 113)
348 676	**11 843**	**796 378**	**52 407**	**228 661**	**1 967 266**
240 155	—	2 638 648	13 620	3	3 187 420
—	—	(1 801 125)	(12 913)	—	(1 920 124)
—	—	220 000	13 218	192 931	453 670
(152)	—	(34 230)	(3 702)	(17 508)	(56 315)
5 193	13 210	(5 490)	1 901	2 055	29 303
—	—	—	30 034	—	30 034
—	—	(83 295)	—	(60)	169 110
—	—	2 512	448	360	14 235
(1)	—	4 456	633	2 388	4 386
245 195	**13 210**	**941 476**	**43 239**	**180 169**	**1 911 719**
(2 130)	—	(85 891)	—	8 270	(80 846)
243 065	**13 210**	**855 585**	**43 239**	**188 439**	**1 830 873**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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16. Analysis of financial assets and liabilities by category of financial instrument

	At fair value through profit and loss		
	IFRS 9 mandatory		
At 31 March 2024 **£'000**	Trading*	Non-trading*	Designated at initial recognition
Assets			
Cash and balances at central banks	—	—	—
Loans and advances to banks	—	—	—
Non-sovereign and non-bank cash placements	—	—	12 073
Reverse repurchase agreements and cash collateral on securities borrowed	333 948	1 222 675	—
Sovereign debt securities	—	12 971	—
Bank debt securities	—	—	—
Other debt securities	—	90 919	—
Derivative financial instruments	853 938	—	—
Securities arising from trading activities	1 578 652	6 909	10 699
Loans and advances to customers	—	705 490	610 534
Own originated loans and advances to customers securitised	—	—	—
Other loans and advances	—	—	—
Other securitised assets	—	—	66 704
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	—	—
Investment portfolio	8 818	626 059	—
Interests in associated undertakings and joint venture holdings	—	—	—
Current taxation asset	—	—	
Deferred taxation assets	—	—	—
Other assets	174 072	102 756	—
Property and equipment	—	—	—
Investment properties	—	—	—
Goodwill	—	—	—
Software	—	—	—
Non-current assets classified as held for sale	—	—	—
	2 949 428	**2 767 779**	**700 010**
Liabilities			
Deposits by banks	—	—	—
Derivative financial instruments	1 069 119	—	—
Other trading liabilities	1 369 332	—	—
Repurchase agreements and cash collateral on securities lent	171 979	—	—
Customer accounts (deposits)	—	—	2 583 214
Debt securities in issue	—	—	9 823
Liabilities arising on securitisation of own originated loans and advances	—	—	—
Liabilities arising on securitisation of other assets	—	—	71 751
Current taxation liabilities	—	—	—
Deferred taxation liabilities	—	—	—
Other liabilities	34 060	—	—
Liabilities to customers under investment contracts#	—	—	—
	2 644 490	**—**	**2 664 788**
Subordinated liabilities	—	—	—
	2 644 490	**—**	**2 664 788**

* Fair value through profit and loss balance sheet positions have been split as trading and non-trading, as defined by regulatory rules for the trading book and banking book requirements, respectively. Trading consists of positions held for trading intent or hedge elements of the trading book. Non-trading consists of positions that are expected to be held to maturity.

\# Included in "liabilities to customers under investment contracts" is £0.5 million insurance liabilities recognised in terms of IFRS 17.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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At fair value through other comprehensive income						
Debt instruments with a dual business model	Equity instruments	Financial assets linked to investment contract liabilities	**Total instruments at fair value**	**Amortised cost**	**Non-financial instruments or scoped out of IFRS 9**	**Total**
—	—	—	—	6 279 088	—	6 279 088
—	—	—	—	1 063 745	—	1 063 745
—	—	—	12 073	439 409	—	451 482
—	—	—	1 556 623	2 824 897	—	4 381 520
2 419 328	—	—	2 432 299	2 510 848	—	4 943 147
392 795	—	—	392 795	203 641	—	596 436
230 801	—	—	321 720	826 427	—	1 148 147
—	—	—	853 938	—	—	853 938
—	—	—	1 596 260	—	—	1 596 260
1 471 371	—	—	2 787 395	27 857 918	—	30 645 313
—	—	—	—	269 034	—	269 034
—	—	—	—	117 513	—	117 513
—	—	—	66 704	—	—	66 704
—	—	154 738	154 738	—	—	154 738
—	172 153	—	807 030	—	—	807 030
—	—	—	—	—	858 420	858 420
—	—	—	—	—	64 378	64 378
—	—	—	—	—	204 861	204 861
—	—	—	276 828	876 272	519 482	1 672 582
—	—	—	—	—	238 072	238 072
—	—	—	—	—	105 975	105 975
—	—	—	—	—	75 367	75 367
—	—	—	—	—	9 707	9 707
—	—	—	—	—	22 270	22 270
4 514 295	**172 153**	**154 738**	**11 258 403**	**43 268 792**	**2 098 532**	**56 625 727**
—	—	—	—	3 446 776	—	3 446 776
—	—	—	1 069 119	—	—	1 069 119
—	—	—	1 369 332	—	—	1 369 332
—	—	—	171 979	743 229	—	915 208
—	—	—	2 583 214	36 924 591	—	39 507 805
—	—	—	9 823	1 531 371	—	1 541 194
—	—	—	—	208 571	—	208 571
—	—	—	71 751	—	—	71 751
—	—	—	—	—	72 697	72 697
—	—	—	—	—	5 198	5 198
—	—	—	34 060	1 088 955	693 124	1 816 139
—	—	154 889	154 889	—	—	154 889
—	**—**	**154 889**	**5 464 167**	**43 943 493**	**771 019**	**50 178 679**
—	—	—	—	972 806	—	972 806
—	**—**	**154 889**	**5 464 167**	**44 916 299**	**771 019**	**51 151 485**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

16. Analysis of financial assets and liabilities by category of financial instrument
continued

At 31 March 2023^ £'000	At fair value through profit and loss — IFRS 9 mandatory: Trading*	At fair value through profit and loss — IFRS 9 mandatory: Non-trading*	At fair value through profit and loss — Designated at initial recognition
Assets			
Cash and balances at central banks	—	—	—
Loans and advances to banks	—	—	—
Non-sovereign and non-bank cash placements	—	5 909	—
Reverse repurchase agreements and cash collateral on securities borrowed	179 433	1 143 340	—
Sovereign debt securities	—	52 494	—
Bank debt securities	—	75 265	—
Other debt securities	—	115 158	—
Derivative financial instruments	1 363 912	—	—
Securities arising from trading activities	1 814 090	9 321	12 916
Loans and advances to customers**	—	625 309	691 102
Own originated loans and advances to customers securitised	—	—	—
Other loans and advances	—	—	—
Other securitised assets	—	—	78 231
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	—	—	—
Investment portfolio	8 812	1 134 431	—
Interests in associated undertakings and joint venture holdings	—	—	—
Current taxation asset	—	—	—
Deferred taxation assets	—	—	—
Other assets	166 366	91 012	—
Property and equipment	—	—	—
Investment properties	—	—	—
Goodwill	—	—	—
Software	—	—	—
Other acquired intangible assets	—	—	—
Non-current assets classified as held for sale	—	—	—
	3 532 613	**3 252 239**	**782 249**
Liabilities			
Deposits by banks	—	—	—
Derivative financial instruments	1 543 140	—	—
Other trading liabilities	1 278 452	—	—
Repurchase agreements and cash collateral on securities lent	170 606	—	—
Customer accounts (deposits)**	—	—	3 302 867
Debt securities in issue	—	—	21 554
Liabilities arising on securitisation of own originated loans and advances	—	—	—
Liabilities arising on securitisation of other assets	—	—	81 609
Current taxation liabilities	—	—	—
Deferred taxation liabilities	—	—	—
Other liabilities	47 292	52 400	—
Liabilities to customers under investment contracts	—	—	—
	3 039 490	**52 400**	**3 406 030**
Subordinated liabilities	—	—	—
	3 039 490	**52 400**	**3 406 030**

* Fair value through profit and loss balance sheet positions have been split as trading and non-trading, as defined by regulatory rules for the trading book and banking book requirements, respectively. Trading consists of positions held for trading intent or hedge elements of the trading book. Non-trading consists of positions that are expected to be held to maturity.
** £51.5 million loans and advances to customers and £114.0 million customer accounts (deposits) have been restated from amortised cost to fair value through profit or loss, designated at initial recognition.
^ Restated as detailed in note 62.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

At fair value through other comprehensive income						
Debt instruments with a dual business model	Equity Instruments	Financial assets linked to investment contract liabilities	**Total instruments at fair value**	**Amortised cost**	**Non-financial instruments or scoped out of IFRS 9**	**Total**
—	—	—	—	6 437 709	—	6 437 709
—	—	—	—	1 450 627	—	1 450 627
—	—	—	5 909	436 345	—	442 254
—	—	—	1 322 773	2 672 417	—	3 995 190
3 127 326	—	—	3 179 820	1 224 423	—	4 404 243
537 665	—	—	612 930	302 756	—	915 686
294 486	—	—	409 644	819 748	—	1 229 392
—	—	—	1 363 912	—	—	1 363 912
—	—	—	1 836 327	—	—	1 836 327
843 428	—	—	2 159 839	27 953 130	—	30 112 969
—	—	—	—	272 879	—	272 879
—	—	—	—	142 726	—	142 726
—	—	—	78 231	24 920	—	103 151
—	—	110 891	110 891	—	—	110 891
—	187 664	—	1 330 907	—	—	1 330 907
—	—	—	—	—	53 703	53 703
—	—	—	—	—	69 322	69 322
—	—	—	—	—	234 034	234 034
—	—	—	257 378	1 260 162	512 936	2 030 476
—	—	—	—	—	278 561	278 561
—	—	—	—	—	722 481	722 481
—	—	—	—	—	262 632	262 632
—	—	—	—	—	15 401	15 401
—	—	—	—	—	41 136	41 136
—	—	—	—	—	35 761	35 761
4 802 905	**187 664**	**110 891**	**12 668 561**	**42 997 842**	**2 225 967**	**57 892 370**
—	—	—	—	3 617 524	—	3 617 524
—	—	—	1 543 140	—	—	1 543 140
—	—	—	1 278 452	—	—	1 278 452
—	—	—	170 606	767 501	—	938 107
—	—	—	3 302 867	36 252 802	—	39 555 669
—	—	—	21 554	1 781 032	—	1 802 586
—	—	—	—	163 787	—	163 787
—	—	—	81 609	—	—	81 609
—	—	—	—	—	69 780	69 780
—	—	—	—	—	26 545	26 545
—	—	—	99 692	1 365 432	845 979	2 311 103
—	—	110 891	110 891	—	—	110 891
—	**—**	**110 891**	**6 608 811**	**43 948 078**	**942 304**	**51 499 193**
—	—	—	—	1 084 630	—	1 084 630
—	**—**	**110 891**	**6 608 811**	**45 032 708**	**942 304**	**52 583 823**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

17. Financial instruments at fair value

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

The different levels are identified as follows:

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

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

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

		Fair value category		
At 31 March 2024 **£'000**	**Total instruments at fair value**	Level 1	Level 2	Level 3
Assets				
Non-sovereign and non-bank cash placements	12 073	—	12 073	—
Reverse repurchase agreements and cash collateral on securities borrowed	1 556 623	—	1 556 623	—
Sovereign debt securities	2 432 299	2 432 299	—	—
Bank debt securities	392 795	373 942	18 853	—
Other debt securities	321 720	104 854	157 254	59 612
Derivative financial instruments	853 938	—	800 928	53 010
Securities arising from trading activities	1 596 260	1 426 104	170 156	—
Loans and advances to customers*	2 787 395	—	707 724	2 079 671
Other securitised assets	66 704	—	—	66 704
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	154 738	154 738	—	—
Investment portfolio	807 030	244 883	2 510	559 637
Other assets	276 828	276 828	—	—
	11 258 403	**5 013 648**	**3 426 121**	**2 818 634**
Liabilities				
Derivative financial instruments	1 069 119	—	1 004 778	64 341
Other trading liabilities	1 369 332	322 209	1 047 123	—
Repurchase agreements and cash collateral on securities lent	171 979	—	171 979	—
Customer accounts (deposits)	2 583 214	—	2 583 214	—
Debt securities in issue	9 823	—	9 823	—
Liabilities arising on securitisation of other assets	71 751	—	—	71 751
Other liabilities	34 060	—	34 060	—
Liabilities to customers under investment contracts	154 889	—	154 889	—
	5 464 167	**322 209**	**5 005 866**	**136 092**
Net financial assets/(liabilities) at fair value	**5 794 236**	**4 691 439**	**(1 579 745)**	**2 682 542**

* Loans and advances to customers at fair value include instruments where the business model is either to sell the loan or where the business model is to hold to collect the contractual cash flows but the loan has failed the SPPI test.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

17. Financial instruments at fair value continued

At 31 March 2023^ £'000	Total instruments at fair value	Fair value category Level 1	Level 2	Level 3
Assets				
Non-sovereign and non-bank cash placements	5 909	—	5 909	—
Reverse repurchase agreements and cash collateral on securities borrowed	1 322 773	—	1 322 773	—
Sovereign debt securities	3 179 820	3 179 820	—	—
Bank debt securities	612 930	406 088	206 842	—
Other debt securities	409 644	102 035	213 677	93 932
Derivative financial instruments	1 363 912	—	1 310 728	53 184
Securities arising from trading activities	1 836 327	1 815 169	17 156	4 002
Loans and advances to customers*#	2 159 839	—	822 968	1 336 871
Other securitised assets	78 231	—	—	78 231
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	110 891	110 891	—	—
Investment portfolio	1 330 907	200 252	2 691	1 127 964
Other assets	257 378	257 378	—	—
	12 668 561	**6 071 633**	**3 902 744**	**2 694 184**
Liabilities				
Derivative financial instruments	1 543 140	—	1 483 682	59 458
Other trading liabilities	1 278 452	317 534	960 918	—
Repurchase agreements and cash collateral on securities lent	170 606	—	170 606	—
Customer accounts (deposits)#	3 302 867	—	3 302 867	—
Debt securities in issue	21 554	—	21 554	—
Liabilities arising on securitisation of other assets	81 609	—	—	81 609
Other liabilities	99 692	—	47 292	52 400
Liabilities to customers under investment contracts	110 891	—	110 891	—
	6 608 811	**317 534**	**6 097 810**	**193 467**
Net financial assets/(liabilities) at fair value	**6 059 749**	**5 754 099**	**(2 195 066)**	**2 500 717**

* Loans and advances to customers at fair value include instruments where the business model is either to sell the loan or where the business model is to hold to collect the contractual cash flows but the loan has failed the SPPI test.
# £51.5 million loans and advances to customers and £114.0 million customer accounts (deposits) have been restated from amortised cost to fair value through profit or loss, designated at initial recognition.
^ Restated as detailed in note 62.

Transfers between level 1 and level 2

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

17. Financial instruments at fair value continued

Measurement of fair value 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 curves
Reverse repurchase agreements and cash collateral on securities borrowed	Discounted cash flow model, Hermite interpolation, Black-Scholes	Yield curves, discount rates, volatilities
Bank debt securities	Discounted cash flow model	Yield curves
Other debt securities	Discounted cash flow model	Yield curves, NCD curves and swap curves, discount rates, external prices, broker quotes
Derivative financial instruments	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Black-Scholes and Local Volatility	Yield curves, discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Securities arising from trading activities	Standard industry derivative pricing model, discounted cash flow model	Interest rate curves, implied bond spreads, equity volatilities, yield curves
Investment portfolio	Discounted cash flow model, relative valuation model, comparable quoted inputs	Discount rate and fund unit price, net assets
Loans and advances to customers	Discounted cash flow model	Yield curves
Other securitised assets	Discounted cash flow model	Yield curves
Liabilities		
Derivative financial instruments	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Black-Scholes and Local Volatility	Yield curves, discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Other trading liabilities	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Local Volatility	Yield curves, discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Repurchase agreements and cash collateral on securities lent	Discounted cash flow model, Hermite interpolation	Yield curves, discount rates
Customer accounts (deposits)	Discounted cash flow model	Yield curves, discount rates
Debt securities in issue	Discounted cash flow model, Hermite interpolation, industry standard derivative pricing models including Local Volatility	Discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Other liabilities	Discounted cash flow model	Yield curves
Liabilities to customers under investment contracts	Current price of underlying unitised assets	Listed prices
Insurance liabilities, including unit-linked liabilities	Current price of underlying unitised assets	Listed prices

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

17. Financial instruments at fair value continued

Level 3 financial instruments

The following tables show a reconciliation of the opening balances to the closing balances for level 3 financial instruments. All instruments are at fair value through profit or loss.

	Investment portfolio	Loans and advances to customers	Other securitised assets	Other level 3 assets^^	Total
Assets					
Balance at 1 April 2022	**873 708**	**1 252 232**	**93 087**	**179 641**	**2 398 668**
Total (losses)/gains	(40 039)	92 109	1 000	5 253	58 323
In the income statement	(40 039)	92 365	1 000	5 253	58 579
In the statement of comprehensive income	—	(256)	—	—	(256)
Purchases	138 597	1 692 584	—	26 056	1 857 237
Sales	(45 897)	(762 668)	—	(36 946)	(845 511)
Issues	680	8 305	—	—	8 985
Settlements	(60 665)	(983 912)	(15 856)	(31 148)	(1 091 581)
Transfers into level 3	6 304	—	—	4 746	11 050
Transfers from interests in associated undertakings^	277 542	—	—	—	277 542
Foreign exchange adjustments	(22 266)	38 221	—	3 516	19 471
Balance at 31 March 2023	**1 127 964**	**1 336 871**	**78 231**	**151 118**	**2 694 184**
Total gains/(losses)	3 465	179 000	(1 495)	5 307	186 277
In the income statement	3 465	180 786	(1 495)	5 307	188 063
In the statement of comprehensive income	—	(1 786)	—	—	(1 786)
Purchases	46 964	2 551 558	—	39 709	2 638 231
Sales	(105 258)	(1 058 680)	—	(14 481)	(1 178 419)
Issues	—	6 527	—	—	6 527
Settlements	(59 236)	(901 459)	(10 032)	(74 870)	(1 045 597)
Discontinued operations	(425 844)	—	—	—	(425 844)
Foreign exchange adjustments	(28 418)	(34 146)	—	5 839	(56 725)
Balance at 31 March 2024	**559 637**	**2 079 671**	**66 704**	**112 622**	**2 818 634**

^ The IEP Group and Bud Group shareholders had approved a restructure to facilitate an exit by certain IEP shareholders, including the Investec Group, by way of a share buyback. The restructure entails the transfer of certain assets to a Newco, to facilitate the orderly disposal of those assets. As a result the nature of the holding in IEP has changed to that of a fair value investment and has been transferred to the investment portfolio line on the balance sheet, where it is measured at fair value through profit or loss.

^^ Comprises level 3 other debt securities, derivative financial instruments, securities arising from trading activities and non-current assets classified as held for sale.

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.

For the year ended 31 March 2024, there were no transfers into or out of level 3. In the prior year investment portfolio of £6.3 million, derivatives financial instruments assets of £4.7 million were transferred from level 2 to level 3, and derivative financial instruments liability of £8,000 was transferred from level 3 to level 2.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

17. Financial instruments at fair value continued

£'000	Liabilities arising on securitisation of other assets	Other level 3 liabilities^	Total
Liabilities			
Balance at 1 April 2022	**95 885**	**95 187**	**191 072**
Net losses/(gains) in the income statement	1 384	6 814	8 198
Purchases	—	6 324	6 324
Settlements	(15 660)	(562)	(16 222)
Transfers out of level 3	—	(8)	(8)
Foreign exchange adjustments	—	4 103	4 103
Balance at 31 March 2023	**81 609**	**111 858**	**193 467**
Net gains in the income statement	1 190	6 183	7 373
Sales	—	(3 933)	(3 933)
Settlements	(11 048)	(7 608)	(18 656)
Discontinued operations	—	(45 387)	(45 387)
Foreign exchange adjustments	—	3 228	3 228
Balance at 31 March 2024	**71 751**	**64 341**	**136 092** ^

^ Comprises level 3 derivative financial instruments and other liabilities.

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

For the year to 31 March £'000	Total	Realised	Unrealised
2024			
Total gains/(losses) included in the income statement for the year			
Net interest income	174 272	156 645	17 627
Investment income/(loss)*	8 563	34 133	(25 570)
Trading income arising from customer flow	(2 145)	—	(2 145)
Trading income arising from balance sheet management and other trading activities	—	—	—
	180 690	**190 778**	**(10 088)**
Total gains/(losses) included in other comprehensive income for the year			
Gains on realisation on debt instruments at FVOCI recycled through the income statement	534	534	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	(1 786)	—	(1 786)
	(1 252)	**534**	**(1 786)**
2023			
Total gains/(losses) included in the income statement for the year			
Net interest income	98 169	86 175	11 994
Investment (loss)/income*	(41 148)	605	(41 753)
Trading loss arising from customer flow	160	1	159
Trading income arising from balance sheet management and other trading activities	2 996	—	2 996
	60 177	**86 781**	**(26 604)**
Total gains/(losses) included in other comprehensive income for the year			
Gains on realisation on debt instruments at FVOCI recycled through the income statement	433	433	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	(256)	—	(256)
	177	**433**	**(256)**

* Included within the investment income are fair value losses of £5.1 million (31 March 2023: £nil) presented within operational items in the income statement.

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17. Financial instruments at fair value continued

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

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

At 31 March 2024	Balance sheet value £'000	Significant unobservable input changed	Range which unobservable input has been changed	Favourable changes £'000	Unfavourable changes £'000
Assets					
Other debt securities	59 612	Potential impact on income statement		2 192	(3 713)
		Cash flow adjustments	CPR 7.62%-11.08%	214	(160)
		Credit spreads	0.75%-0.86%	40	(68)
		Other	^	1 938	(3 485)
Derivative financial instruments	53 010	Potential impact on income statement		5 329	(5 420)
		Volatilities	7.5%-19.1%	1	(3)
		Underlying asset value^^	^^	4 574	(4 619)
		Cash flow adjustment	CPR 7.62%	2	(2)
		Other^	^	752	(796)
Loans and advances to customers	2 079 671	Potential impact on income statement		26 131	(45 642)
		Credit spreads	0.10% - 37.8%	10 840	(24 697)
		Property value	**	10 040	(10 560)
		Price earnings multiple	3.8x	2 762	(6 893)
		Underlying asset value^^	^^	1 499	(1 695)
		Other^	^	990	(1 797)
		Potential impact on other comprehensive income		12 783	(24 177)
		Credit spreads	0.14% - 5.0%	12 783	(24 177)
Other securitised assets*	66 704	Potential impact on income statement		770	(1 291)
		Cash flow adjustments	CPR 7.62%	770	(1 291)
Investment portfolio	559 637	Potential impact on income statement		57 968	(85 545)
		Price earnings multiple	3.8x-9x	6 485	(13 200)
		Underlying asset value^^	^^	9 798	(18 625)
		EBITDA	**	7 716	(8 747)
		EBITDA	(10%)-10%	17 961	(17 961)
		Cash flows	**	1 997	(1 739)
		Underlying asset value^^	^^	1 192	(2 480)
		Precious and industrial metal prices	(5%)-5%	935	(1 870)
		Other^	^	11 884	(20 923)
Total level 3 assets	**2 818 634**			**105 173**	**(165 788)**
Liabilities					
Derivative financial instruments	64 341	Potential impact on income statement		(5 552)	3 507
		Volatilities	9%-23.3%	(1)	2
		Underlying asset value^^	^^	(5 550)	3 505
		Other	^	(1)	—
Liabilities arising on securitisation of other assets*	71 751	Potential impact on income statement		(805)	440
		Cash flow adjustments	CPR 7.62%	(805)	440
Total level 3 liabilities	**136 092**			**(6 357)**	**3 947**
Net level 3 assets	**2 682 542**			**98 816**	**(161 841)**

* The sensitivity of the fair value of liabilities arising on securitisation of other assets has been considered together with other securitised assets.

^ Other – The valuation sensitivity has 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 assets cannot be determined through the adjustment of a single input.

^^ Underlying asset values are calculated by reference to a tangible asset, for example property, aircraft or shares.

** 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.

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17. Financial instruments at fair value continued

At 31 March 2023	Balance sheet value £'000	Significant unobservable input changed	Range which unobservable input has been changed	Potential impact on the income statement: Favourable changes £'000	Potential impact on the income statement: Unfavourable changes £'000
Assets					
Other debt securities	93 932	Potential impact on income statement		2 702	(5 253)
		Credit spreads	1.05%-1.87%	108	(254)
		Cash flow adjustments	CPR 14.81%	10	(10)
		Other	^	2 584	(4 989)
Derivative financial instruments	53 184	Potential impact on income statement		5 260	(5 136)
		Volatilities	7.5%-18.9%	13	(25)
		Cash flow adjustments	CPR 14.81%	6	(5)
		Underlying asset value	^^	3 999	(4 100)
		Other^	^	1 242	(1 006)
Securities arising from trading activities	4 002	Potential impact on income statement		206	(235)
		Cash flow adjustments	CPR 14.17%	206	(235)
Loans and advances to customers	1 336 871	Potential impact on income statement		36 255	(50 330)
		Credit spreads	0.28%-5.2%	10 994	(22 971)
		Price earnings multiple	3.5x-4x	4 276	(7 083)
		Underlying asset value	^^	1 663	(1 841)
		Property values	#	14 934	(9 659)
		Other^	^	4 388	(8 776)
		Potential impact on other comprehensive income		15 756	(31 758)
		Credit spreads	0.29%-5.5%	15 753	(31 751)
		Other		3	(7)
Other securitised assets	78 231	Potential impact on income statement		701	(669)
		Cash flow adjustments	CPR 14.81%	701	(669)
Investment portfolio	1 127 964	Potential impact on income statement		120 618	(158 986)
		Price earnings multiple	5.5x-11.2x	11 718	(21 695)
		Underlying asset value	^^	9 378	(20 883)
		EBITDA	**	11 003	(12 331)
		EBITDA	(10%)-10%	21 341	(21 341)
		Cash flows	**	1 915	(1 414)
		Property values	#	45 698	(49 011)
		Precious and industrial metal prices	(5%)-5%	1 249	(1 249)
		Underlying asset value	^^	1 425	(3 104)
		Other^	^	16 891	(27 958)
Total level 3 assets	**2 694 184**			**181 498**	**(252 367)**
Liabilities					
Derivative financial instruments	59 458	Potential impact on income statement		(4 098)	4 099
		Volatilities	9%-18.9%	(1)	2
		Underlying asset value	^^	(4 097)	4 097
Liabilities arising on securitisation of other assets	81 609	Potential impact on income statement		(351)	363
		Cash flow adjustments	CPR 14.81%	(351)	363
Other liabilities	52 400	Potential impact on income statement		(5 561)	5 930
		Property prices	#	(4 929)	5 298
				(632)	632
Total level 3 liabilities	**193 467**			**(10 010)**	**10 392**
Net level 3 assets	**2 500 717**			**171 488**	**(241 975)**

* The sensitivity of the fair value of liabilities arising on securitisation of other assets has been considered together with other securitised assets.
^ Other – The valuation sensitivity has 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 assets cannot be determined through the adjustment of a single input.
^^ Underlying asset values are calculated by reference to a tangible asset, for example property, aircraft or shares.
** 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.
# Property values are the significant unobservable input for these valuations. The capitalisation rates have been stressed by 0.25bp when valuing these properties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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17. Financial instruments at fair value continued

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

Credit spreads

Credit spreads reflect the additional yield that a market participant would demand for taking exposure to the credit risk of an instrument. The credit spread for an instrument forms part of the yield used in a discounted cash flow calculation. In general a significant increase in a credit spread in isolation will result in a movement in fair value that is unfavourable for the holder of a financial instrument.

Discount rates

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

Volatilities

Volatility is a key input in the valuation of derivative products containing optionality. Volatility is a measure of the variability or uncertainty in returns for a given derivative underlying. It represents an estimate of how much a particular underlying instrument, parameter or index will change in value over time.

Cash flows

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

EBITDA

The investee's earnings before interest, taxes, depreciation and amortisation. This is the main input into a price earnings multiple valuation method.

Price earnings multiple

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

Property values and precious and industrial metals

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

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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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18. Fair value of financial instruments at amortised cost

For financial assets and financial liabilities that are liquid or have a short-term maturity (less than three months) it is assumed that the carrying amounts approximate their fair value. These assets and liabilities include demand deposits, savings accounts without a specific maturity which are included in customer accounts (deposits) and variable rate instruments.

Financial instruments for which fair value does not approximate carrying value

Differences in amortised cost and fair value occur in fixed-rate instruments. The fair value of fixed-rate financial assets and financial liabilities carried at amortised cost are estimated by comparing spreads earned on the transactions with spreads earned on similar new transactions entered into by the Group. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows, using prevailing money market interest rates for debts with similar credit risk and maturity. For quoted subordinated debt issued, the fair values are calculated based on quoted market prices. For those notes issued where quoted market prices are not available, a discounted cash flow model is used based on a current interest rate yield curve appropriate for the remaining term to maturity.

At 31 March 2024 £'000	Carrying amount	Fair value approximates carrying amount	Balances where fair values do not approximate carrying amounts	Fair value of balances that do not approximate carrying amounts	Level 1	Level 2	Level 3
Assets							
Cash and balances at central banks	6 279 088	6 279 088	—	—	—	—	—
Loans and advances to banks	1 063 745	868 376	195 369	195 531	—	195 531	—
Non-sovereign and non-bank cash placements	439 409	439 409	—	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	2 824 897	1 139 859	1 685 038	1 684 862	—	1 684 862	—
Sovereign debt securities	2 510 848	4 253	2 506 595	2 495 777	2 495 777	—	—
Bank debt securities	203 641	4 402	199 239	199 598	199 598	—	—
Other debt securities	826 427	103 705	722 722	726 213	111 413	614 800	—
Loans and advances to customers	27 857 918	12 930 225	14 927 693	14 728 302	—	982 824	13 745 478
Own originated loans and advances to customers securitised	269 034	269 034	—	—	—	—	—
Other loans and advances	117 513	71 466	46 047	46 167	—	46 167	—
Other assets	876 272	876 272	—	—	—	—	—
	43 268 792	**22 986 089**	**20 282 703**	**20 076 450**	**2 806 788**	**3 524 184**	**13 745 478**
Liabilities							
Deposits by banks	3 446 776	318 941	3 127 835	3 170 276	—	3 170 276	—
Repurchase agreements and cash collateral on securities lent	743 229	451 943	291 286	292 807	—	292 807	—
Customer accounts (deposits)	36 924 591	19 458 167	17 466 424	17 468 884	—	17 468 884	—
Debt securities in issue	1 531 371	248 430	1 282 941	1 284 837	965 531	319 306	—
Liabilities arising on securitisation of own originated loans and advances	208 571	208 571	—	—	—	—	—
Other liabilities	1 088 955	1 087 329	1 626	536	—	—	536
Subordinated liabilities	972 806	303 999	668 807	661 143	661 143	—	—
	44 916 299	**22 077 380**	**22 838 919**	**22 878 483**	**1 626 674**	**21 251 273**	**536**

For the year ended 31 March 2024, gains of £3.2 million were made on the derecognition of debt securities held at amortised cost.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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18. Fair value of financial instruments at amortised cost continued

At 31 March 2023^ £'000	Carrying amount	Fair value approximates carrying amount	Balances where fair values do not approximate carrying amounts	Fair value of balances that do not approximate carrying amounts	Level 1	Level 2	Level 3
Assets							
Cash and balances at central banks	6 437 709	6 437 709	—	—	—	—	—
Loans and advances to banks	1 450 627	1 450 627	—	—	—	—	—
Non-sovereign and non-bank cash placements	436 345	436 345	—	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	2 672 417	1 269 363	1 403 054	1 402 885	—	1 402 885	—
Sovereign debt securities	1 224 423	4 370	1 220 053	1 240 625	1 240 625	—	—
Bank debt securities	302 756	4 805	297 951	323 941	323 941	—	—
Other debt securities	819 748	137 429	682 319	676 397	121 505	554 892	—
Loans and advances to customers*	27 953 130	13 484 506	14 468 624	14 331 553	—	1 016 300	13 315 253
Own originated loans and advances to customers securitised	272 879	272 879	—	—	—	—	—
Other loans and advances	142 726	69 827	72 899	72 976	—	72 976	—
Other securitised assets	24 920	24 920	—	—	—	—	—
Other assets	1 260 162	1 260 162	—	—	—	—	—
	42 997 842	**24 852 942**	**18 144 900**	**18 048 377**	**1 686 071**	**3 047 053**	**13 315 253**
Liabilities							
Deposits by banks	3 617 524	873 033	2 744 491	2 765 632	—	2 765 632	—
Repurchase agreements and cash collateral on securities lent	767 501	162 872	604 629	630 983	—	630 983	—
Customer accounts (deposits)*	36 252 802	20 291 966	16 074 844	15 878 574	—	15 878 574	—
Debt securities in issue	1 781 032	297 489	1 483 543	1 440 357	911 762	528 595	—
Liabilities arising on securitisation of own originated loans and advances	163 787	163 787	—	—	—	—	—
Other liabilities	1 365 432	1 362 708	2 724	1 572	—	—	1 572
Subordinated liabilities	1 084 630	262 141	822 489	831 177	831 138	39	—
	45 032 708	**23 413 996**	**21 732 720**	**21 548 295**	**1 742 900**	**19 803 823**	**1 572**

For the year ended 31 March 2023, gains of £2.7 million were made on the derecognition of debt securities held at amortised cost.

^ Restated as detailed in note 62.
* £51.5 million loans and advances to customers and £114.0 million customer accounts (deposits) have been restated from amortised cost to fair value through profit or loss, designated at initial recognition.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

18. Fair value of financial instruments at amortised cost continued

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

Loans and advances to banks	Calculation of the present value of future cash flows, discounted as appropriate.
Other debt securities	Priced with reference to similar trades in an observable market.
Reverse repurchase agreements and cash collateral on securities borrowed	Calculation of the present value of future cash flows, discounted as appropriate.
Loans and advances to customers	Calculation of the present value of future cash flows, discounted as appropriate.
Other loans and advances	Calculation of the present value of future cash flows, discounted as appropriate.
Other assets	Calculation of the present value of future cash flows, discounted as appropriate.
Deposits by banks	Calculation of fair value using appropriate funding rates.
Repurchase agreements and cash collateral on securities lent	Calculation of the present value of future cash flows, discounted as appropriate.
Customer accounts (deposits)	Where the deposits are short-term in nature, carrying amounts are assumed to approximate fair value. Where deposits are of longer-term maturities, they are valued using a cash flow model discounted as appropriate.
Debt securities in issue	Where the debt securities are fully collateralised, fair value is equal to the carrying value. Other debt securities are valued using a cash flow model discounted as appropriate to the securities for funding and interest rates.
Other liabilities	Where the other liabilities are short-term in nature, carrying amounts are assumed to approximate fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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19. Financial instruments designated at fair value

At 31 March £'000	Carrying value	Fair value adjustment Current	Fair value adjustment Cumulative	Change in fair value attributable to credit risk* Current	Change in fair value attributable to credit risk* Cumulative	Maximum exposure to credit risk
Assets						
2024						
Non-sovereign and non-bank cash placements	12 073	80	80	—	—	12 073
Securities arising from trading activities	10 699	529	1 753	(98)	(161)	10 699
Loans and advances to customers	610 534	3 702	(14 423)	417	(11 552)	625 737
Other securitised assets	66 704	(2 747)	(12 648)	(2 747)	(12 648)	66 702
	700 010	**1 564**	**(25 238)**	**(2 428)**	**(24 361)**	**715 211**
2023						
Reverse repurchase agreements and cash collateral on securities borrowed	—	—	—	—	—	—
Securities arising from trading activities	12 916	930	(638)	(120)	(57)	12 916
Loans and advances to customers**	691 102	(26 535)	(21 143)	(13 404)	(16 809)	712 244
Other securitised assets	78 231	(2 352)	(7 459)	(2 352)	(7 459)	78 927
	782 249	**(27 957)**	**(29 240)**	**(15 876)**	**(24 325)**	**804 087**

At 31 March £'000	Carrying value	Remaining contractual amount to be repaid at maturity	Fair value adjustment Current	Fair value adjustment Cumulative	Change in fair value attributable to credit risk* Current	Change in fair value attributable to credit risk* Cumulative
Liabilities						
2024						
Customer accounts (deposits)	2 583 214	2 471 181	(4 745)	(24 047)	(991)	(1 822)
Debt securities in issue	9 823	9 969	79	2 217	(106)	(160)
Liabilities arising on securitisation of other assets	71 751	77 152	567	(4 350)	567	(4 350)
	2 664 788	**2 558 302**	**(4 099)**	**(26 180)**	**(530)**	**(6 332)**
2023						
Customer accounts (deposits)**	3 302 867	3 326 167	(13 625)	(22 399)	(123)	(907)
Debt securities in issue	21 554	20 097	(274)	5 146	(85)	(67)
Liabilities arising on securitisation of other assets	81 609	86 985	250	(5 441)	250	(5 441)
	3 406 030	**3 433 249**	**(13 649)**	**(22 694)**	**42**	**(6 415)**

* In order to isolate credit risk, changes in fair value due to credit risk are determined as the change in the fair value of the financial instrument that is not attributable to changes in other market inputs.
** £51.5 million loans and advances to customers and £114.0 million customer accounts (deposits) have been restated from amortised cost to fair value through profit or loss, designated at initial recognition.

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

At 31 March £'000	2024	2023
Gross cash and balances at central banks	6 279 089	6 437 710
Expected credit loss on amortised cost	(1)	(1)
Net cash and balances at central banks	**6 279 088**	**6 437 709**
The country risk of cash and balances at central banks lies in the following geographies:		
South Africa	599 762	1 009 926
United Kingdom	5 650 258	5 380 358
Europe (excluding UK)	11 365	20 044
Africa (excluding RSA)	17 703	27 381
	6 279 088	**6 437 709**

21. Loans and advances to banks

At 31 March £'000	2024	2023
Gross loans and advances to banks	1 064 216	1 450 877
Expected credit loss on amortised cost	(471)	(250)
Net loans and advances to banks	**1 063 745**	**1 450 627**
The country risk of loans and advances to banks lies in the following geographies:		
South Africa	87 963	125 807
United Kingdom	388 822	580 710
Europe (excluding UK)	336 349	453 932
North America	134 189	125 227
Africa (excluding RSA)	85 432	110 127
Asia	14 330	21 488
Australia	16 372	32 090
Other	288	1 246
	1 063 745	**1 450 627**

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

At 31 March £'000	2024	2023^
Assets		
Gross reverse repurchase agreements and cash collateral on securities borrowed	4 381 610	3 995 242
Expected credit loss on amortised cost	(90)	(52)
Net reverse repurchase agreements and cash collateral on securities borrowed	**4 381 520**	**3 995 190**
Reverse repurchase agreements	4 174 033	3 746 346
Cash collateral on securities borrowed	207 487	248 844
	4 381 520	**3 995 190**
As part of the reverse repurchase and securities borrowing agreements the Group has received securities that it is allowed to sell or re-pledge. £62.5 million (2023: £92.4 million) has been re-sold or re-pledged to third parties in connection with financing activities or to comply with commitments under short sale transactions.		
Liabilities		
Repurchase agreements	761 431	861 836
Cash collateral on securities lent	153 777	76 271
	915 208	**938 107**

^ Restated as detailed in note 62.

The assets transferred and not derecognised in the above repurchase agreements are fair valued at £811.8 million (2023: £909.1 million). They are pledged as security for the term of the underlying repurchase agreement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

23. Sovereign debt securities

At 31 March £'000	2024	2023^
Gross sovereign debt securities	4 944 417	4 405 561
Expected credit loss on amortised cost	(1 270)	(1 318)
Net sovereign debt securities	**4 943 147**	**4 404 243**
The country risk of the sovereign debt securities lies in the following geographies:		
South Africa	2 559 230	2 732 119
United Kingdom	1 215 320	447 087
Europe (excluding UK)	136 269	190 232
North America	1 019 888	1 022 350
Africa (excluding RSA)	12 440	12 455
	4 943 147	**4 404 243**

^ Restated as detailed in note 62.

24. Bank debt securities

At 31 March £'000	2024	2023^
Gross bank debt securities	596 530	915 885
Expected credit loss on amortised cost	(94)	(199)
Net bank debt securities	**596 436**	**915 686**
Bonds	594 339	698 325
Floating rate notes	2 097	217 361
	596 436	**915 686**
The country risk of the bank debt securities lies in the following geographies:		
South Africa	117 032	311 074
United Kingdom	214 939	211 197
Europe (excluding UK)	109 347	194 165
North America	39 964	130 721
Africa (excluding RSA)	36 990	8 027
Australia	78 164	60 502
	596 436	**915 686**

^ Restated as detailed in note 62.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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25. Other debt securities

At 31 March £'000	2024	2023
Gross other debt securities	1 148 904	1 230 483
Expected credit loss on amortised cost	(757)	(1 091)
Net other debt securities	**1 148 147**	**1 229 392**
Bonds	349 030	415 060
Floating rate notes	100 778	151 107
Asset-based securities	671 267	647 455
Other	27 072	15 770
	1 148 147	**1 229 392**
The country risk of the other debt securities lies in the following geographies:		
South Africa	274 727	401 630
United Kingdom	133 840	154 557
Europe (excluding UK)	148 488	203 343
North America	555 900	416 263
Africa (excl RSA)	3 888	—
Asia	31 304	53 599
	1 148 147	**1 229 392**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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26. Derivative financial instruments

The Group enters into various contracts for derivatives both as principal for trading purposes and as customer for hedging foreign exchange, interest rate, equity and commodity exposures. These include financial futures, options, swaps and forward rate agreements. The risks associated with derivative instruments are monitored in the same manner as for the underlying instruments. Risks are also measured across the product range in order to take into account possible correlations.

In the tables that follow notional principal amounts indicate the volume of business outstanding at the balance sheet date and do not represent amounts at risk. The fair value of a derivative financial instrument represents the present value of positive or negative cash flows which would have occurred had the rights and obligations arising from that instrument been closed out by the Group in an orderly market transaction at balance sheet date.

	2024			2023^		
At 31 March £'000	**Notional principal amounts**	**Positive fair value**	**Negative fair value**	Notional principal amounts	Positive fair value	Negative fair value
Foreign exchange derivatives						
Forward foreign exchange contracts	17 320 588	123 191	81 367	30 560 279	406 944	336 748
Currency swaps	2 310 130	65 029	40 577	2 739 197	47 130	84 278
OTC options bought and sold	2 187 471	34 248	43 609	5 839 905	65 578	81 096
Other foreign exchange contracts	16 603	742	338	4 063	—	—
	21 834 792	**223 210**	**165 891**	**39 143 444**	**519 652**	**502 122**
Interest rate derivatives						
Caps and floors	14 228 034	100 550	100 600	12 137 008	157 968	156 929
Swaps	330 543 529	374 931	412 589	181 919 819	344 797	507 658
Forward rate agreements	29 927 091	4 319	4 608	53 384 899	22 805	18 292
OTC options bought and sold	260 770	822	826	195 052	1 019	539
Other interest rate contracts	2 295	608	229	351 532	16 595	3 215
	374 961 719	**481 230**	**518 852**	**247 988 310**	**543 184**	**686 633**
Equity and stock index derivatives						
OTC options bought and sold*	1 134 477	228 402	333 427	4 462 840	215 922	355 303
Equity swaps and forwards	3 683 456	59 804	30 014	2 395 903	135 027	151 962
OTC derivatives	**4 817 933**	**288 206**	**363 441**	**6 858 743**	**350 949**	**507 265**
Exchange traded futures	109 449	—	—	229 125	—	—
Exchange traded options	4 319 032	63 923	79	11 453 984	64 588	45
Warrants	—	—	—	26 572	—	1 490
	9 246 414	**352 129**	**363 520**	**18 568 424**	**415 537**	**508 800**
Commodity derivatives						
OTC options bought and sold	347 969	42 504	63 436	251 899	39 853	59 145
Commodity swaps and forwards	1 067 363	50 198	54 124	881 797	131 795	120 880
	1 415 332	**92 702**	**117 560**	**1 133 696**	**171 648**	**180 025**
Credit derivatives	**340 289**	**1 747**	**8 973**	**75 633**	**21 390**	**11 882**
Other derivatives		**4 441**	**11**		**5 043**	**57**
Cash collateral		**(271 148)**	**(75 315)**		**(160 775)**	**(194 612)**
Effect of on-balance sheet netting		**(30 373)**	**(30 373)**		**(151 767)**	**(151 767)**
Derivatives per balance sheet		**853 938**	**1 069 119**		**1 363 912**	**1 543 140**

^ Restated as detailed in note 62.
* In the prior year, notional principal amounts have been restated, as a result of the derivative financial instrument restatement detailed in note 62.

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27. Securities arising from trading activities

At 31 March £'000	2024	2023^
Bonds	217 103	281 362
Government securities	171	—
Listed equities	1 180 702	1 373 302
Floating rate notes	28 561	50 354
Other	169 723	131 309
	1 596 260	**1 836 327**

^ Restated as detailed in note 62.

28. Loans and advances to customers

At 31 March £'000	2024	2023^
Gross loans and advances to customers at amortised cost*	28 140 883	28 229 293
Gross loans and advances to customers at FVOCI#	1 471 371	843 428
Gross loans and advances to customers designated at FVPL at inception##*	616 818	704 074
Suspended interest**	30 647	30 153
Gross loans and advances to customers subject to expected credit losses	**30 259 719**	**29 806 948**
Expected credit losses on loans and advances to customers at amortised cost and FVOCI##	(289 249)	(289 135)
Suspended interest**	(30 647)	(30 153)
	29 939 823	**29 487 660**
Loans and advances to customers at fair value through profit and loss	705 490	625 309
Net loans and advances to customers	**30 645 313**	**30 112 969**
Gross other loans and advances	117 525	142 752
Expected credit losses on other loans and advances	(12)	(26)
Net other loans and advances	**117 513**	**142 726**

^ Restated as detailed in note 62.
# Expected credit losses above do not include £13.3 million (2023: £5.3 million) ECL held against financial assets held at FVOCI.
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.
* £51.5 million loans and advances to customers has been restated from amortised cost to fair value through profit or loss, designated at initial recognition.
** Suspended interest is now presented as part of expected credit losses on loans and advances. The prior year has been restated for this.

In accordance with IFRS 9, interest should only be recognised on the net position (i.e. gross loans and advances less ECL) on positions in default. Suspended interest relates to interest not recognised, relating to the ECL on the loans and advances in default.

At 31 March £'000	2024	2023
Expected credit losses on loans and advances to customers at amortised cost and FVOCI		
Balance at the beginning of the year	289 135	269 505
Expected credit loss impairment charges to the income statement	90 451	89 152
Utilised	(77 164)	(55 284)
Reclassification	—	1 107
Exchange adjustment	(13 173)	(15 345)
Balance at the end of the year	**289 249**	**289 135**

For further analysis on loans and advances refer to pages 33 to 45 of the Investec Group's 2024 risk and governance report.

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29. Securitised assets and liabilities arising on securitisation

At 31 March £'000	2024	2023
Gross own originated loans and advances to customers securitised	269 643	273 799
Expected credit loss of own originated loans and advances to customers securitised	(609)	(920)
Net own originated loans and advances to customers securitised	**269 034**	**272 879**
Other securitised assets are made up of the following categories of assets:		
Cash and cash equivalents	—	24 920
Loans and advances to customers	66 236	74 226
Other debt securities	468	4 005
Total other securitised assets	**66 704**	**103 151**
The associated liabilities are recorded on-balance sheet in the following line items:		
Liabilities arising on securitisation of own originated loans and advances	**208 571**	**163 787**
Liabilities arising on securitisation of other assets	**71 751**	**81 609**
Expected credit losses on own originated loans and advances to customers securitised at amortised cost		
Balance at the beginning of year	920	1 385
Release to the income statement	(238)	(348)
Exchange adjustment	(73)	(117)
Balance at the end of year	**609**	**920**

30. Long-term assurance business attributable to policyholders

At 31 March £'000	2024	2023
Liabilities to customers under investment contracts	**154 889**	**110 891**
Other financial instruments at fair value through profit or loss in respect of liabilities to customers:		
Investments	154 738	110 891
	154 738	**110 891**
Investments shown above comprise:		
Interest-bearing securities	2 838	273
Stocks, shares and unit trusts	209	108 385
Deposits	151 691	2 233
	154 738	**110 891**

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31. Investment portfolio

At 31 March £'000	2024	2023
Listed equities	245 062	200 440
Unlisted equities*	361 361	458 866
Other fair value investments	200 607	671 601
	807 030	**1 330 907**

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

Equity instruments at FVOCI (included in 'listed equities')

At 31 March £'000	2024	2023
Carrying values at 31 March and dividends recognised for the year to 31 March		
Portfolio of perpetual preference shares issued by South African listed banks		
Carrying value	13 264	15 379
Dividends recognised	1 425	1 174
Ninety One plc shares		
Carrying value	158 889	172 285
Dividends recognised	11 721	13 210
Total carrying value of equity instruments at FVOCI	**172 153**	**187 664**

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32. Interests in associated undertakings and joint venture holdings

At 31 March £'000	2024	2023^
Interests in associated undertakings and joint venture holdings consist of:		
Net asset value	203 908	47 863
Goodwill and intangibles within carrying value	654 512	5 840
Investment in associated undertakings and joint venture holdings	**858 420**	**53 703**
Associated undertakings and joint venture holdings comprise listed and unlisted investments		
Analysis of the movement in our share of net assets:		
At the beginning of the year	47 863	728 679
Exchange adjustments	(131)	(17 987)
Acquisitions**	119 230	—
Derecognition of investment in Ninety One DLC following distribution	—	(386 019)
Derecognition from stepped acquisition	(2 123)	(565)
Discontinued operations	426	—
Share of post-taxation profits of associates and joint venture holdings*	39 373	29 288
Share of other comprehensive income of associates and joint venture holdings	257	—
Dividends received	(228)	(26 449)
Transfer to investment portfolio#	—	(277 542)
Capital reduction	(759)	—
Amortisation of acquired intangibles of associates	—	(1 542)
At the end of the year	**203 908**	**47 863**
Analysis of the movement in goodwill and intangibles:		
At the beginning of the year	5 840	5 755
Exchange adjustments	(126)	224
Acquisitions**	660 191	—
Derecognition from stepped acquisition	(5 714)	—
Amortisation of acquired intangibles of associates	(5 679)	—
Impairment	—	(139)
At the end of the year	**654 512**	**5 840**

^ Due to the increase in value of goodwill and intangibles of associates in the current year, the prior year has been re-presented to align with current year disclosure.

* Included within the share of post-taxation profit from associated undertakings and joint venture holdings is an expense of £16.6 million in Rathbones presented within operational items in the income statement. In the prior year, included within the share of post-taxation profit from associates and joint venture holdings in the income statement is an impairment of £421 000.

** Refer to note 13 for additional information.

\# In the prior year, the IEP Group and Bud Group shareholders approved a restructure to facilitate an exit by certain IEP shareholders, including the Investec Group, by way of a share buyback. The restructure entails the transfer of certain assets to a Newco, to facilitate the orderly disposal of those assets. As a result the nature of the holding in IEP has changed to that of a fair value investment and has been transferred to the investment portfolio line on the balance sheet, where it is measured at fair value through profit or loss.

	Rathbones Group plc 2024
Details of material associated companies	
Summarised financial information (£'000):	
For the year to 31 March	
Revenue*	436 272
Profit after taxation*	35 000
At 31 March	
Total assets	4 853 534
Total liabilities	3 472 425
Effective interest in issued share capital	41.25%
Net asset value	119 230
Goodwill and intangibles^^	660 191
Fair value of 41.25% interest in Rathbones Group	779 421
Carrying value of interest – equity method	**788 437**

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

** The investment in Rathbones was initially recognised on 21 September 2023 at a fair value of £779.4 million with subsequent equity accounted earnings and amortisation of the intangible asset increasing the value to £788.4million.

^^ The Group elected to apply the 12-month measurement exemption in order to finalise the allocation of value between goodwill and identified intangible.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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33. Deferred taxation

At 31 March £'000	2024	2023^
Deferred taxation assets	204 861	234 034
Deferred taxation liabilities	(5 198)	(26 545)
Net deferred taxation assets	**199 663**	**207 489**
The net deferred taxation assets arise from:		
Deferred capital allowances	62 164	60 275
Income and expenditure accruals	68 647	87 312
Asset in respect of unexpired options	42 436	30 859
Unrealised fair value adjustments on financial instruments	12 072	27 007
Losses carried forward	9 051	15 381
Assets in respect of pensions surplus	362	372
Deferred tax on acquired intangibles	5	(10 357)
Revaluation of property	(5 267)	(5 929)
Finance lease accounting	10 158	7 476
Cash flow hedges	23	(4 908)
Other temporary differences	12	1
Net deferred taxation assets	**199 663**	**207 489**
Reconciliation of net deferred taxation assets		
At the beginning of the year	207 489	204 171
Recovery to the income statement	4 898	19 869
Recovery directly in other comprehensive income	(1 149)	5 899
Arising on acquisitions/(disposals)	5 201	(2 998)
Discontinued operations	(5 968)	—
Exchange adjustments	(8 888)	(19 452)
Other	(1 920)	—
At the end of the year	**199 663**	**207 489**

^ Restated as detailed in note 62.

Deferred taxation assets are recognised to the extent it is likely that profits will be available in future periods. The assessment of the likelihood of future profits is based on past performance and current projections. Deferred taxation assets are not recognised in respect of capital losses and excess management expenses as crystallisation of capital gains and the eligibility of potential losses is uncertain.

There are trading losses carried forward of £89.9 million (2023: £99.5 million), capital losses carried forward of £190 million (2023: £199.5 million) and excess management expenses of £2.5 million (2023: £2.5 million) on which deferred tax assets have not been recognised due to uncertainty regarding future profits against which these losses can be utilised. Of the £89.9 million trading losses, £8.5 million will expire in the next four years.

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34. Other assets

At 31 March £'000	2024	2023^
Gross other assets	1 672 582	2 030 476
Expected credit loss on amortised cost	—	—
Net other assets	**1 672 582**	**2 030 476**
Financial assets		
Settlement debtors	729 205	1 102 428
Prepayments and accrued income	6 631	32 599
Trading initial margin	237 896	216 399
Other investments	38 932	40 979
Fee debtors	5 034	6 556
Other financial assets	135 402	118 579
Non-financial assets		
Trading properties	107 478	123 052
Prepayments and accrued income	46 729	60 941
Commodities	122 566	66 401
Finance lease receivables (refer to note 51)	174 754	207 203
Indirect taxation assets receivable	80	2 144
Other	67 875	53 195
	1 672 582	**2 030 476**

^ Restated as detailed in note 62.

In the current year, to enhance disclosure, 'other assets' were disaggregated into financial and non-financial categories. The prior year has been re-presented to align with current year disclosure.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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35. Property and equipment

At 31 March £'000	Freehold properties	Right-of-use assets*	Leasehold improvements	Furniture and vehicles	Equipment	Operating leases**	Total
2024							
Cost							
At the beginning of the year	165 927	149 922	61 348	17 070	62 811	1 431	458 509
Exchange adjustments	(13 973)	(915)	(270)	(798)	(2 434)	—	(18 390)
Additions	760	28 776	7 826	1 627	6 748	53	45 790
Disposals and modifications	(380)	685	(88)	(1 768)	(1 459)	(188)	(3 198)
Acquisition of subsidiaries	—	—	—	506	—	—	506
Write-offs	—	(81)	—	(330)	(6 287)	—	(6 698)
Discontinued operations	(8 354)	(52 403)	(12 118)	—	(14 262)	—	(87 137)
At the end of the year	**143 980**	**125 984**	**56 698**	**16 307**	**45 117**	**1 296**	**389 382**
Accumulated depreciation							
At the beginning of the year	(22 666)	(61 768)	(34 870)	(10 696)	(48 665)	(1 283)	(179 948)
Exchange adjustments	1 906	734	233	543	1 772	—	5 188
Disposals	15	473	73	1 539	1 351	174	3 625
Acquisition of subsidiaries	—	—	—	(256)	(11)	—	(267)
Depreciation charge for the year	(4 657)	(11 938)	(5 320)	(1 289)	(4 654)	(28)	(27 886)
Depreciation charge for the year - discontinued operations	—	(2 530)	(311)	—	(610)	—	(3 451)
Write-offs	—	81	—	330	4 088	—	4 499
Discontinued operations	5 016	20 568	9 684	—	11 662	—	46 930
At the end of the year	**(20 386)**	**(54 380)**	**(30 511)**	**(9 829)**	**(35 067)**	**(1 137)**	**(151 310)**
Net carrying value	**123 594**	**71 604**	**26 187**	**6 478**	**10 050**	**159**	**238 072**
2023							
Cost							
At the beginning of the year	183 611	148 184	81 209	17 018	61 354	3 466	494 842
Exchange adjustments	(23 025)	279	2 374	(1 333)	(2 944)	—	(24 649)
Additions	5 341	7 641	2 327	1 604	8 323	—	25 236
Disposals and modifications	—	(6 182)	(24 562)	(716)	(3 604)	(2 035)	(37 099)
Acquisition of subsidiaries	—	—	—	—	183	—	183
Write-offs	—	—	—	—	(94)	—	(94)
Reclassifications	—	—	—	497	(407)	—	90
At the end of the year	**165 927**	**149 922**	**61 348**	**17 070**	**62 811**	**1 431**	**458 509**
Accumulated depreciation							
At the beginning of the year	(20 171)	(49 892)	(29 388)	(10 374)	(46 377)	(3 220)	(159 422)
Exchange adjustments	2 856	(316)	358	924	2 575	1	6 398
Disposals	—	4 831	320	524	2 599	1 992	10 266
Depreciation charge for the year	(5 351)	(16 391)	(6 107)	(1 273)	(7 849)	(56)	(37 027)
Acquisition of subsidiaries	—	—	—	—	(167)	—	(167)
Write-offs	—	—	—	—	94	—	94
Reclassifications	—	—	(53)	(497)	460	—	(90)
At the end of the year	**(22 666)**	**(61 768)**	**(34 870)**	**(10 696)**	**(48 665)**	**(1 283)**	**(179 948)**
Net carrying value	**143 261**	**88 154**	**26 478**	**6 374**	**14 146**	**148**	**278 561**

* Right-of-use assets primarily comprises property leases under IFRS 16.
** These are assets held by the Group, in circumstances where the Group is lessor.

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36. Investment properties

At 31 March £'000	2024	2023
At the beginning of the year	722 481	820 555
Additions	19 597	14 467
Disposals	(221)	(1 976)
Discontinued operations (Refer to note 13)	(568 568)	—
Fair value movement	2 682	4 352
Reclassifications*	(7 631)	(12 511)
Exchange adjustments	(62 365)	(102 406)
At the end of the year	**105 975**	**722 481**

* Reclassifications of £15.9 million (2023: £12.5 million) to non-current assets classified as held for sale and a reclassification of £8.3million from other assets (2023: £nil) from other assets as there was a change in use of the property.

For total gains and losses on investment properties recognised in the income statement, refer to note 4.

Non-current assets held for sale comprises £19.0 million (2023: £35.7 million) of investment properties and £3.3 million (2023: £nil) of trading properties. These investment properties are excluded from the measurement scope of IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations and continue to be measured according to the fair value model. The majority of these properties are in the Group Investments business segment.

All investment properties are classified as level 3 in the fair value hierarchy.

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use. Properties are valued under the income capitalisation method and discounted cash flow method (DCF).

Under the income capitalisation method a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate.

Under the DCF method a property's fair value is estimated using explicit assumptions about the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This involves the projection of a series of cash flows and, to this, an appropriate market-derived discount rate is applied to establish the present value of the income stream.

Valuation techniques used to derive level 3 fair values

The significant unobservable inputs used to derive the fair value measurements are those relating to the valuation of underlying investment properties. The table below includes the following definitions and relationship between the unobservable inputs and fair value measurement:

Significant unobservable inputs	Definitions
Expected Rental Value (ERV)	The rent at which space could be let in the market conditions prevailing at the date of valuation.
Capitalisation rate (cap rate)	The rate of return that is expected to be generated on the real estate investment property.
Long-term vacancy rate	The ERV of the expected long-term average structural vacant space divided by the ERV of the whole property. Long-term vacancy rate can also be determined based on the percentage of estimated vacant space divided by the total lettable area.
Equivalent Yield Range	The measure used in property valuation to determine the expected return on investment for a property.

Level 3 valuations

At 31 March 2024 Description	Average expected rental value per £/m^2	Equivalent yield range	Weighted average cap rate	Long-term vacancy rates	Change in fair value (£'000) from a 0.25bp increase/ decrease in cap rate	Change in fair value (£'000) from a 5% increase/ decrease in expected rental value
Across South African sectors	4.8	0% – 12.83%	8.5%	10.4%	906	1 636
SA Retail	6.0	7.20% – 10.19%	8.1%	3.0%	1 238	2 306
SA Industrial	3.3	8.74% – 12.83%	8.6%	—%	747	1 259
SA Office	8.1	0% – 9.54%	10.1%	22.0%	103	224

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36. Investment properties continued

At 31 March 2023 Description	Average expected rental value per £/m^2	Equivalent yield range	Weighted average cap rate	Long-term vacancy rates	Change in fair value (£'000) from a 0.25bp increase/ decrease in cap rate	Change in fair value (£'000) from a 5% increase/ decrease in expected rental value
Across South African sectors	4.7	7.4% - 12.0%	8.8%	4.0% - 6.0%	13 635	30 301
SA Retail	7.4	7.4% - 11.0%	8.3%	4.0% - 5.0%	6 421	12 306
SA Industrial	2.5	7.6% - 11.1%	9.2%	1.5% - 2%	3 370	7 232
SA Office	6.6	7.7% - 12.0%	8.9%	7.7% - 9.5%	2 648	10 823

37. Goodwill

At 31 March £'000	2024	2023
Cost		
At the beginning of the year	316 769	314 803
Acquisitions	56 268	6 237
Adjustment to goodwill on acquisition within the measurement period	(200)	—
Deconsolidation of subsidiary	(242 355)	—
Exchange adjustments	(2 867)	(4 271)
At the end of the year	**127 615**	**316 769**
Accumulated impairments		
At the beginning of the year	(54 137)	(56 399)
Impairments	—	(890)
Exchange adjustments	1 888	3 152
At the end of the year	**(52 249)**	**(54 137)**
Net carrying values	**75 366**	**262 632**
Analysis of goodwill by line of business and geography:		
UK and Other		
Wealth & Investment	—	242 555
Specialist Banking	68 669	12 712
	68 669	**255 267**
Southern Africa		
Specialist Banking	6 698	7 365
	6 698	**7 365**
	75 367	**262 632**

Goodwill is tested annually for impairment, or more frequently if evidence exists that goodwill might be impaired, by comparing the carrying value to its recoverable amount.

The recoverable amount of goodwill is determined based on expected cash flows within the cash-generating units of the Group to which the goodwill is allocated. Key assumptions within the calculation include discount rates, growth rates in revenue and related expenditure and loan impairment rates.

Discount rates are based on pre-tax rates that reflect current market conditions, adjusted for the specific risks associated with the cash-generating unit. Growth rates are based on industry growth forecasts. Cash flow forecasts are based on the most recent financial budgets for the next financial year and are extrapolated for a period of three to five years, adjusted for expected future events.

The valuation of goodwill is a level 3 in the fair value hierarchy.

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37. Goodwill continued

UK and Other

The most significant cash-generating unit giving rise to goodwill is Capitalmind with goodwill of £56.3 million. A detailed impairment assessment, including sensitivity test of the cash generating unit (CGU) has been carried out which shows a headroom of £6.52 million. As part of the assessment, a break-even point scenario has been considered. This highlights the CGU would have zero headroom were revenues to be reduced by 10% over the forecast period.

Key assessment input:

1 Forecast revenue based on 31 March 2024 actuals

2 Growth rate 2%

3 Discount rate 11.6%

Southern Africa

Goodwill attributed to the South African operations relates predominantly to Investec for Business (IFB) which has been identified as a separate cash-generating unit. The goodwill relating to IFB and has been tested for impairment, taking into account profitability, being the budgeted profits and the future profit growth for the next five years. The valuation is based on management's assessment of appropriate profit forecasts and discount rates to estimate the fair value. Discount rate applied of 6.25% (2023: 7.25%) is determined using the South African inter-bank lending rate, adjusted for business specific risk.

Sensitivity analysis has been carried out and it has been concluded that no reasonably possible change in the key assumptions would cause an impairment to be recognised.

Movement in goodwill

During the year ended 31 March 2024, goodwill decreased by £242.4 million as a result of the deconsolidation of Investec Wealth & Investment following the all-share combination with Rathbones Group.

The increase of £56.3 million relates to the acquisition of Capitalmind subsidiary in a step up acquisition during the year.

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38. Intangible assets

At 31 March £'000	Software			Other acquired intangible assets		
	Acquired software	Internally generated software	Total	Client relationships^	Total	Total
2024						
Cost						
At the beginning of the year	52 767	3 298	56 065	222 873	222 873	278 938
Exchange adjustments	(1 709)	—	(1 709)	(1 584)	(1 584)	(3 293)
Discontinued operations	(8 591)	(3 298)	(11 889)	(194 771)	(194 771)	(206 660)
Additions	1 969	—	1 969	—	—	1 969
Disposals	(383)	—	(383)	—	—	(383)
Write-offs	(4 663)	—	(4 663)	—	—	(4 663)
Acquisition of subsidiary undertakings	—	—	—	945	945	945
At the end of the year	**39 390**	**—**	**39 390**	**27 463**	**27 463**	**66 853**
Accumulated amortisation and impairments						
At the beginning of the year	(39 410)	(1 254)	(40 664)	(181 737)	(181 737)	(222 401)
Exchange adjustments	1 202	—	1 202	1 535	1 535	2 737
Discontinued operations	6 542	1 643	8 185	160 646	160 646	168 831
Disposals	242	—	242	—	—	242
Amortisation	(2 736)	—	(2 736)	(1 483)*	(1 483)	(4 219)
Amortisation - discontinued operations	(186)	(389)	(575)	(6 424)	(6 424)	(6 999)
Write-offs	4 663	—	4 663	—	—	4 663
At the end of the year	**(29 683)**	**—**	**(29 683)**	**(27 463)**	**(27 463)**	**(57 146)**
Net carrying value	**9 707**	**—**	**9 707**	**—**	**—**	**9 707**
2023						
Cost						
At the beginning of the year	47 278	3 104	50 382	213 173	213 173	263 555
Exchange adjustments	(2 359)	—	(2 359)	(2 641)	(2 641)	(5 000)
Acquisition of subsidiary undertakings	—	194	194	10 883	10 883	11 077
Additions	11 284	—	11 284	1 458	1 458	12 742
Disposals	(3 436)	—	(3 436)	—	—	(3 436)
At the end of the year	**52 767**	**3 298**	**56 065**	**222 873**	**222 873**	**278 938**
Accumulated amortisation and impairments						
At the beginning of the year	(40 422)	(517)	(40 939)	(169 021)	(169 021)	(209 960)
Exchange adjustments	1 808	—	1 808	2 417	2 417	4 225
Disposals	3 431	—	3 431	—	—	3 431
Amortisation	(4 227)	(632)	(4 859)	(15 160)*	(15 160)	(20 019)
Acquisition of subsidiary undertakings	—	(105)	(105)	27	27	(78)
At the end of the year	**(39 410)**	**(1 254)**	**(40 664)**	**(181 737)**	**(181 737)**	**(222 401)**
Net carrying value	**13 357**	**2 044**	**15 401**	**41 136**	**41 136**	**56 537**

* Amortisation of acquired intangibles as disclosed in the income statement £1.5 million (2023: £15.2 million).
^ Client relationships all relate to the acquisition of Rensburg Sheppards plc in June 2010 and Evolution Group in December 2011 and Investec Import Solutions Group in July 2015.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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39. Acquisitions and disposals

Acquisitions

During the reporting period the Group completed a stepped acquisition increasing its shareholding in the Capitalmind associate from 30% to 60% for a total consideration attributable to the increase in shareholding of £29.4 million and therefore as at 31 March 2024 has consolidated these entities as subsidiaries. The non-controlling interest has been measured as the proportionate share of the identifiable net assets. Goodwill of £56.3 million, including a deferred taxation liability of £0.2 million and an intangible asset of £0.9 million have been recognised as a consequence of this increased shareholding.

The goodwill recognised is the difference between the purchase price for the additional 30% acquired, the fair value of the previously held 30%, the non-controlling interest measured at its proportionate share of 40% of net asset, and the fair value of the identifiable assets and liabilities on transaction date. Goodwill represents the value of acquired intangible assets as of the acquisition date that did not meet the criteria for separate recognition, such as the assembled workforce of partners and potential contracts subject to negotiation.

Goodwill on acquisition is calculated as follows:

£'000	
Consideration*	29 352
Fair value of previously held 30% holding^	27 505
	56 857
Fair value of identifiable net assets	452
Intangible assets	945
Less, deferred taxation liability on intangible assets	(236)
Less, non-controlling interests as proportionate share of acquired net assets	(572)
	589
Goodwill	**56 268**

* Consideration attributable to the purchase of 30% was made up of £20.9 million cash and £8.5 million deferred consideration. Deferred consideration is not contingent on any performance measures.

^ Included within Investment income in the Income statement is a gain of £4.2 million from the remeasurement of the previously held 30% holding.

£'000	
Fair value of identifiable net assets	
Loans and advances to banks	2 332
Property and equipment	250
Other assets	3 533
Other liabilities	(5 663)
	452

Post-acquisition operating income of £16.6 million and profit after taxation of £2.6 million have been included in the consolidated income statement for the reporting period.

During the prior year, the Group acquired Murray Asset Management for a net cash consideration of £9.7 million.

Disposals

During the year, the Group had two significant strategic actions which have been reflected as discontinued operations.

Refer to note 13 for further details.

There were no significant disposals of subsidiaries during the prior year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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40. Other trading liabilities

At 31 March £'000	2024	2023^
Structured retail products	694 858	630 587
Deposits	352 254	330 331
Short positions		
– Equities	304 551	292 267
– Gilts	17 669	25 267
	1 369 332	**1 278 452**

^ Restated as detailed in note 62.

41. Customer accounts (deposits)

At 31 March £'000	2024	2023^
Transactional	1 335 114	1 686 044
Demand	13 898 431	14 167 305
Notice	7 158 835	7 696 701
Fixed term	17 115 425	16 005 619
	39 507 805	**39 555 669**

^ Restated as detailed in note 62.

42. Debt securities in issue

At 31 March £'000	2024	2023
Repayable in:		
Less than three months	34 518	67 776
Three months to one year	144 853	216 063
One to five years	1 351 148	1 184 788
Greater than five years	10 675	333 959
	1 541 194	**1 802 586**
Debt securities in issue shown above comprise:		
Loans	—	235 210
Redeemable preference shares	222 931	62 481
Structured products	295 576	497 226
Senior unsecured notes	964 187	951 125
Other instruments	58 500	56 544
	1 541 194	**1 802 586**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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43. Other liabilities

At 31 March £'000	2024	2023^
Financial liabilities		
Settlement liabilities	753 529	1 099 874
Other creditors and accruals	204 633	189 007
Other non-interest-bearing liabilities	151 349	157 671
Expected credit loss on undrawn commitments and guarantees	13 504	18 572
Non-financial liabilities		
Other creditors and accruals	337 463	397 119
Other non-interest-bearing liabilities	43 641	60 951
Rewards Programme liability	31 366	32 121
Lease liabilities	267 669	327 384
Long service employee benefits liability (refer to note 8)	2 938	6 310
Indirect taxation liabilities payable	10 047	22 094
	1 816 139	**2 311 103**

In the current year, to enhance disclosure, 'other liabilities' were disaggregated into financial and non-financial categories. The prior year has been re-presented to align with current year disclosure.

Reconciliation of lease liabilities

At 31 March £'000	2024	2023
At the beginning of the year	327 384	351 744
Deconsolidation of subsidiaries	(39 769)	—
Interest	12 558	13 694
Additional leases	32 908	3 485
Remeasurement of lease liabilities	(3 360)	4 114
Repayment of lease liabilities	(56 776)	(60 187)
Exchange adjustments	(5 276)	14 534
At the end of the year	**267 669**	**327 384**

Lease liabilities included in other liabilities are due in:

	2024		2023	
At 31 March £'000	**Undiscounted payments**	**Present value**	Undiscounted payments	Present value
Less than one year	58 553	55 776	67 740	59 502
One to two years	167 062	153 847	59 380	55 506
Two to three years	17 539	16 173	195 907	154 471
Three to four years	17 115	16 043	20 086	19 294
Four to five years	8 011	6 906	19 618	18 262
Greater than five years	43 484	18 924	43 751	20 349
	311 764	**267 669**	**406 482**	**327 384**

^ Restated as detailed in note 62.
* Included in Other creditors and accruals in the current year is a provision relating to motor vehicle financing. Refer to note 54 for more detail.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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44. Subordinated liabilities

At 31 March £'000	2024	2023
Issued by Investec Bank plc		
Subordinated fixed rate re-set callable medium-term notes – amortised cost	—	71 060
Issued by Investec plc		
Subordinated fixed rate re-set callable medium-term notes – amortised cost	668 810	660 422
Issued by Investec Bank Limited		
IV019 indexed rate subordinated unsecured callable bonds	—	6 608
IV019A indexed rate subordinated unsecured callable bonds	—	23 797
IV049 variable rate subordinated unsecured callable bonds	—	60 563
Issued by Investec Limited		
INLV07 variable rate subordinated unsecured callable bonds	68 279	74 558
INLV11 variable rate subordinated unsecured callable bonds	16 694	18 229
INLV12 variable rate subordinated unsecured callable bonds	45 909	50 130
INLV14 variable rate subordinated unsecured callable bonds	20 868	—
INLV15 variable rate subordinated unsecured callable bonds	31 302	—
INLIX01 variable rate subordinated unsecured callable bonds	120 944	119 263
	972 806	**1 084 630**
All subordinated debt issued by Investec Limited and its subsidiaries is denominated in South African Rand		
Remaining maturity*:		
In one year or less, or on demand	—	90 968
In more than one year, but not more than two years	68 279	—
In more than two years, but not more than five years	235 717	262 180
In more than five years	668 810	731 482
	972 806	**1 084 630**
Reconciliation from opening balance to closing balance:		
Opening balance	1 084 630	1 316 191
Issue of subordinated liabilities	52 169	460 934
Interest accrued on subordinated liabilities	79 116	72 074
Net movements in capitalised interest	(9 813)	(20 487)
Repayment of interest	(60 200)	(56 401)
Transfer of interest accrued to other liabilities at the beginning of the year	592	2 184
Transfer of interest accrued to other liabilities at the end of the year	(1 419)	(592)
Redemption of subordinated liabilities	(153 688)	(665 648)
Consumer Price Index, effective interest rate adjustments and currency adjustments on foreign-denominated bonds adjustment	10 833	39 997
Exchange adjustments	(29 414)	(63 622)
Closing balance	**972 806**	**1 084 630**

* Maturities have been determined using the date on which the Company is able to call the bonds.

The only event of default in relation to the subordinated debt is the non-payment of principal or interest. The only remedy available to the holders of the subordinated debt in the event of default is to petition for the winding up of the issuing entity. In a winding up no amount will be paid in respect of the subordinated debt until all other creditors have been paid in full.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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44. Subordinated liabilities continued

Subordinated fixed rate reset callable medium-term notes (denominated in Pound Sterling) – accounted for at amortised cost

On 24 July 2018, Investec Bank plc issued £420 000 000 of 4.25% subordinated notes due 2028 at a discount (2028 notes). Interest is paid annually. The notes are listed on the London Stock Exchange. The notes will be redeemed at par on 24 July 2028. The issuer has a one-time redemption option on the early redemption date of 24 July 2023 subject to conditions.
On 6 December 2022 Investec Bank plc completed a tender offer to purchase £350 000 000 aggregate nominal amount of the notes at a cash purchase price of 99.44644 pence plus an accrued interest payment. The total value of the debt redeemed was £353 605 000. The remaining notes in issue of £347 926 000 were redeemed on 6 December 2022.

Subordinated callable fixed rate resettable medium-term notes (denominated in Pounds Sterling) – accounted for at amortised cost

On 4 October 2021, Investec plc issued £350 000 000 of 2.625% subordinated notes due 2032 at a discount (2032 notes). Interest, after the initial short period distribution paid on 4 January 2022, is paid annually commencing on 4 January 2023 and ending on the maturity date. The notes are listed on the London Stock Exchange. The notes will be redeemed at par on 4 January 2032. The issuer may redeem the notes at par on any date in the period from 4 October 2026 to (and including) 4 January 2027 subject to conditions.

Subordinated callable fixed rate resettable medium-term notes (denominated in Pounds Sterling) – accounted for at amortised cost

On 6 December 2022, Investec plc issued £350 000 000 of 9.125% subordinated notes due 2033 at a discount (2033 Notes). Interest, after the initial short period distribution paid on 6 March 2023, is paid annually commencing on 6 March 2024 and ending on the maturity date. The notes are listed on the London Stock Exchange. The notes will be redeemed at par on 6 March 2033. The issuer may redeem the notes on maturity date at par on the principal amount.

IV019 indexed rate subordinated unsecured callable bonds

Rnil (2023: R145 million) Investec Bank Limited IV019 locally registered subordinated unsecured callable bonds are due in March 2028. Interest on these inflation-linked bonds is payable semi-annually on 31 March and 30 September at a rate of 2.60%. The IV019 is a replica of the R210 South African government bond. The maturity date is 31 March 2028, but the Company has the option to call the bonds upon regulatory capital disqualification or from 3 April 2023. These notes were repaid in the current year.

IV019A indexed rate subordinated unsecured callable bonds

Rnil (2023: R522 million) Investec Bank Limited IV019A locally registered subordinated unsecured callable bonds are due in March 2028. Interest on these inflation-linked bonds is payable semi-annually on 31 March and 30 September at a rate of 2.60%. The IV019A is a replica of the R210 South African government bond. The maturity date is 31 March 2028, but the Company has the option to call the bonds upon regulatory capital disqualification or from 3 April 2023. These notes were repaid in the current year.

IV049 variable rate subordinated unsecured callable bonds

Rnil (2023: R1 329 million) Investec Bank Limited IV049 locally registered subordinated unsecured callable bonds are due in December 2028. Interest is payable quarterly in arrears on 4 March, 4 June and 4 September and 4 December at a rate equal to three-month JIBAR plus 3.413% up to and excluding 4 March 2028. The maturity date is 4 December 2028, but the Company has the option to call the bonds upon regulatory capital disqualification or from 4 March 2023. These notes were repaid in the current year.

INLV07 variable rate subordinated unsecured callable bonds

R1 636 million Investec Limited issued INLV07 locally registered subordinated unsecured floating rate notes are due in March 2031. Interest is payable quarterly on 9 March, 9 June, 9 September and 9 December at a rate equal to the three-month JIBAR plus 2.60%. The maturity date is 9 March 2031 but the issuer has the option to redeem on 9 March 2026 and on each interest payment date thereafter.

INLV11 variable rate subordinated unsecured callable bonds

R400 million Investec Limited issued INLV11 locally registered subordinated unsecured floating rate notes are due December 2031. Interest is payable quarterly on 22 March, 22 June, 22 September and 22 December at a rate equal to the three-month JIBAR plus 2.10%. The maturity date is 22 December 2031 but the issuer has the option to redeem on 22 March 2027 and on each interest payment date thereafter.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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44. Subordinated liabilities continued

INLV12 variable rate subordinated unsecured callable bonds

R1 100 million Investec Limited issued INLV12 locally registered subordinated unsecured floating rate notes are due March 2032. Interest is payable quarterly on 25 March, 25 June, 25 September and 25 December at a rate equal to the three-month JIBAR plus 2.20%. The maturity date is 25 March 2032 but the issuer has the option to redeem on 25 June 2027 and on each interest payment date thereafter.

INLV14 variable rate subordinated unsecured callable bonds

R500 million Investec Limited INLV14 locally registered subordinated unsecured floating rate notes are due June 2033. Interest is payable quarterly on 30 March, 30 June, 30 September and 30 December at a rate equal to the three-month JIBAR plus 2.00%. The maturity date is 30 June 2033 but the issuer has the option to redeem on 30 September 2028 and on each interest payment date thereafter.

INLV15 variable rate subordinated unsecured callable bonds

R750 million Investec Limited INLV15 locally registered subordinated unsecured floating rate notes are due November 2033. Interest is payable quarterly on 27 February, 27 May, 27 August and 27 November at a rate equal to the three-month JIBAR plus 1.95%. The maturity date is 27 November 2033 but the issuer has the option to redeem on 27 February 2029 and on each interest payment date thereafter.

INLIX01 variable rate subordinated unsecured callable bonds

$191 million Investec Limited INLIX01 locally registered subordinated unsecured Tier II callable bonds are due in July 2032 and were issued at an issue price of $141 million. The notes will automatically convert from zero coupon notes to floating rate notes on the first optional redemption date, being 13 July 2027. The accrual zero coupon yield is 6.1799% up until 13 July 2027. If the issuer does not exercise the option to redeem the notes on 13 July 2027, then interest on the floating rate notes shall commence on 13 July 2027 and is payable annually on 13 July at a rate equal to the SOFR plus 3.16% up to and excluding 13 July 2032. The maturity date is 13 July 2032, but the Company has the option to call the bonds upon regulatory capital disqualification or from 13 July 2027.

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45. Ordinary share capital

At 31 March £'000	2024	2023
Investec plc		
Issued, allotted and fully paid		
Number of ordinary shares	**Number**	**Number**
At the beginning of the year	696 082 618	696 082 618
Issued during the year	—	—
At the end of the year	**696 082 618**	**696 082 618**
Nominal value of ordinary shares	**£'000**	**£'000**
At the beginning of the year	138	138
Issued during the year	—	—
At the end of the year	**138**	**138**
Number of special converting shares	**Number**	**Number**
At the beginning of the year	318 904 709	318 904 709
Buyback during the year	(23 778 903)	—
At the end of the year	**295 125 806**	**318 904 709**
Nominal value of special converting shares	**£'000**	**£'000**
At the beginning of the year	64	64
Issued during the year	—	—
At the end of the year	**64**	**64**
Number of UK DAN shares	**Number**	**Number**
At the beginning and end of the year	**1**	**1**
Nominal value of UK DAN share	**£'000**	**£'000**
At the beginning and end of the year	*****	*****
Number of UK DAS shares	**Number**	**Number**
At the beginning and end of the year	**1**	**1**
Nominal value of UK DAS share	**£'000**	**£'000**
At the beginning and end of the year	*****	*****
Number of special voting shares	**Number**	**Number**
At the beginning and end of the year	**1**	**1**
Nominal value of special voting shares	**£'000**	**£'000**
At the beginning and end of the year	*****	*****

* *Less than £1 000.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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45. Ordinary share capital continued

At 31 March	2024	2023
Investec Limited		
Authorised	**Number**	**Number**
The authorised share capital of Investec Limited is R1 960 002 (2023: R1 960 002), comprising:		
– Ordinary shares of R0.0002 each	450 000 000	450 000 000
– Redeemable, non-participating preference shares with a par value of R0.01 each	48 086 266	48 088 266
– Class ILRP1 redeemable, non-participating preference shares of R0.01 each	408 319	408 319
– Class ILRP2 redeemable, non-participating preference shares of R0.01 each	1 500 000	1 500 000
– Non-redeemable, non-participating preference shares of R0.01 each	20 000 000	20 000 000
– Variable rate redeemable cumulative preference shares of R0.60 each	50 000	50 000
– Non-redeemable, non-cumulative, non-participating preference shares of R0.01 each	100 000 000	100 000 000
– Dividend Access (South African resident) redeemable preference share of R1.00	1	1
– Dividend Access (non-South African resident) redeemable preference share of R1.00	1	1
– Special convertible redeemable preference shares of R0.0002 each (special converting shares)	700 000 000	700 000 000
Issued, allotted and fully paid		
Number of ordinary shares	**Number**	**Number**
At the beginning of the year	299 014 115	310 407 870
Buyback during the year^	(3 888 309)	(11 393 755)
At the end of the year	**295 125 806**	**299 014 115**
Nominal value of ordinary shares	**£'000**	**£'000**
At the beginning of the year	46	46
Issued during the year	*	*
At the end of the year	**46**	**46**
Number of special converting shares	**Number**	**Number**
At the beginning of the year	696 082 618	696 082 618
Issued during the year	—	—
At the end of the year	**696 082 618**	**696 082 618**
Nominal value of special converting shares	**£'000**	**£'000**
At the beginning of the year	5	5
Issued during the year	*	*
At the end of the year	**5**	**5**
Number of SA DAN shares	**Number**	**Number**
At the beginning and end of the year	**1**	**1**
Nominal value of SA DAS share	**£'000**	**£'000**
At the beginning and end of the year	*	*
Number of UK DAS shares	**Number**	**Number**
At the beginning and end of the year	**1**	**1**
Nominal value of SA DAS share	**£'000**	**£'000**
At the beginning and end of the year	*	*
Nominal value of issued, allotted and fully paid called up share capital of Investec plc and Investec Limited	**Number**	**Number**
Total called up share capital	253	253
Less: held by Investec Limited	(2)	(2)
Less: held by Investec plc	(4)	(4)
Total called up share capital	**247**	**247**

* Less than £1 000.
^ Investec Limited repurchased 3 888 309 (2023: 11 393 755) ordinary shares during the financial year ended 31 March 2024, representing 1.30% of the issued share capital.

The Investec Limited shares were issued in South African Rand. The amounts recorded above were calculated by reference to historic Pounds Sterling:Rand exchange rates. In terms of the DLC structure shareholders have common economic and voting rights as if Investec Limited and Investec plc were a single Company. These include equivalent dividends on a per share basis, joint electorate and class right variations. The UK DAS share, UK DAN share, SA DAS share, the SA DAN share and the special converting shares have been issued to achieve this.

The unissued shares are under the control of the directors until the next annual general meeting.

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45. Ordinary share capital continued

Staff share scheme

The Group operates a share option and a share purchase scheme for employees. The number of ordinary shares conditionally allocated to employees is disclosed in note 8.

Movements in the number of share options issued to employees are as follows (each option is in respect of one share):

At 31 March Number of shares	2024	2023
Opening balance	57 327 724	56 191 287
Sale of businesses*	(1 007 621)	—
Issued during the year	12 477 839	14 052 103
Exercised	(11 881 116)	(10 424 286)
Forfeited	(1 525 464)	(2 491 380)
Closing balance	**55 391 362**	**57 327 724**

* Sale of Wealth & Investment business in the UK to Rathbones Group Plc and sale of Investec Property Fund management companies.

The purpose of the staff share scheme is to promote an esprit de corps within the organisation, create an awareness of Investec Group's performance and provide an incentive to maximise individual and Group performance by allowing all staff to share in the risks and rewards of the Group.

The Group makes awards available to staff members via the underlying share trusts. The particular instrument used varies from time to time, depending on taxation legislation and factors affecting the Group structure. Nevertheless, whatever the instrument chosen, its underlying value depends solely on the performance of the Group's share price.

At present, the practice of the Group is to grant all permanent staff members a share allocation, based on their annual package, after completing six months of employment. In line with the objective of providing a long-term incentive for staff, these share awards vest over periods varying from three to five years.

After the initial allocation referred to above, additional allocations are made to staff members at the discretion of Group management depending on the individual performance and contribution made by the respective staff members.

The directors' and staff interests in the incentive scheme are detailed on pages 35 to 51 in the Investec Group's 2024 remuneration report.

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46. Perpetual preference shares of holding company

At 31 March £'000	2024	2023
Perpetual preference share capital	31	31
Perpetual preference share premium	127 105	136 228
	127 136	**136 259**
Issued by Investec Limited		
24 835 843 (2023: 24 835 843^) non-redeemable, non-cumulative, non-participating preference shares of one cent each, issued at various premiums:		
– Perpetual preference share capital	2	2
– Perpetual preference share premium	102 340	111 463
Perpetual preference shareholders will be entitled to receive dividends if declared, at a rate limited to 77.77% of South African prime overdraft rate on R100 being the deemed value of the issue price of the perpetual preference share held. Perpetual preference shareholders receive dividends in priority to any payment of dividends to the holder of any other class of shares in the capital of the Company not ranking prior or pari passu with the perpetual preference shares.		
An ordinary dividend will not be declared by Investec Limited unless the perpetual preference dividend has been declared. If declared, perpetual preference dividends are payable semi-annually at least seven business days prior to the date on which Investec Limited pays its ordinary dividends, if any, but shall be payable no later than 120 business days after 31 March and 30 September respectively.		
Issued by Investec plc		
2 754 587 (2023: 2 754 587) non-redeemable, non-cumulative, non-participating preference shares of £0.01 each, issued at a premium of £8.58 per share.		
– Perpetual preference share capital	29	29
– Perpetual preference share premium	23 607	23 607
Perpetual preference shareholders will receive an annual dividend if declared based on the coupon rate (being equivalent to the base rate plus 1%) multiplied by the deemed value on a daily basis and payable in two semi-annual instalments.		
An ordinary dividend will not be declared by Investec plc unless the perpetual preference dividend has been declared.		
If declared, perpetual preference dividends are payable semi-annually at least seven business days prior to the date on which Investec plc pays its ordinary dividends, if any, but shall be payable no later than 120 business days after 31 March and 30 September respectively.		
Issued by Investec plc – Rand-denominated		
131 447 (2023: 131 447) non-redeemable, non-cumulative, non-participating perpetual preference shares of R0.001 each, issued at an average premium of R99.999 per share.		
– Perpetual preference share capital	*	*
– Perpetual preference share premium	1 158	1 158
Rand-denominated perpetual preference shareholders will receive a dividend if declared based on the coupon rate (being equivalent to South African prime rate multiplied by 95%) multiplied by the deemed value on a daily basis and payable in two semi-annual instalments.		
An ordinary dividend will not be declared by Investec plc unless the Rand perpetual preference dividend has been declared.		
If declared, perpetual preference dividends are payable semi-annually at least seven business days prior to the date on which Investec plc pays its ordinary dividends, if any, but shall be payable no later than 120 business days after 31 March and 30 September respectively.		
	127 136	**136 259**

* *Less than £1 000.*
^ The delisting of 357 914 non-redeemable non-cumulative non-participating preference shares, which formed part of the last tranche of repurchased shares occurred post 31 March 2023. Prior to this delisting the issued share capital was 25 193 757.

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47. Share premium

At 31 March £'000	2024	2023
Share premium – Investec plc	556 950	737 637
Share premium – Investec Limited	453 116	470 524
	1 010 066	**1 208 161**

The capital reserve included in Investec plc share premium was transferred to retained earnings on the deconsolidation of Investec Wealth & Investment Limited is in respect of a reserve created on the original acquisition by Investec plc.

In addition, Investec Limited repurchased 3 888 309 (2023: 11 393 755) of its ordinary shares and utilised the ordinary share premium in part to fund the share buy-back further reducing ordinary share premium.

48. Treasury shares

At 31 March	2024	2023
	£'000	**£'000**
Treasury shares held by subsidiaries of Investec Limited and Investec plc	604 994	564 678
	Number	**Number**
Investec plc ordinary shares held by subsidiaries	53 401 625	49 720 148
Investec plc ordinary shares held by Investec Limited^	50 920 311	42 485 632
Investec Limited ordinary shares held by subsidiaries	42 678 825	50 689 788
Investec plc and Investec Limited shares held by subsidiaries	**147 000 761**	**142 895 568**
Reconciliation of treasury shares	**Number**	**Number**
At the beginning of the year	142 895 568	101 275 323
Purchase of own shares by subsidiary companies	14 047 000	83 921 280
Purchase of plc ordinary shares by Investec Limited^	8 434 679	42 485 632
Shares disposed of by subsidiaries	(18 376 486)	(84 786 667)
At the end of the year	**147 000 761**	**142 895 568**
Market value of treasury shares	**£'000**	**£'000**
Investec plc	549 383	414 557
Investec Limited	222 528	227 901
	771 911	**642 458**

^ On 3 October 2022, the Group announced a share purchase programme pursuant to which Investec Limited would purchase Investec plc ordinary shares (the "PLC Share Purchase Programme"). Investec Limited acquired 8 434 679 (2023: 42 485 632) shares during the year. These shares are held as treasury shares by Investec Limited.

Subsidiary companies which hold treasury shares are the staff share trusts which facilitate share-based awards within the Group.

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49. Other Additional Tier 1 securities in issue

At 31 March £'000	2024	2023
Issued by Investec Limited		
INLV01 variable rate subordinated unsecured callable bonds		
Investec Limited issued R550 million Other Additional Tier 1 floating rate notes on 12 August 2014. Interest is payable quarterly on 12 August, 12 November, 12 February and 12 May at a rate equal to the three-month JIBAR plus 4.25%. There is no maturity date but the issuer has the option to redeem on 12 August 2024 and on every interest payment date thereafter. Interest is payable at the option of the issuer.	22 955	25 065
INLV06 variable rate subordinated unsecured callable bonds		
Investec Limited issued R128 million, R45 million and R100 million Other Additional Tier 1 floating rate notes on 22 October 2020, 25 November 2020 and 15 December 2020. Interest is payable quarterly on 22 January, 22 April, 22 July and 22 October at a rate equal to the three-month JIBAR plus 4.85%. There is no maturity date but the issuer has the option to redeem on 22 January 2026 or any interest payment date thereafter. The interest is payable at the option of the issuer.	11 394	12 441
INLV08 variable rate subordinated unsecured callable bonds		
Investec Limited issued R450 million Other Additional Tier 1 floating rate notes on 12 March 2021. Interest is payable quarterly on 12 March, 12 June, 12 September and 12 December at a rate equal to the three-month JIBAR plus 4.80%. There is no maturity date but the issuer has the option to redeem on 12 June 2026 or any interest payment date thereafter. The interest is payable at the option of the issuer.	18 781	20 508
INLV09 variable rate subordinated unsecured callable bonds		
Investec Limited issued R600 million and R177 million Other Additional Tier 1 floating rate notes on 29 July 2021. Interest is payable quarterly on 24 May, 24 August, 24 November and 24 February at a rate equal to the three-month JIBAR plus 4.40%. There is no maturity date but the issuer has the option to redeem on 24 August 2026 or any interest payment date thereafter. The interest is payable at the option of the issuer.	32 429	35 410
INLV10 variable rate subordinated unsecured callable bonds		
Investec Limited issued R500 million and R100 million Other Additional Tier 1 floating rate notes on 6 December 2021 and 8 February 2022. Interest is payable quarterly on 6 March, 6 June, 6 September and 6 December at a rate equal to the three-month JIBAR plus 4.05%. There is no maturity date but the issuer has the option to redeem on 6 March 2027 or any interest payment date thereafter. The interest is payable at the option of the issuer.	25 041	27 344
INLV13 variable rate subordinated unsecured callable bonds		
Investec Limited issued R500 million Other Additional Tier 1 floating rate notes on the 28 March 2023. Interest is payable quarterly on the 28 March, 28 June, 28 September and 28 December at a rate equal to the three-month JIBAR plus 3.40%. There is no maturity date but the issuer has the option to redeem on 28 June 2028 or any interest payment date thereafter. The interest is payable at the option of the issuer.	20 868	22 787
INLV16 variable rate subordinated unsecured callable bonds		
Investec Limited issued R750 million Other Additional Tier 1 floating rate notes on the 14 December 2023. Interest is payable quarterly on the 14 March, 14 June, 14 September and 14 December at a rate equal to the three-month JIBAR plus 3.01%. There is no maturity date but the issuer has the option to redeem on 14 March 2029 or any interest payment date thereafter. The interest is payable at the option of the issuer.	31 302	—
Issued by Investec Limited subsidiary		
IV050 variable rate subordinated unsecured callable bonds		
Investec Bank Limited issued R93 million and R17 million Other Additional Tier 1 floating rate notes on 26 March 2019 and 29 March 2019. Interest is payable quarterly on 26 June, 26 September, 26 December and 26 March at a rate equal to the three-month JIBAR plus 4.55%. There is no maturity date but the issuer has the option to redeem on 26 June 2024 and on any interest payment date thereafter. The interest is payable at the option of the issuer.	4 590	5 013

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49. Other Additional Tier 1 securities in issue continued

Issued by Investec plc		
Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities		
On 5 October 2017, Investec plc issued £250 million Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities at par. On 1 March 2024, the company bought back £142 million of these securities, leaving £108 million of the original securities outstanding as of 31 March 2024. The securities are perpetual and pay a distribution rate on 5 March, June, September and December, commencing from 5 December 2017. At each distribution payment day, the Company can decide whether to pay the distribution rate, which is non-cumulative, in whole or in part. The distribution rate is 6.75% per annum until 5 December 2024; thereafter, the distribution rate resets every five years to a rate of 5.749% per annum plus the benchmark gilts rate. The securities will be automatically written down and the investors will lose their entire investment in the securities should the CET1 capital ratio of the Investec plc Group, as defined in the PRA's rules, fall below 7%. The securities are redeemable at the option of the Company on 5 December 2024 or on each distribution payment date thereafter. No such redemption may be made without the consent of the PRA.		
On 28 February 2024, Investec plc issued £350 million of Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities at par. These securities are perpetual and pay interest on a semi-annual basis on 28 February and 28 August each year, commencing on 28 August 2024. At each interest payment date, Investec Bank plc can decide whether to pay the coupon, which is non-cumulative, in whole or in part. The interest rate is 10.50% per annum until 28 February 2030; thereafter it resets every subsequent five years to a rate of 6.566% per annum plus the benchmark gilt rate. The securities will be automatically written down and the investors will lose their entire investment in the securities should the Common Equity Tier 1 capital ratio of the Investec plc Group, as defined in the PRA's rules, fall below 7%. The securities are redeemable at the option of the Company on any day falling in the period from (and including) 28 August 2029 to (and including 28 February 2030 or on any day falling in the period of six months prior to (and including) any five year reset date thereafter. No such redemption may be made without the consent of the PRA.	418 743	250 000
	586 103	**398 568**

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50. Non-controlling interests

At 31 March £'000	2024	2023
Non-controlling interests in partially held subsidiaries	325	450 839
	325	**450 839**

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

	Investec Property Fund Limited *	
	2024	2023
Non-controlling interests (NCI) (%)	—%	75.7%
Summarised financial information £'000		
Total assets	n/a	1 156 822
Total liabilities	n/a	563 754
Revenue**	18 216	90 305
Profit after taxation**	15 544	9 532
The net cash flows in this partially held subsidiary during the current and prior year predominantly arose from operating activities. Other than payments of dividends, there were no material cash flows arising from financing or investing activities.		
Carrying amount of NCI of IPF	—	452 836
Dividends paid to NCI of IPF	12 599	30 849
Profit after tax attributable to NCI of IPF	11 766	11 814

* Investec Property Fund Limited (IPF) was a subsidiary of Investec Limited.

** Revenue and profit after taxation are for the period ending 6 July 2023.

During the year, the Group deconsolidated its investment in the IPF Group and derecognised non-controlling interests to the value of £413.0 million on the date of deconsolidation. Refer to note 13 for details regarding the sale of the Investec Property Fund Limited's management companies and its subsequent deconsolidation.

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51. Finance lease disclosures

At 31 March £'000	2024 Total future minimum payments	2024 Present value	2023 Total future minimum payments	2023 Present value
Finance lease receivables included in loans and advances to customers				
Lease receivables due in:				
Less than one year	308 178	245 275	262 829	218 945
One to two years	219 479	180 020	201 370	172 498
Two to three years	149 336	127 696	148 773	129 790
Three to four years	85 979	76 076	102 641	91 242
Four to five years	35 245	31 987	46 653	42 132
Greater than five years	11 443	10 059	7 102	6 367
	809 660	**671 113**	**769 368**	**660 974**
Unearned finance income	(138 547)		(108 394)	
Net investment in lease	**671 113**		**660 974**	

At 31 March 2024, unguaranteed residual values accruing to the benefit of the Group were £5.9 million (2023: £4.1 million). Finance leases in the Group mainly relate to leases on property, equipment and motor vehicles.

At 31 March £'000	2024 Total future minimum payments	2024 Present value	2023 Total future minimum payments	2023 Present value
Finance lease receivables included in other assets				
Lease receivables due in:				
Less than one year	39 565	36 914	40 746	37 282
One to two years	148 434	135 466	40 607	36 486
Two to three years	1 298	1 291	151 674	130 897
Three to four years	1 082	1 083	1 306	1 269
Four to five years	—	—	1 306	1 269
Greater than five years	—	—	—	—
Total undiscounted lease payments receivable	**190 379**	**174 754**	**235 639**	**207 203**
Unearned finance income	(15 625)		(28 436)	
Net investment in lease	**174 754**		**207 203**	

Included in interest income on the income statement is £48.4 million (2023: £53.5 million) from finance lease receivables.

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52. Notes to cash flow statement

At 31 March £'000	2024	2023^
Profit before taxation adjusted for non-cash, non-operating items and other required adjustments is derived as follows:		
Profit before taxation	1 144 070	979 922
Adjustment for non-cash, non-operating items and other required adjustments included in net income before taxation:		
Financial impact of strategic actions of discontinued operations	(280 737)	(155 146)
Impairment of goodwill	—	890
Amortisation of acquired intangibles	7 907	15 160
Amortisation of acquired intangibles of associates	5 679	1 542
Financial impact of strategic actions	16 576	(30)
Net gain on step acquisition of subsidiaries	(4 063)	—
Depreciation, amortisation and impairment of property, equipment, intangibles and software	36 846	41 886
Share of post-taxation profit of associates and joint venture holdings	(55 949)	(29 149)
Expected credit loss excluding ECL on cash	79 113	81 089
Dividends received from associates	228	26 449
Share-based payment charges	47 461	46 406
Profit before taxation adjusted for non-cash, non-operating items and other required adjustments	**997 131**	**1 009 019**
Increase in operating assets		
Loans and advances to banks	(12 799)	11 154
Non-sovereign and non-bank cash placements	(60 990)	(90 241)
Reverse repurchase agreements and cash collateral on securities borrowed	(579 391)	662 139
Sovereign debt securities	(825 540)	(1 100 623)
Bank debt securities	214 501	441 131
Other debt securities	41 452	(77 216)
Derivative financial instruments	462 302	178 654
Securities arising from trading activities	112 331	(664 026)
Loans and advances to customers	(1 764 299)	(2 200 910)
Securitised assets	13 987	77 725
Other financial instruments at fair value through profit or loss in respect of liabilities to customers	(54 140)	(62 968)
Investment portfolio	93 958	7 891
Other assets	(14 043)	250 605
Investment properties	(18 088)	(3 411)
Non-current assets classified as held for sale	—	36 147
	(2 390 759)	**(2 533 949)**
Increase in operating liabilities		
Deposits by banks	198 255	603 791
Derivative financial instruments	(347 042)	48 514
Other trading liabilities	111 585	(307 332)
Repurchase agreements and cash collateral on securities lent	44 508	175 509
Customer accounts (deposits)	1 603 250	2 038 794
Debt securities in issue	(12 489)	(191 920)
Securitised liabilities	49 765	(62 738)
Other liabilities	1 668	(248 958)
Liabilities to customers under investment contracts	30 749	63 522
Insurance liabilities, including unit-linked liabilities	23 540	(553)
	1 703 789	**2 118 629**

^ Restated as detailed in note 62.

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53. Commitments

At 31 March £'000	2024	2023
Undrawn facilities	5 659 797	5 804 799
Other commitments	34 075	44 628
	5 693 872	**5 849 427**

The Group has entered into forward foreign exchange contracts and loan commitments in the normal course of its banking business for which the fair value is recorded on-balance sheet.

	Carrying amount of pledged assets		Related liability	
At 31 March £'000	**2024**	2023	**2024**	2023
Pledged assets				
Other loans and advances	2 504	8 121	1 629	7 160
Loans and advances to customers	1 255 309	708 860	745 873	494 892
Loans and advances to banks	19 008	56 799	12 367	51 984
Sovereign debt securities	489 304	762 825	414 507	577 702
Bank debt securities	80 819	78 825	68 039	70 428
Other debt securities	41 213	80 205	36 851	75 874
Securities arising from trading activities	123 755	199 545	121 843	198 437
Reverse repurchase agreements and cash collateral on securities borrowed	87 565	118 559	87 565	106 416
	2 099 477	**2 013 739**	**1 488 674**	**1 582 893**

The assets pledged by the Group are strictly for the purpose of providing collateral for the counterparty. To the extent that the counterparty is permitted to sell and/or repledge the assets, they are classified on the balance sheet as reverse repurchase agreements and cash collateral on securities borrowed.

54. Contingent liabilities, legal matters and provisions

At 31 March £'000	2024	2023
Guarantees and assets pledged as collateral security:		
Guarantees and irrevocable letters of credit	1 714 417	1 789 055
	1 714 417	**1 789 055**

The amounts shown above are intended only to provide an indication of the volume of business outstanding at the balance sheet date.

Guarantees are issued by Investec plc and Investec Limited on behalf of third parties and other Group companies. The guarantees are issued as part of the banking business.

Financial Services Compensation Scheme

The Financial Services Compensation Scheme (FSCS), the UK's statutory fund of last resort, provides compensation to customers of UK authorised financial institutions in the event that an institution which is a participating member of the FSCS is unable, or is likely to be unable, to pay claims against it.

The FSCS raises annual levies from participating members based on their level of participation (in the case of deposits, the proportion that their protected deposits represent to total protected deposits) as at 31 December of the year preceding the scheme year. Investec Bank plc is a participating member of the FSCS.

At the date of these financial statements, it is not possible to estimate whether there will ultimately be additional levies on the industry, the level of Group's market participation or other factors that may affect the amounts or timing of amounts that may ultimately become payable, nor the effect that such levies may have upon operating results in any particular financial period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

54. Contingent liabilities, legal matters and provisions continued

Legal and regulatory matters

The Group operates in a legal and regulatory environment that exposes it to legal, regulatory and litigation risks. As a result, the Group is involved in disputes, legal proceedings and is subject to enquiries and examinations, requests for information, audits, investigations and other proceedings by regulators and competition authorities which arise in the ordinary course of business. The Group evaluates all facts, the probability of the outcome of the proceedings and advice from internal and external legal counsel when considering accounting and regulatory implications. At the present time the Group does not expect the ultimate resolution of any of these ongoing regulatory reviews and other matters to have a material adverse effect on its financial position.

Historical German dividend tax arbitrage transactions

Investec Bank plc has previously been notified by the Office of the Public Prosecutor in Cologne, Germany, that it and certain of its current and former employees may be involved in possible charges relating to historical involvement in German dividend tax arbitrage transactions (known as cum-ex transactions). Investigations are ongoing and no formal proceedings have been issued against Investec Bank plc by the Office of the Public Prosecutor. In addition, Investec Bank plc received certain enquiries in respect of client tax reclaims for the periods 2010-2011 relating to the historical German dividend arbitrage transactions from the German Federal Tax Office (FTO) in Bonn. The FTO has provided more information in relation to their claims and Investec Bank plc has sought further information and clarification.

Investec Bank plc is cooperating with the German authorities and continues to conduct its own internal investigation into the matters in question. A provision is held to reflect the estimate of financial outflows that could arise as a result of this matter. There are factual issues to be resolved which may have legal consequences, including financial penalties.

In relation to potential civil claims; whilst Investec Bank plc is not a claimant nor a defendant to any civil claims in respect of cum-ex transactions, Investec Bank plc has received third party notices in relation to two civil proceedings in Germany and may elect to join the proceedings as a third party participant. Investec Bank plc has itself served third party notices on various participants to these historic transactions in order to preserve the statute of limitations on any potential future claims that Investec Bank plc may seek to bring against those parties, should Investec Bank plc incur any liability in the future. Investec Bank plc has also entered into standstill agreements with some third parties in order to suspend the limitation period in respect of the potential civil claims. While Investec Bank plc is not a claimant nor a defendant to any civil claims at this stage, it cannot rule out the possibility of civil claims by or against Investec Bank plc in future in relation to the relevant transactions.

The Group has not provided further disclosure with respect to these historical dividend arbitrage transactions because it has concluded that such disclosure may be expected to seriously prejudice its outcome.

Motor finance commission review

Following a review into the motor vehicle financing market completed by the (Financial Conduct Authority) FCA in March 2019 and subsequent policy statement issued in July 2020, the use of discretionary commission arrangements was prohibited with effect from 28 January 2021 on the basis that such arrangements had the potential to cause consumer detriment. The Group fully complied with this requirement.

On 11 January 2024, the FCA announced a further industry wide review of historical motor finance commission arrangements, in order to assess whether such arrangements had in practice caused consumer detriment. The FCA currently plans to communicate a decision on next steps towards the end of the third quarter of 2024 on the basis of the evidence collated as part of this review. The FCA has indicated that such steps could include establishing an industry-wide consumer redress scheme.

The Group has to date received a small number of complaints in respect of motor finance commissions and is actively engaging with the FOS (Financial Ombudsman Service) in its assessment of these complaints. The Group continues to believe that its historical practices were compliant with the law and regulations in place at the time, and welcomes the FCA intervention through its industry wide review. Nevertheless, the Group recognises that costs and awards could arise in the event that the FCA concludes there has been industry wide misconduct and customer loss that requires remediation. Those costs and awards could arise as the result of a redress scheme, or from adverse FOS/litigation decisions.

Accordingly, in response to the FCA announcement, the Group has recognised a provision of £30 million. This includes estimates for operational and legal costs, including litigation costs, together with estimates for potential awards, based on various scenarios using a range of assumptions. The time period applied in the calculations is between June 2015, the commencement of the business, and 28 January 2021, the date that discretionary commission arrangements were prohibited.

While the FCA review is progressing there is significant uncertainty across the industry as to the extent of any misconduct and customer loss that may be identified, and/or the nature, extent and timing of any remediation action that may subsequently be required. The Group therefore notes that the ultimate financial impact of the FCA investigation could be either higher or lower than the amount provided for, but is satisfied that the provision it has currently made is reasonable.

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55. Related party transactions

At 31 March £'000	2024	2023
Transactions, balances, arrangements and agreements involving directors (including key management personnel) and connected persons:		
Particulars of transactions, balances, arrangements and agreements entered into by the Group with directors (including key management personnel and connected persons and companies controlled by them) were as follows:		
Directors (including key management personnel) and connected persons and companies controlled by them		
Loans		
At the beginning of the year	16 024	14 443
Increase in loans	3 156	6 217
Decrease in loans	(4 343)	(4 636)
Exchange adjustments	(1 341)	—
At the end of the year	**13 496**	**16 024**
Guarantees		
At the beginning of the year	100	78
Additional guarantees granted	—	32
Decrease in guarantees	(94)	—
Exchange adjustments	(6)	(10)
At the end of the year	**—**	**100**
Deposits		
At the beginning of the year	(10 917)	(12 902)
Increase in deposits	(2 128)	(2 207)
Decrease in deposits	4 076	4 192
Exchange adjustments	894	—
At the end of the year	**(8 075)**	**(10 917)**

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

Where related parties have investment products (that may be included in funds under management) offered to clients on the same terms and conditions in the ordinary course of business, these have not been included above as the Group does not carry any exposure relating to these transactions (they are at client risk).

Transactions with other related parties

Due to the nature of the Group's business, there could be transactions with entities where some of the Group's directors may be mutual directors. These transactions are in the ordinary course of business and are on an arm's length basis.

The Group has an investment in Grovepoint (UK) Limited in which a previous Investec director has significant influence. The Group has made an investment of £65.5 million (2023: £41.5 million) with no further committed funding. The terms and conditions of the transaction were no more favourable than those available, or which might be expected to be available, on similar transactions to non-related entities on an arm's length basis.

Transactions with associated undertakings and joint venture holdings^

At 31 March £'000	2024	2023
Amounts due from associates and joint venture holdings and their subsidiaries	**10 541**	**431 577**
Amounts due to associates and joint venture holdings and their subsidiaries	**6 729**	**—**
Interest income from loans to associate and joint venture holdings	**208**	**17 815**
Interest expense from loans to associate and joint venture holdings	**—**	**2**
Derivatives entered into with associates and joint venture holdings and their subsidiaries	**10 444**	**—**

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55. Related party transactions and balances continued

For the year to 31 March 2024, the Investec Group paid £767 000 (2023: £761 000) for services rendered in the course of business and received £9.5 million (2023: £24 000) from associated undertakings and joint venture holdings.

Following the distribution of the 15% shareholding in May 2022, Ninety One was reclassified from an associate to an investment. At 31 March 2024, the Group had £63 000 (2023: £74 000) of customer accounts (deposits) and a £18 000 debtor (2023: £36 000) for IFRS 2 recharges in relation to the share scheme. In addition, a lease guarantee of £8 million (2023: £8 million) has been provided by Investec plc on behalf of Ninety One, with income of £443 000 received during the year (2023: £487 000).

The above arose from the ordinary course of business and are on the same terms, including interest rates and security, as for comparable transactions with third party counterparties.

56. Hedges

Fair value hedge accounting of interest rate risk

The Group uses interest rate swaps for the management of non-trading interest rate risk in the banking book. Interest rate risk arises from various fixed rate assets and liabilities, such as sovereign, bank and other debt securities, accounted for at either amortised cost or fair value through OCI, and subordinated debt. Interest rate swaps are used to swap fixed interest rates on certain designated assets and liabilities to variable interest rates. A detailed description of the management of non-trading interest rate risk is provided in note 62.

Where all the relevant criteria are met, interest rate swaps are designated as hedging instruments and hedge accounting is applied to remove the accounting mismatch between the interest rate swaps (hedging instrument) and the designated debt instruments (hedged item). The hedging relationships are designated for fair value variability arising from changes in the benchmark rate component of the underlying interest rate risk. The benchmark rate component of the underlying interest rate risk is measured from the relevant currency's interest rate swap curve.

The Group applies a blended approach whereby hedged items with a fixed interest rate are hedged by either entering into interest rate swaps with substantially matching terms, or substantially matching interest rate risk sensitivities. The economic relationship between the hedged item and hedging instrument is evident from either the extent of the matching of the critical terms such as the currency, nominal, reference rate and maturity of the hedged item and the hedging instrument, or the matching of the interest rate risk sensitivities of the hedging instrument to the hedged item. For relationships with matching terms, the hedge ratio will generally be 1:1 due to the matching of the notional amounts of the hedging instrument and hedged item. For others, the hedge ratio would depend on the terms of the hedging instrument struck to match the interest rate sensitivity of the hedged item.

Ineffectiveness may arise from:

- differences in the terms of the hedged item and the hedging instrument, such as the reference interest rate, notional amounts, maturity dates, reset/coupon or settlement dates
- the unwinding of the time value of money element relating to the fair value of the hedging instrument on designation date
- the once-off effects of interest rates reforms, as the changes to the reference rates of the hedging instrument and the related hedged item, if applicable, could take effect at different times.

Hedging instruments

At 31 March £'000	Notional value of hedging instrument	Fair value of hedging instrument – Assets	Fair value of hedging instrument – Liabilities	Change in fair value used to measure ineffectiveness for the year
2024				
Hedged assets	3 856 538	307 154	(19 377)	(49 075)
Hedged liabilities	6 506 673	7 758	(75 811)	32 609
Interest rate swap^	**10 363 211**	**314 912**	**(95 188)**	**(16 466)**
2023				
Hedged assets	4 631 591	231 367	(7 720)	161 143
Hedged liabilities	5 591 029	748	(97 876)	(57 321)
Interest rate swap^	**10 222 620**	**232 115**	**(105 596)**	**103 822**

^ This is the financial instrument designated as a hedging instrument which is included within derivative financial instruments on the balance sheet.

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56. Hedges continued

Hedged items

At 31 March £'000	2024 Carrying value	2024 Cumulative fair value adjustments	2024 Change in fair value used to measure ineffectiveness for the year*	2023 Carrying value	2023 Cumulative fair value adjustments	2023 Change in fair value used to measure ineffectiveness for the year*
Assets						
Sovereign debt securities	1 376 282	(48 705)	(7 053)	2 158 469	(45 528)	(44 890)
Bank debt securities	37 866	(167)	751	88 184	(1 003)	(2 233)
Other debt securities	63 708	(3 005)	(292)	51 953	(2 962)	(4 603)
Loans and advances to customers	2 038 635	(116 872)	2 106	2 152 411	(144 440)	25 889
Other assets	56 668	(4 328)	2 861	91 662	(5 665)	2 390
Liabilities						
Customer accounts (deposits)	4 922 286	429	(1 386)	4 501 412	11 588	(1 513)
Debt securities in issue	757 282	(32 440)	99	679 656	47 183	99
Subordinated liabilities	824 067	(27 968)	3 185	312 872	37 128	74

* The changes in the fair value on the hedged items are Included in interest income and the changes in the fair value of the hedging instruments are included in trading income arising from customer flow, balance sheet management and other trading income in the income statement, resulting in a net amount of ineffectiveness of £3.6 million (2023: £11.9 million).

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

Maturity analysis of hedged items

At 31 March £'000	Up to one month	One month to three months	Three months to six months	Six months to one year	One to five years	Greater than five years	Total
2024							
Assets – notionals							
Sovereign debt securities	—	—	—	8 000	590 494	842 708	1 441 202
Bank debt securities	—	—	8 347	8 305	22 000	—	38 652
Other debt securities	—	1 878	—	—	72 689	3 164	77 731
Loans and advances to customers	8 901	47 443	74 758	135 433	1 333 782	438 317	2 038 634
Other assets	2 818	5 661	8 566	17 411	22 212	—	56 668
Liabilities – notionals							
Customer accounts (deposits)	—	132 111	1 006 825	2 989 176	787 048	7 125	4 922 285
Debt securities in issue	—	—	—	30	783 366	—	783 396
Subordinated liabilities	—	—	—	—	151 417	700 000	851 417
2023							
Assets – notionals							
Sovereign debt securities	93 744	181 153	260 177	122 227	759 853	799 443	2 216 597
Bank debt securities	21 647	23 333	—	22 787	18 184	—	85 951
Other debt securities	—	—	—	—	48 103	35 616	83 719
Loans and advances to customers	165	9 469	25 555	52 874	839 971	1 382 532	2 310 566
Other assets	2 765	5 545	8 388	17 052	57 912	—	91 662
Liabilities – notionals							
Customer accounts (deposits)	275 634	343 652	690 451	2 784 016	420 393	—	4 514 146
Debt securities in issue	—	—	—	—	526 883	200 000	726 883
Subordinated liabilities	—	—	—	—	—	350 000	350 000

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56. Hedges continued

Cash flow hedges

The change in the benchmark interest rate exposes the Group to cash flow variability risk from both existing and highly probable future transactions. During the year the Group entered into interest rate swap transactions to mitigate the cash flow variability risk.

The aggregate expected cash flows were hedged based on cash flow forecasts with reference to terms and conditions present in the affected contractual arrangements. Changes in fair value were initially recognised in other comprehensive income and reclassified to the income statement when the cash flows affected the income statement.

A reconciliation of the cash flow hedge reserve can be found in the statement of changes in equity.

Hedging instruments and ineffectiveness

	2024					
	Carrying Amount					
At 31 March £'000	Notional	Asset	Liability	Change in fair value used to calculate hedge ineffectiveness	Gain/(loss) recognised in OCI*	Ineffectiveness (loss) recognised in the income statement
Interest rate risk						
Interest rate swaps	350 000	3 210	—	2 034	2 170	(114)
	350 000	**3 210**	**—**	**2 034**	**2 170**	**(114)**

	2023**					
	Carrying Amount					
At 31 March £'000	Notional	Asset	Liability	Change in fair value used to calculate hedge ineffectiveness	Gain/(loss) recognised in OCI*	Ineffectiveness (loss) recognised in the income statement
Interest rate risk						
Interest rate swaps	—	—	—	30 539	27 635	—
	—	**—**	**—**	**30 539**	**27 635**	**—**

* Included within the Gain/(loss) recognised in OCI are amounts amortised to the income statement where the hedged cash flows are still expected to occur.

Hedging items in cash flow hedges

	Change in fair value used for calculating hedge ineffectiveness	
At 31 March £'000	2024	2023**
Loans and advances to customers	(3 781)	—
Customer accounts (deposits)	1 633	—
	(2 148)	**—**

** No cash flow hedges were designated as at 31 March 2023 which were in a hedge relationship during the reporting period.

Impact of cash flow hedges on profit and loss and other comprehensive income

	Cash flow reserve	
For the year to 31 March £'000s	2024	2023
At the beginning of the year	27 635	—
Gain recognised in other comprehensive income on effective portion of changes in fair value of hedging instruments	2 148	30 539
Loss reclassified to income statement when hedged item affected net profit	(5 250)	(2 904)
Taxation charge relating to cash flow hedges	(6 869)	—
At the end of the year	**17 664**	**27 635**

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57. Liquidity analysis of financial liabilities based on undiscounted cash flows

The balances in the tables below will not agree directly to the balances in the consolidated balance sheet as the table incorporates all cash flows on an undiscounted basis relating to both principal and those associated with all future coupon payments (except for trading liabilities and trading derivatives). Furthermore, loan commitments are generally not recognised on the balance sheet. The cash flow profile of debt securities in issue below considers modelled early redemptions.Trading liabilities and trading derivatives have been included in the 'Demand' time bucket and not by contractual maturity because trading liabilities are typically held for short periods of time.

For an unaudited analysis based on discounted cash flows refer to pages 71 and 72 of the Investec Group's 2024 risk and governance report.

At 31 March £'000	Demand	Up to one month	One month to three months	Three months to six months	Six months to one year	One year to five years	Greater than five years	Total
2024								
Liabilities								
Deposits by banks	211 239	32 242	31 772	36 318	125 429	3 354 614	—	3 791 614
Derivative financial instruments	653 891	46 520	56 680	74 249	103 375	154 419	18 315	1 107 449
– held for trading	650 433	—	—	—	—	—	—	650 433
– held for hedging risk	3 458	46 520	56 680	74 249	103 375	154 419	18 315	457 016
Other trading liabilities	1 369 346	—	—	—	—	—	—	1 369 346
Repurchase agreements and cash collateral on securities lent	325 762	255 777	44 943	1 888	110 275	206 892	—	945 537
Customer accounts (deposits)	15 525 744	3 858 437	5 913 959	4 756 846	5 991 466	4 372 492	166 662	40 585 606
Debt securities in issue	—	23 864	25 842	82 612	95 253	1 523 926	1 194	1 752 691
Liabilities arising on securitisation of own originated loans and advances	—	331	6 401	6 624	12 925	87 187	169 696	283 164
Liabilities arising on securitisation of other assets	—	—	7 154	3 462	6 540	40 251	34 570	91 977
Other liabilities	549 946	320 202	75 045	21 209	102 159	50 854	8 913	1 128 328
Liabilities to customers under investment contracts	23 207	147	976	—	5 478	124 482	600	154 890
Subordinated liabilities	—	544	4 854	4 854	50 832	517 046	855 313	1 433 443
Total on-balance sheet liabilities	**18 659 135**	**4 538 064**	**6 167 626**	**4 988 062**	**6 603 732**	**10 432 163**	**1 255 263**	**52 644 045**
Contingent liabilities	193 716	58 497	118 056	76 040	345 433	1 101 618	64 971	1 958 331
Commitments	488 362	149 880	489 635	324 474	535 949	2 033 135	1 750 213	5 771 648
Total liabilities	**19 341 213**	**4 746 441**	**6 775 317**	**5 388 576**	**7 485 114**	**13 566 916**	**3 070 447**	**60 374 024**

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57. Liquidity analysis of financial liabilities based on undiscounted cash flows continued

At 31 March £'000	Demand	Up to one month	One month to three months	Three months to six months	Six months to one year	One year to five years	Greater than five years	Total
2023^								
Liabilities								
Deposits by banks	372 991	80 105	53 108	53 112	63 948	3 294 553	25 784	3 943 601
Derivative financial instruments	999 095	28 839	78 615	74 340	127 409	239 398	18 120	1 565 816
– held for trading	988 535	—	—	—	—	—	—	988 535
– held for hedging risk	10 560	28 839	78 615	74 340	127 409	239 398	18 120	577 281
Other trading liabilities	1 278 452	—	—	—	—	—	—	1 278 452
Repurchase agreements and cash collateral on securities lent	191 592	44 711	254 333	112 440	48 367	343 333	2 608	997 384
Customer accounts (deposits)	16 215 848	2 417 847	6 763 607	4 640 950	5 473 693	4 971 847	361 279	40 845 071
Debt securities in issue	—	14 250	67 454	104 810	166 178	1 173 151	572 787	2 098 630
Liabilities arising on securitisation of own originated loans and advances	—	2 119	5 115	5 131	10 088	71 752	116 486	210 691
Liabilities arising on securitisation of other assets	—	—	5 920	159	9 607	49 555	34 532	99 773
Other liabilities	687 872	496 142	58 217	71 540	45 280	56 636	57 484	1 473 171
Liabilities to customers under investment contracts	6 841	—	—	—	96	103 828	126	110 891
Subordinated liabilities	—	30 405	11 383	6 356	76 513	563 992	855 312	1 543 961
Total on-balance sheet liabilities	**19 752 691**	**3 114 418**	**7 297 752**	**5 068 838**	**6 021 179**	**10 868 045**	**2 044 518**	**54 167 441**
Contingent liabilities	212 109	92	181 404	58 049	225 492	1 020 716	132 282	1 830 144
Commitments	471 019	113 154	539 136	266 566	408 078	2 347 461	1 779 882	5 925 296
Total liabilities	**20 435 819**	**3 227 664**	**8 018 292**	**5 393 453**	**6 654 749**	**14 236 222**	**3 956 682**	**61 922 881**

^ Restated as detailed in note 62.

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58. Principal subsidiaries and associated undertakings – Investec plc

			Interest	
At 31 March	**Principal activity**	**Country of incorporation**	**2024**	2023
Direct subsidiaries of Investec plc				
Investec 1 Limited	Investment holding	England and Wales	100.0%	100.0%
Indirect subsidiaries of Investec plc				
Investec Asset Finance PLC	Leasing	England and Wales	100.0%	100.0%
Investec Bank plc	Investment holding	England and Wales	100.0%	100.0%
Investec Bank (Channel Islands) Limited	Banking institution	Guernsey	100.0%	100.0%
Investec Bank (Switzerland) AG	Banking institution and wealth manager	Switzerland	100.0%	100.0%
Investec Group Investments (UK) Limited	Investment holding	England and Wales	100.0%	100.0%
Investec Holdings Australia Pty Limited	Holding company	Australia	100.0%	100.0%
Investec Investments (UK) Limited	Investment holding	England and Wales	100.0%	100.0%
Investec Europe Limited	MiFiD firm	Ireland	100.0%	100.0%
Investec Securities (US) LLC	Financial services	USA	100.0%	100.0%
Investec Wealth & Investment Limited	Investment management services	England and Wales	—%	100.0%
Investec-Capitalmind Investment Limited	Non trading	England and Wales	100.0%	—%

All of the above subsidiary undertakings are included in the consolidated accounts.

The subsidiaries listed above are only in relation to subsidiary undertakings whose results or financial position, in the opinion of the directors, have a significant impact on the financial statements.

For more details on interests in associated undertakings and joint venture holdings refer to note 32.

A complete list of subsidiary, associated undertakings and joint venture holdings as required by the Companies Act 2006 is included in note j to the Investec plc company accounts on pages 174 to 184.

Consolidated structured entities

Investec plc has no equity interest in the following structured entities, which are consolidated. Typically, a structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. The judgements to assess whether the Group has control over these structures include assessing the purpose and design of the entity and considering whether the Group or another involved party with power over the relevant activities is acting as a principal in its own right or as an agent on behalf of others.

Name of principal structured entity	Type of structured entity
Cavern Funding 2020 plc	Securitised auto receivables
Landmark Mortgage Securities No. 2 plc	Securitised residential mortgages
Temese Funding 2 plc	Securitised receivables
Gresham Leasing One Limited	Aircraft related

For additional detail on the other securitised assets and liabilities arising on securitisation, refer to note 29.

For details of the risks to which the Group is exposed through all of its securitisations are included in the Investec Group's 2024 risk and governance report on pages 62 and 63.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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58. Principal subsidiaries and associated undertakings – Investec plc continued

The key assumptions for the main types of structured entities which the Group consolidates are summarised below:

Securitised residential mortgages

The Group has securitised residential mortgages in order to provide investors with exposure to residential mortgage risk and to raise funding. These structured entities are consolidated due to the Group's holdings of equity notes combined with its control over servicing activities. The Group is not required to fund any losses above those incurred on the notes it has retained; such losses are reflected in any impairment of securitised mortgages as those assets have not been derecognised.

Structured debt and loan portfolios

The Group has structured debt and loan portfolios for the purpose of issuing asset-backed securities. These structured entities are consolidated due to the Group's retention of equity notes and because it continues to act as the collateral manager. The Group is not required to fund any losses above those incurred on the notes it has retained.

Securitised receivables

The Group has securitised portfolios of medium-term lease and hire purchase receivables. These structured entities are consolidated as the Group has retained the equity notes and control over servicing activities. The Group is not required to fund any losses above those incurred on the notes it has retained.

Other structured entities – commercial operations

The Group also consolidates a number of structured entities where control arises from rights attached to lending facilities and similar commercial involvement. These arise primarily in the areas of aircraft funds, where the Group has rights which allow it to maximise the value of the assets held and investments in mining projects due to its exposure to equity like returns and ability to influence the strategic and financial decision-making.

The Group is not required to fund any losses above those which could be incurred on debt positions held or swaps which exist with these structured entities. The risks to which the Group is exposed from these structured entities are related to the underlying assets held in the structures.

Significant restrictions

As is typical for a large group of companies, there are restrictions on the ability of the Group to obtain distributions of capital, access the assets or repay the liabilities of members of the Group due to the statutory, regulatory and contractual requirements of its subsidiaries.

These are considered below:

Regulatory requirements

Subsidiary companies are subject to prudential regulation and regulatory capital requirements in the countries in which they are regulated. These require entities to maintain minimum capital, leverage and exposure ratios restricting the ability of these entities to make distributions of cash or other assets to the parent company. Regulated subsidiaries of the Group are required to maintain liquidity pools to meet PRA and local regulatory requirements. The main subsidiaries affected are: Investec Bank plc, Investec Bank (Channel Islands) Limited and Investec Bank (Switzerland) AG, which must maintain compliance with the regulatory minimum.

Refer to the capital management section within the Investec Group's 2024 risk and governance report on pages 86 to 94.

Statutory requirements

The Group's subsidiaries are subject to statutory requirements not to make distributions of capital and unrealised profits, and generally maintain solvency. These requirements restrict the ability of subsidiaries to remit dividends, except in the case of a legal capital reduction or liquidation.

Contractual requirements

Asset encumbrance – the Group uses its financial assets to raise finance in the form of securitisations and through the liquidity schemes of central banks. Once encumbered, the assets are not available for transfer around the Group. The assets typically affected are disclosed in notes 22 and 61.

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58. Principal subsidiaries and associated undertakings – Investec plc continued

Structured associates

The Group has investments in a number of structured funds specialising in aircraft financing where the Group acts as adviser or fund manager in addition to holding units within the fund. As a consequence of these roles and funding, the Group has significant influence over the fund and therefore the funds are treated as associates.

The Group applies the venture capital exemption to these holdings and, as such, the investments in the funds are accounted for at fair value and held within the investment portfolio on the balance sheet.

Type of structured entity	Nature and purpose	Interest held by the Group/income earned
Aircraft investment funds	To generate fees from managing assets on behalf of third party investors	Investments in units issued by the fund
	These vehicles are financed through the issue of units to investors	Management fees

The table below sets out an analysis of the carrying amounts of interests held by the Group in structured associate entities.

At 31 March 2024 £'000	Line on the balance sheet	Carrying value £'000	Maximum exposure to loss	Income earned from structured entity	£'000
Aircraft investment funds	Investment portfolio	22 108	Limited to the carrying value	Investment loss	226

At 31 March 2023 £'000	Line on the balance sheet	Carrying value £'000	Maximum exposure to loss	Income earned from structured entity	£'000
Aircraft investment funds	Investment portfolio	21 164	Limited to the carrying value	Investment loss	2 832

Unconsolidated structured entities

The Group enters into transactions with unconsolidated structured entities in the normal course of business to facilitate customer transactions and for specific investment opportunities.

Unconsolidated structured entities are those which the Group does not control in line with basis of consolidation as set out in the accounting policies on pages 51 to 65.

The table below describes the types of unconsolidated structured entities the Group has transactions with.

Type of structured entity	Nature and purpose	Interest held by the Group/income earned
Investment funds	To generate fees from managing assets on behalf of third party investors	Investments in units issued by the fund
	These vehicles are financed through the issue of units to investors	Management fees
Debt funds	To generate a return for investors by providing exposure to residential mortgage risk	Investments in units issued by the fund
	These vehicles are financed through the issue of notes to investors	Interest income/Investment income/ Management fees
Aircraft leasing structures	To generate fees from managing assets on behalf of third party investors	Investments in units issued by the fund
	Investments in units issued by the fund	Interest income/Investment income

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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58. Principal subsidiaries and associated undertakings – Investec plc continued

The table below highlights the Group's maximum exposure to the unconsolidated structured entities

At 31 March 2024 £'000	Investment fund	Debt fund	Aircraft leasing structure	Total
Loans and advances (fair value through profit and loss)	—	—	11 477	11 477
Loans and advances (amortised cost)	—	—	—	—
Investment portfolio (fair value through profit and loss)	30 722	—	1 114	31 836
Investment portfolio (amortised cost)	—	10	—	10
Other debt securities (fair value through profit and loss)	—	32 252	—	32 252
Total Assets	**30 722**	**32 262**	**12 591**	**75 575**
Other liabilities (fair value through profit and loss)	12	—	—	12
Total Liabilities	**12**	**—**	**—**	**12**
Off-balance sheet commitments	**13 288**	**198**	**2 610**	**16 096**
Maximum exposure at 31 March 2024	**43 998**	**32 460**	**15 201**	**91 659**

At 31 March 2023 £'000	Investment fund	Debt fund	Aircraft leasing structure	Total
Loans and advances (fair value through profit and loss)	—	—	418	418
Loans and advances (amortised cost)	—	—	5 636	5 636
Investment portfolio (fair value through profit and loss)	22 833	—	—	22 833
Investment portfolio (amortised cost)	—	—	—	—
Other debt securities (fair value through profit and loss)	—	43 680	—	43 680
Total Assets	**22 833**	**43 680**	**6 054**	**72 567**
Other liabilities (fair value through profit and loss)	36	—	—	36
Total Liabilities	**36**	**—**	**—**	**36**
Off-balance sheet commitments	**13 172**	**202**	**2 668**	**16 042**
Maximum exposure at 31 March 2023	**35 969**	**43 882**	**8 722**	**88 573**

Financial support provided to the unconsolidated structured entities

There are no contractual agreements which require the Group to provide any additional financial or non-financial support to these structured entities.
During the year, the Group has not provided any such support and does not have any current intentions to do so in the future.

Sponsoring

The Group considers itself a sponsor of a structured entity when it facilitates the establishment of the structured entity.

Interests in structured entities which the Group has not set up

Purchased securitisation positions

The Group buys and sells interests in structured entities that it has not originated as part of its trading activities, for example, residential mortgage securities, commercial mortgage securities, loans to corporates and resecuritisations. In such cases the Group typically has no other involvement with the structured entity other than the securities it holds as part of its trading activities, and its maximum exposure to loss is restricted to the carrying value of the asset.

Details of the value of these interests are included on pages 62 and 63 of the Investec Group's 2024 risk and governance report.

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59. Principal subsidiaries and associated companies – Investec Ltd continued

At 31 March	Principal activity	Country of incorporation	Interest 2024	Interest 2023
Material direct subsidiaries of Investec Limited				
Investec Bank Limited	Banking institution	South Africa	100.0%	100.0%
Investec Employee Benefits Holdings Proprietary Limited	Investment holding	South Africa	100.0%	100.0%
Investec International Holdings (Gibraltar) Limited	Investment holding	Gibraltar	100.0%	100.0%
Investec Wealth and Investment International Proprietary Limited (previously Investec Securities Proprietary Limited)	Registered stockbroker	South Africa	100.0%	100.0%
Fedsure International Limited	Investment holding	South Africa	100.0%	100.0%
Investec Investments Proprietary Limited	Investment company	South Africa	100.0%	100.0%
Investec Markets Proprietary Limited	Stockbroking	South Africa	100.0%	100.0%
Investec Investment Platform Proprietary Limited	Investment platform	South Africa	100.0%	100.0%
Investec Investment Management Proprietary Limited	Investment management	South Africa	100.0%	100.0%
Investec Property Proprietary Limited	Property trading	South Africa	100.0%	100.0%
Grayston Prefco Proprietary Limited	Investment holding	South Africa	100.0%	—%
Investec Property Fund Limited (Burstone Group Limited)	Engage in long-term immovable property investment	South Africa	*	24.3%
Material indirect subsidiaries of Investec Limited				
Investec Bank (Mauritius) Limited	Banking institution	Mauritius	100.0%	100.0%
Investec Life Limited	Long-term insurance	South Africa	100.0%	100.0%

For details on associated undertakings and joint venture holdings refer to note 32.

Consolidation of subsidiaries for accounting and regulatory purposes:

There are no subsidiaries which are consolidated for regulatory, but not for accounting purposes. Investec Employee Benefit Holdings Proprietary Limited, including Investec Life Limited, and its subsidiaries are not consolidated for regulatory purposes.

*** Investment in Burstone Group Limited (previously Investec Property Fund Limited (IPF))**

Burstone Group Limited was deconsolidated from the Group during the year. The investment is now held as an associate at fair value through profit or loss applying the venture capital exemption in IAS 28. For further details on the remeasurement and deconsolidation, refer to note 13.

In the prior year, the Group considered that it had control over Burstone Group Limited as a result of the common directors with the holding Company and the impact this has on the beneficial returns, as well as the power over relevant activities held by the IPF management function. Management considered the relationship with the directors and power over the relevant activities to be sufficient to meet the definition of control. The disposal of the management company resulted in loss of control of Burstone Group Limited with the 24.3% investment then being accounted for as an associate. Refer to note 12 for more information.

Consolidated structured entities

Investec Limited has residual economic interests in the following structured entities which are consolidated. Typically a structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. The judgements to assess whether the Group has control over these structures include assessing the purpose and design of the entity, considering whether the Group or another involved party with power over the relevant activities is acting as a principal in its own right or as an agent on behalf of others.

Name of principal structured entity	Type of structured entity
Fox Street 1 (RF) Limited	Securitised residential mortgages
Fox Street 2 (RF) Limited	Securitised residential mortgages
Fox Street 3 (RF) Limited	Securitised residential mortgages
Fox Street 4 (RF) Limited	Securitised residential mortgages
Fox Street 5 (RF) Limited	Securitised residential mortgages
Fox Street 6 (RF) Limited	Securitised residential mortgages
Fox Street 7 (RF) Limited	Securitised residential mortgages
Grayston Drive Autos (RF) Limited	Securitised vehicle instalment sale agreements
Richefond Circle (RF) Limited	Securitised commercial mortgages

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59. Principal subsidiaries and associated companies – Investec Ltd continued

For additional detail on the assets and liabilities arising on securitisation refer to note 32. Details of the risks to which the Group is exposed through all of its securitisations are included in the Investec Group's 2024 risk and governance report on pages 62 and 63.

The key assumptions for the main types of structured entities which the Group consolidates are summarised below:

Securitised residential mortgages

The Group has securitised residential mortgages in order to provide investors with exposure to residential mortgage risk and to raise funding. These structured entities are consolidated due to the Group's exposure to residual economic risks and benefits.The Group is not required to fund any losses above those incurred on the investments made.

Securitised vehicle instalment sale agreements

The Group has securitised vehicle instalment sale agreements in order to provide investors with exposure to vehicle instalment sale risk and to raise funding. This structured entity is consolidated due to the Group's exposure to residual economic risks and benefits. The Group is not required to fund any losses above those incurred on the investments made.

Securitised commercial mortgages

The Group has securitised commercial mortgages in order to provide investors with exposure to commercial mortgage risk and to raise funding.The relevant structured entity is consolidated due to the Group's exposure to residual economic risks and benefits. The Group is not required to fund any losses above those incurred on the investments made.

Interest in Wealth & Investment Funds

Management has concluded that the investment funds in the Wealth & Investment business do not meet the definition of structured entities as the Group does not hold material interests in these funds and currently does not provide financial support or other support. Support transactions with these funds are conventional customer-supply relationships.

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60. Offsetting

At 31 March £'000	Amounts subject to enforceable netting arrangements: Effects of offsetting on-balance sheet: Gross amounts	Amounts offset	Net amounts reported on the balance sheet	Related amounts not offset#: Financial instruments (including non-cash collateral)	Cash collateral	Net amount
2024						
Assets						
Cash and balances at central banks	6 279 088	—	6 279 088	—	—	6 279 088
Loans and advances to banks	1 139 060	(75 315)	1 063 745	—	(19 695)	1 044 050
Non-sovereign and non-bank cash placements	451 482	—	451 482	—	—	451 482
Reverse repurchase agreements and cash collateral on securities borrowed	4 423 039	(41 519)	4 381 520	(96 505)	(1 381)	4 283 634
Sovereign debt securities	4 943 147	—	4 943 147	(460 947)	—	4 482 200
Bank debt securities	596 436	—	596 436	(41 633)	—	554 803
Other debt securities	1 148 147	—	1 148 147	(41 214)	—	1 106 933
Derivative financial instruments	1 155 459	(301 521)	853 938	(124 113)	(158 857)	570 968
Securities arising from trading activities	1 596 260	—	1 596 260	(121 843)	—	1 474 417
Loans and advances to customers	30 645 313	—	30 645 313	—	—	30 645 313
Own originated loans and advances to customers securitised	269 034	—	269 034	—	—	269 034
Other loans and advances	117 513	—	117 513	—	(399)	117 114
Other securitised assets	66 704	—	66 704	—	—	66 704
Investment portfolio	807 030	—	807 030	—	—	807 030
Other assets	1 672 582	—	1 672 582	—	—	1 672 582
	55 310 294	**(418 355)**	**54 891 939**	**(886 255)**	**(180 332)**	**53 825 352**
Liabilities						
Deposits by banks	3 717 924	(271 148)	3 446 776	—	(157 489)	3 289 287
Derivative financial instruments	1 174 807	(105 688)	1 069 119	(124 113)	(15 417)	929 589
Other trading liabilities	1 369 332	—	1 369 332	(8 940)	—	1 360 392
Repurchase agreements and cash collateral on securities lent	956 727	(41 519)	915 208	(678 851)	(4 677)	231 680
Customer accounts (deposits)	39 507 805	—	39 507 805	—	(2 749)	39 505 056
Debt securities in issue	1 541 194	—	1 541 194	(9 823)	—	1 531 371
Liabilities arising on securitisation of own originated loans and advances	208 571	—	208 571	—	—	208 571
Liabilities arising on securitisation of other assets	71 751	—	71 751	—	—	71 751
Other liabilities	1 816 139	—	1 816 139	—	—	1 816 139
Subordinated liabilities	972 806	—	972 806	—	—	972 806
	51 337 056	**(418 355)**	**50 918 701**	**(821 727)**	**(180 332)**	**49 916 642**

The Group enters into derivatives and repurchase and reverse repurchase agreements with various counterparties which are governed by industry standard master netting agreements. The Group holds and provides cash and securities collateral in respect of derivatives transactions covered by these agreements. The right to set off balances under these master netting agreements or to set off cash and securities collateral only arises in the event of non-payment or default and, as a result, these arrangements do not qualify for offsetting under IAS 32.

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60. Offsetting continued

At 31 March £'000	Amounts subject to enforceable netting arrangements: Effects of offsetting on-balance sheet: Gross amounts	Amounts offset	Net amounts reported on the balance sheet	Related amounts not offset[#]: Financial instruments (including non-cash collateral)	Cash collateral	Net amount
2023^						
Assets						
Cash and balances at central banks	6 437 709	—	6 437 709	—	—	6 437 709
Loans and advances to banks	1 645 239	(194 612)	1 450 627	(12 129)	(42 365)	1 396 133
Non-sovereign and non-bank cash placements	442 254	—	442 254	—	—	442 254
Reverse repurchase agreements and cash collateral on securities borrowed	4 040 420	(45 230)	3 995 190	(22 113)	(51 104)	3 921 973
Sovereign debt securities	4 404 243	—	4 404 243	(538 805)	—	3 865 438
Bank debt securities	915 686	—	915 686	(50 393)	—	865 293
Other debt securities	1 229 392	—	1 229 392	(80 205)	—	1 149 187
Derivative financial instruments	1 676 454	(312 542)	1 363 912	(353 308)	(265 816)	744 788
Securities arising from trading activities	1 836 327	—	1 836 327	(198 308)	—	1 638 019
Loans and advances to customers	30 112 969	—	30 112 969	—	—	30 112 969
Own originated loans and advances to customers securitised	272 879	—	272 879	—	—	272 879
Other loans and advances	142 726	—	142 726	—	(4 959)	137 767
Other securitised assets	103 151	—	103 151	—	—	103 151
Investment portfolio	1 330 907	—	1 330 907	—	—	1 330 907
Other assets	2 030 476	—	2 030 476	—	—	2 030 476
	56 620 832	**(552 384)**	**56 068 448**	**(1 255 261)**	**(364 244)**	**54 448 943**
Liabilities						
Deposits by banks	3 778 299	(160 775)	3 617 524	—	(315 023)	3 302 501
Derivative financial instruments	1 889 519	(346 379)	1 543 140	(353 308)	(41 080)	1 148 752
Other trading liabilities	1 278 452	—	1 278 452	(10 337)	—	1 268 115
Repurchase agreements and cash collateral on securities lent	983 337	(45 230)	938 107	(738 698)	(6 244)	193 165
Customer accounts (deposits)	39 555 669	—	39 555 669	—	(1 897)	39 553 772
Debt securities in issue	1 802 586	—	1 802 586	(21 554)	—	1 781 032
Liabilities arising on securitisation of own originated loans and advances	163 787	—	163 787	—	—	163 787
Liabilities arising on securitisation of other assets	81 609	—	81 609	—	—	81 609
Other liabilities	2 311 103	—	2 311 103	—	—	2 311 103
Subordinated liabilities	1 084 630	—	1 084 630	—	—	1 084 630
	52 928 991	**(552 384)**	**52 376 607**	**(1 123 897)**	**(364 244)**	**50 888 466**

^ Restated as detailed in note 62.
[#] The Group enters into derivatives and repurchase and reverse repurchase agreements with various counterparties which are governed by industry standard master netting agreements. The Group holds and provides cash and securities collateral in respect of derivatives transactions covered by these agreements. The right to set off balances under these master netting agreements or to set off cash and securities collateral only arises in the event of non-payment or default and, as a result, these arrangements do not qualify for offsetting under IAS 32.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

61. Derecognition

Transfers of financial assets that do not result in derecognition

The Group has been party to securitisation transactions whereby assets continue to be recognised on-balance sheet (either fully or partially) although they have been subject to legal transfer to another entity. Securitisations may, depending on the individual arrangement, result in continued recognition of the securitised assets and the recognition of the debt securities issued in the transaction. The associated liabilities represent the amount of external notes in issue.

	2024		2023	
At 31 March **£'000**	**Carrying amount of assets that are continued to be recognised**	**Carrying amount of associated liabilities**	Carrying amount of assets that are continued to be recognised	Carrying amount of associated liabilities
No derecognition achieved				
Loans and advances to customers	1 511 765	—	1 613 838	—
Loans and advances to banks	69 389	—	80 799	—
	1 581 154	**—**	**1 694 637**	**—**

The transferred assets above in both the current and prior year are held within structured entities which are wholly-owned and consolidated by the Group. There are no external parties participating in these vehicles and therefore the Group continues to have full exposure to the risks and rewards associated with the assets and the associated liabilities are eliminated on consolidation. There are no restrictions or limitations on the Group's recourse to the assets held within the structured entities.

For transfer of assets in relation to repurchase agreements see note 22.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

62. 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 £201.8 million (March 2022: £245.3 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 £644.1 million net of ECL of £2.3 million (March 2022: £685.0 million net of ECL of £1.7 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 statement 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' through OCI reserves totalling £77.5 million (March 2022: £96.2 million) have been restated retrospectively to 'retained income'. In addition, certain fair value hedge adjustments made in the balance sheet to hedged items (£23.8 million (March 2022: £4.7 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 £13.4 million (March 2022: £14.8 million) recognised against 'retained income' for the recovery of those income taxes. The associated deferred taxation of £24.1 million (March 2022: £35.6 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 statement impacts are disclosed in the income statement restatement section.

Gross-up and gross-down of balance sheet line items

Gross-ups within the trading portfolio of equity securities and client trading accounts

Certain client and exchange settlement balances and equity positions (long and short equity positions) held were previously incorrectly offset (in terms of IAS 32) and presented on a net basis. These have been grossed up to appropriately reflect both the settlement receivables and payables as well as the correct asset and liability positions. The gross up resulted in a £448.8 million (March 2022: £415.3 million) increase in 'other assets' and 'other liabilities' and a £235.1 million (March 2022: £489.6 million) increase in 'securities arising from trading activities' and 'other trading liabilities'. The comparative balance sheets have been restated. This change has no impact on the income statement, cash flow statement (other than the consequential impact on operating assets and operating liabilities, due to the changes in the balance sheet line items) or statement of changes in equity.

Gross-down of capital guarantee products

Investec Bank Limited traded a capital guarantee product with clients. The traded positions were incorrectly duplicated and booked on a gross basis to 'securities arising from trading activities' 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 £31.2 million (March 2022: £34.4 million) was accordingly adjusted downwards in 'securities arising from trading activities' 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 (other than the consequential impact on operating assets and operating liabilities, due to the changes in the balance sheet line items) or statement of changes in equity.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

62. Restatements continued

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 £361.0 million (March 2022: £378.7 million) were reclassified to 'reverse repurchase agreements and cash collateral on securities borrowed' to more accurately reflect a collateralised lending transaction. The comparative balance sheets have been restated. This change has no impact on the income statement, cash flow statement (other than the consequential impact on operating assets and operating liabilities, due to the changes in the balance sheet line items) or statement of changes in equity.

Reclassification of fully funded trading positions

Investec 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. £841.1 million (March 2022: £847.1 million) 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 (other than the consequential impact on operating assets and operating liabilities, due to the changes in the balance sheet line items) or statement of changes in equity.

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

£'000	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-up and gross-down of balance sheet line items	Reclassifications	**At 31 March 2023 restated**
Assets						
Non-sovereign and non-bank cash placements	644 065	(201 811)	—	—	—	442 254
Reverse repurchase agreements and cash collateral on securities borrowed	3 632 658	—	—	1 543	360 989	3 995 190
Sovereign debt securities	4 751 646	—	—	—	(347 403)	4 404 243
Bank debt securities	939 509	—	(23 823)	—	—	915 686
Derivative financial instruments	1 386 134	—	—	—	(22 222)	1 363 912
Securities arising from trading activities	1 632 391	—	—	203 936	—	1 836 327
Loans and advances to customers	29 911 158	201 811	—	—	—	30 112 969
Deferred taxation assets	258 126	—	(24 092)	—		234 034
Other assets	1 581 693	—	—	448 783	—	2 030 476
Total assets	57 294 659	—	(47 915)	654 262	(8 636)	57 892 370
Liabilities						
Derivative financial instruments	2 424 036		—	(31 198)	(849 698)	1 543 140
Other trading liabilities	202 256		—	235 134	841 062	1 278 452
Repurchase agreements and cash collateral on securities lent	936 564	—	—	1 543	—	938 107
Current taxation liabilities	83 183	—	(13 403)	—	—	69 780
Other liabilities	1 873 714	—	(11 394)	448 783	—	2 311 103
Total liabilities	51 962 994	—	(24 797)	654 262	(8 636)	52 583 823
Equity						
Other reserves	(850 742)	—	77 480	—	—	(773 262)
Retained income	4 553 011	—	(100 598)	—	—	4 452 413
Total equity	5 331 665	—	(23 118)	—	—	5 308 547

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

62. Restatements continued

£'000	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-up and gross-down of balance sheet line items	Reclassifications	**At 31 March 2022 restated**
Assets						
Non-sovereign and non-bank cash placements	684 983	(245 268)	—	—	—	439 715
Reverse repurchase agreements and cash collateral on securities borrowed	4 609 778	—	—	—	378 665	4 988 443
Sovereign debt securities	4 148 867	—	—	—	(372 271)	3 776 596
Bank debt securities	1 515 210	—	4 650	—	—	1 519 860
Derivative financial instruments	1 590 513				(6 987)	1 583 526
Securities arising from trading activities	683 329	—	—	629 622	—	1 312 951
Loans and advances to customers	29 561 088	245 268	—	—	—	29 806 356
Deferred taxation assets	259 370	—	(35 576)	—	—	223 794
Other assets	2 139 354	—	—	240 847	—	2 380 201
Total assets	58 887 756	—	(30 926)	870 469	(593)	59 726 706
Liabilities						
Derivative financial instruments	2 581 315	—	—	(34 380)	(847 736)	1 699 199
Other trading liabilities	275 589	—	—	489 582	847 143	1 612 314
Current taxation liabilities	41 631	—	(14 790)	—	—	26 841
Other liabilities	2 315 841	—	(12 997)	415 267	—	2 718 111
Total liabilities	53 148 000	—	(27 787)	870 469	(593)	53 990 089
Equity						
Other reserves	(650 228)		96 188	—	—	(554 040)
Retained income	4 069 776		(99 327)	—	—	3 970 449
Total equity	5 739 756	—	(3 139)	—	—	5 736 617

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

62. Restatements continued

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

£'000	At 31 March 2023 as previously reported	Change in classification from non-sovereign and non-bank cash placements to loans and advances to customers	At 31 March 2023 restated
Net cash inflow from operating activities	469 757	(47 350)	422 407
Effects of exchange rate changes on cash and cash equivalents	(196 806)	87 702	(109 104)
Cash and cash equivalents at the beginning of the year	9 099 740	(686 716)	8 413 024
Cash and cash equivalents at the end of the year	8 444 014	(646 364)	7 797 650

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

£'000	At 31 March 2023 as previously reported	Restatement of the application of hedge accounting and the correction of a derivative valuation	At 31 March 2023 restated
Fair value movements on cash flow hedges taken directly to other comprehensive income	39 717	(17 523)	22 194
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	(48 515)	(4 328)	(52 843)
Foreign currency adjustments on translating foreign operations	(306 053)	1 872	(304 181)
Total comprehensive income	499 135	(19 979)	479 156

Income statement restatements

Discontinued operations

The effective date of the combination of Investec Wealth & Investment Limited and Rathbones Group Plc was 21 September 2023, at which point the Group deconsolidated its 100% holding in Investec Wealth & Investment Limited. The completion date of the sale of the Investec Property Fund (IPF) management companies was 6 July 2023 at which point the Group deconsolidated its existing c.24.3% investment in IPF. The Investec Wealth & Investment business and IPF have been disclosed as discontinued operations and the income statement for the prior periods have been appropriately re-presented. Refer to discontinued operations on page 98.

Fee and commission expense and operating costs

Management concluded that £7.1 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 £36.8 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 £1.8 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 of £153.3 million, and the net movement was accounted for in either 'interest income' or 'interest expense' (depending if it was an asset or liability being hedged).

62. Restatements continued

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

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.

As a result of not applying hedge accounting, adjustments previously made to 'interest income' of £28.7 million has been reclassified to 'trading income/(loss) arising from customer flow'.

These reclassifications in the income statement for the prior period is shown in the table that follows:

£'000	Year to 31 March 2023 as previously reported	Re-presentation as a discontinued operation	Fee and commission expense and operating costs reclassification	Reclassification between interest income and interest expense	Restatement of the application of hedge accounting and the correction of the valuation of certain fair value instruments	**Year to 31 March 2023 restated**
Interest income	3 397 341	(27 919)	—	(153 324)	(28 678)	3 187 420
Interest expense	(2 101 584)	26 369	—	155 091		(1 920 124)
Net interest income	**1 295 757**	**(1 550)**	**—**	**1 767**	**(28 678)**	**1 267 296**
Fee and commission income	832 213	(378 543)	—	—	—	453 670
Fee and commission expense	(52 860)	3 635	(7 090)	—	—	(56 315)
Investment (loss)/income	(17 145)	46 448	—	—	—	29 303
Share of post taxation profit of associates	29 149	885	—	—	—	30 034
Trading income/(loss) arising from						
– customer flow	131 204	10 995	—	(1 767)	28 678	169 110
– balance sheet management and other	57 714	(43 479)	—	—	—	14 235
Other operating income	4 386	—	—	—	—	4 386
Operating income	**2 280 418**	**(361 609)**	**(7 090)**	**—**	**—**	**1 911 719**
Expected credit loss impairment charges	(81 089)	243	—	—	—	(80 846)
Operating income after expected credit	**2 199 329**	**(361 366)**	**(7 090)**	**—**	**—**	**1 830 873**
Operating costs	(1 350 835)	257 746	7 090	—	—	(1 085 999)
Operating profit before goodwill and	**848 494**	**(103 620)**	**—**	**—**	**—**	**744 874**
Impairment of goodwill	(890)	—	—	—	—	(890)
Amortisation of acquired intangibles	(15 160)	12 625	—	—	—	(2 535)
Amortisation of acquired intangibles of associates	(1 542)	—	—	—	—	(1 542)
Closure and rundown of the Hong Kong direct investments business	(450)	—	—	—	—	(450)
Operating profit	**830 452**	**(90 995)**	**—**	**—**	**—**	**739 457**
Net gain on distribution of associate to shareholders	154 438	—	—	—	—	154 438
Financial impact of strategic actions	(4 968)	4 938	—	—	—	(30)
Profit before taxation	**979 922**	**(86 057)**	**—**	**—**	**—**	**893 865**
Taxation on operating profit before goodwill and acquired intangibles	(179 704)	16 182	—	—	—	(163 522)
Taxation on acquired intangibles and net gain on distribution of associate to shareholders	17 213	(2 031)	—	—	—	15 182
Profit after taxation from continuing	**817 431**	**(71 906)**	**—**	**—**	**—**	**745 525**
Profit after taxation from discontinued	**—**	**71 906**	**—**	**—**	**—**	**71 906**
Profit after taxation	**817 431**	**—**	**—**	**—**	**—**	**817 431**
Profit attributable to non-controlling interests	(12 566)	11 814	—	—	—	(752)
Profit attributable to non-controlling interests of discontinued operations	—	(11 814)	—	—	—	(11 814)
Earnings attributable to shareholders	**804 865**	**—**	**—**	**—**	**—**	**804 865**

63. Events after the reporting period

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
CONTINUED

In the ordinary course of business, events may occur that influence the credit quality of loans and advances. At the date of this report, we have concluded that no changes are required to our ECL provisions or there is insufficient new information available since 31 March 2024 of any conditions which existed at the balance sheet date to reliably estimate any adjustments to these ECL provisions.

64. Investec Limited parent Company accounts

For regulatory compliance purposes the Investec Limited parent Company accounts are presented in the Investec Limited Annual Financial Statements and audited by EY Inc and PwC Inc as statutory auditors.

INVESTEC PLC PARENT COMPANY ANNUAL FINANCIAL STATEMENTS

Balance sheet

At 31 March £'000	Notes	2024	2023 Restated
Assets			
Fixed assets			
Investments in subsidiary undertakings	b	1 701 774	1 701 774
Securities and subordinated liabilities issued by subsidiary undertaking	c	1 334 316	1 115 737
Amounts owed by group undertakings	i	556 753	541 948
		3 592 843	**3 359 459**
Current assets			
Investments in listed equities		158 889	172 285
Taxation		6 242	17 886
Prepayments and accrued income		4 745	2 740
Cash at bank and in hand			
– with subsidiary undertakings		—	17 503
– balances with other banks		461	503
		170 337	**210 917**
Current liabilities			
Creditors: amounts falling due within one year			
Amounts owed to Group undertakings		7 356	—
Other liabilities		3 351	6 189
Accruals and deferred income		10 700	12 438
Net current assets		**148 930**	**18 627**
Creditors: amounts falling due after one year			
Debt securities in issue	d	492 486	475 811
Subordinated liabilities	e	699 940	698 591
Net assets		**2 549 347**	**2 377 347**
Capital and reserves			
Ordinary share capital	h	202	202
Ordinary share premium	h	555 812	555 812
Capital reserve		173	180 606
Fair value reserve		21 548	34 943
Retained earnings		1 488 710	1 330 990
Ordinary shareholders' equity		**2 066 445**	**2 102 553**
Perpetual preference share capital and premium	h	24 794	24 794
Shareholders' equity excluding non-controlling interests		**2 091 239**	**2 127 347**
Other Additional Tier 1 securities in issue	h	458 108	250 000
Total capital and reserves		**2 549 347**	**2 377 347**

The notes on pages 176 to 184 form an integral part of the financial statements.

The Company's profit for the year, determined in accordance with the Companies Act 2006, was £112 679 076 (2023: £114 940 942). Approved and authorised for issue by the Board of Directors on 20 June 2024 and signed on its behalf by:

Fani Titi

Group Chief Executive

20 June 2024

INVESTEC PLC PARENT COMPANY ANNUAL FINANCIAL STATEMENTS
CONTINUED

Statement of changes in shareholders' equity

£'000	Ordinary share capital	Ordinary share premium	Capital reserve	Fair value reserve	Retained earnings	Ordinary shareholders' equity	Perpetual preference share capital and premium	Shareholders' equity excluding non-controlling interests	Other Additional Tier 1 securities in issue	Total equity
At 31 March 2022	**202**	**806 812**	**180 606**	**159 661**	**1 135 468**	**2 282 749**	**24 794**	**2 307 543**	**250 000**	**2 557 543**
Total comprehensive income	—	—	—	(124 718)	158 556	33 838	—	33 838	—	33 838
Employee benefit liability recognised	—	—	—	—	(1 033)	(1 033)	—	(1 033)	—	(1 033)
Dividends paid to preference shareholders	—	—	—	—	(540)	(540)	—	(540)	—	(540)
Dividends paid to ordinary shareholders	—	—	—	—	(88 463)	(88 463)	—	(88 463)	—	(88 463)
Dividends declared to other Additional Tier 1 security holders	—	—	—	—	(16 880)	(16 880)	—	(16 880)	16 880	—
Dividends paid to other Additional Tier 1 security holders	—	—	—	—	—	—	—	—	(16 880)	(16 880)
Capital reduction	—	(251 000)	—	—	251 000	—	—	—	—	—
Distribution to shareholders	—	—	—	—	(107 118)	(107 118)	—	(107 118)	—	(107 118)
At 31 March 2023	**202**	**555 812**	**180 606**	**34 943**	**1 330 990**	**2 102 553**	**24 794**	**2 127 347**	**250 000**	**2 377 347**
Total comprehensive income	—	—	—	(13 395)	93 784	80 389	—	80 389	—	80 389
Dividends paid to preference shareholders	—	—	—	—	(1 455)	(1 455)	—	(1 455)	20 638	19 183
Dividends paid to ordinary shareholders	—	—	—	—	(94 404)	(94 404)	—	(94 404)	(20 638)	(115 042)
Dividends declared to other Additional Tier 1 security holders	—	—	—	—	(20 638)	(20 638)	—	(20 638)	350 000	329 362
Dividends paid to other Additional Tier 1 security holders	—	—	—	—	—	—	—	—	(141 892)	(141 892)
Release of capital reserve to retained earnings^	—	—	(180 433)	—	180 433	—	—	—		—
At 31 March 2024	**202**	**555 812**	**173**	**21 548**	**1 488 710**	**2 066 445**	**24 794**	**2 091 239**	**458 108**	**2 549 347**

^ The capital reserve transferred to retained earnings on the deconsolidation of Investec Wealth & Investment Limited is in respect of a reserve created on the original acquisition by Investec plc.

INVESTEC PLC PARENT COMPANY ANNUAL FINANCIAL STATEMENTS
CONTINUED

a. Basis of preparation

The parent accounts of Investec plc are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The Company is incorporated and domiciled in England and Wales and the Company's accounts are presented in Pound Sterling and all values are rounded to the nearest thousand (£'000) except where otherwise indicated.

The accounts have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

The Company has taken advantage of the following disclosure exemptions under FRS 101 where applicable to the Company:

- The requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based Payment
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Investec plc in which the entity is consolidated
- The requirements of paragraph 33(c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- The requirements of IFRS 7 Financial Instruments: Disclosures
- The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment, (iii) paragraph 118(e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture
- The requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- The requirements of IAS 7 Statement of Cash Flows
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- The requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases
- The requirements of paragraph 58 of IFRS 16, provided that the disclosures of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separated for lease liabilities and other liabilities, and in total
- The requirements of paragraph 24(b) of IFRS 6 Exploration for and Evaluation of Mineral Resources to disclose the operating and investing cash flows arising from the exploration for and evaluation of mineral resources
- The requirements of paragraph 74A(b) of IAS 16.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in consolidated financial statements of the Group.

On the basis of current financial projections and having made appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence up to 31 March 2025, which is a period greater than twelve months from the date of issue of the financial statements that aligns with internal budgeting processes. Accordingly, the going concern basis is adopted in the preparation of the financial statements.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into Pound Sterling at exchange rates ruling at the balance sheet date. All foreign currency transactions are translated into Pound Sterling at the exchange rate ruling at the time of the transaction. Forward foreign exchange contracts are revalued at the market rates ruling at the date applicable to their respective maturities. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the income statement.

Investments

Investments in subsidiaries and interests in associated undertakings are stated at cost less any accumulated impairment in value.

Equity instruments measured at FVOCI

The Group measures equity instruments at FVOCI when it considers the investments to be strategic or held for long-term dividend yield. The equity instruments are not held for trading. Gains or losses on the derecognition of these equity securities are not transferred to profit or loss.

Otherwise, equity instruments are measured at fair value through profit or loss (except for dividend income, which is recognised in profit or loss).

Income

Dividends from subsidiaries are recognised when received. Interest is recognised on an accrual basis.

Taxation

Current tax payable is provided on the amount expected to be payable on taxable profit at rates that are enacted or substantively enacted and applicable to the relevant period.

Deferred taxation is provided using the balance sheet method on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base, except where such temporary differences arise from:

INVESTEC PLC PARENT COMPANY ANNUAL FINANCIAL STATEMENTS
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a. Basis of preparation continued

- The initial recognition of goodwill
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction has no effect on the income statement or taxable profit
- In respect of temporary differences associated with the investments in subsidiaries and interests in associated undertakings, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future
- Deferred tax assets or liabilities are measured using the tax rates that have been enacted or substantively enacted at the balance sheet date
- Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised
- Items recognised directly in other comprehensive income are net of related current and deferred taxation.

Company's own profit and loss account

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 to not present its own profit and loss account.

Financial assets

Financial assets are recorded at amortised cost applying the effective interest rate method where they are classified as loans and receivables or fair value through profit and loss.

Financial liabilities

Financial liabilities are recorded at amortised cost applying the effective interest rate method.

b. Investments in subsidiary undertakings

At 31 March £'000	2024	2023
At the beginning of the year	1 701 774	1 701 774
Additions	—	—
Disposals	—	—
At the end of the year	**1 701 774**	**1 701 774**

c. Securities issued by subsidiary undertaking

On 16 October 2017, the Company acquired £200 million Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities (AT1 securities) issued by Investec Bank plc. The securities are perpetual and pay a distribution rate on 5 March, June, September and December, commencing from 5 December 2017. At each distribution payment date, Investec Bank plc can decide whether to pay the distribution rate, which is non-cumulative, in whole or in part. The distribution rate is 6.75% per annum until 5 December 2024; thereafter, the distribution rate resets every five years to a rate 5.749% per annum plus the benchmark gilts rate. The AT1 securities will be automatically written down and the Company will lose their entire investment in the securities should the CET1 capital ratio of the Investec Bank plc Group, as defined in the PRA's rules, fall below 7%. The AT1 securities are redeemable at the option of Investec Bank plc on 5 December 2024 or on each distribution payment date thereafter. No such redemption may be made without the consent of the PRA. On 22 January 2019, the Company acquired a further £50 million of AT1 securities issued by Investec Bank plc.

On 4 October 2021, Investec Bank plc entered into a £350 000 000 subordinated loan with Investec plc at a fixed interest rate of 2.625% (2032 Loan). Interest, after the initial short period distribution paid on 4 January 2022, is paid annually commencing on 4 January 2023 and ending on the maturity date. The loan will mature on 4 January 2032. The borrower may prepay the loan in full on any date in the period from 4 October 2026 to (and including) 4 January 2027 subject to conditions.

On 6 December 2022 Investec Bank Plc entered into a £350 million loan with Investec plc at a fixed interest rate of 9.1265% (2033 Loan). Interest, after the initial short period distribution paid on 6 March 2023, is paid annually commencing on 6 March 2024 and ending on the maturity date. The loan will mature on 6 March 2033. The borrower may prepay the loan in full on any date in the period from 6 December 2027 to (and including) 6 March 2028.

On 13 February 2023 Investec Bank plc entered into a £200 million senior loan with Investec plc at a fixed interest rate of 1.875%. The loan matures on 16 July 2028 and pays interest at a fixed rate annually in arrears. The borrower may prepay the loan in full on 16 July 2027.

On 28 February 2024, Investec Bank plc issued £350 million of Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities which were purchased by the company. These securities are perpetual and pay interest on a semi-annual basis on 28 February and 28 August each year, commencing on 28 August 2024. At each interest payment date, Investec Bank

INVESTEC PLC PARENT COMPANY ANNUAL FINANCIAL STATEMENTS
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plc can decide whether to pay the coupon, which is non-cumulative, in whole or in part. The interest rate is 10.50% per annum until 28 February 2030; thereafter it resets every subsequent five years to a rate of 6.566% per annum plus the benchmark gilt rate. The securities will be automatically written down and the company will lose their entire investment in the securities should the Common Equity Tier 1 capital ratio of the Investec Bank plc group as defined in the PRA's rules fall below 7%. The securities are redeemable at the option of Investec Bank plc on any day falling in the period from (and including) 28 August 2029 to (and including) 28 February 2030) or on any day falling in the period of six months prior to (and including) any five year reset date thereafter. No such redemption may be made without the consent of the PRA.

d. Debt securities in issue

On 5 May 2015, the company issued £300 million 4.50% Senior Unsecured Notes from its European Medium Term Note programme ("EMTN"). On 7 August 2017 the company issued a further £100 million of the 4.5% Senior Unsecured Notes due 2022, at a premium of 108.479 per cent, which has been consolidated with and formed a single series with the existing notes. The notes were subject to a liability management exercise in July 2021 leaving £200 million outstanding, These remaining notes matured on 5 May 2022 and paid interest at a fixed rate annually in arrears.

On 16 July 2021, the company issued £350 million 1.875% Senior Unsecured Notes from its European Medium Term Note programme ("EMTN"). The notes mature on 16 July 2028 and pay interest at a fixed rate annually in arrears. On 13 February 2023 the company issued a further £200 million of the 1.875% Senior Unsecured Notes due 2022, at a discount of 17.4070%, which has been consolidated with and formed a single series with the existing notes. The issuer may redeem the notes at par on 16 July 2027.

e. Subordinated liabilities

On 4 October 2021, Investec plc issued £350 million of 2.625% subordinated notes due 2032 at a discount (2032 Notes). Interest, after the initial short period distribution paid on 4 January 2022, is paid annually commencing on 4 January 2023 and ending on the maturity date. The notes are listed on the London Stock Exchange. The notes will be redeemed at par on 4 January 2032. The issuer may redeem the notes at par on any date in the period from 4 October 2026 to (and including) 4 January 2027 subject to conditions.

On 6 December 2022, Investec plc issued £350 million of 9.125% subordinated notes due 2033 at a discount (2033 Notes). Interest, after the initial short period distribution paid on 6 March 2023, is paid annually commencing on 6 March 2024 and ending on the maturity date. The notes are listed on the London Stock Exchange. The notes will be redeemed at par on 6 March 2033. The issuer may redeem the notes at par on any date in the period from 6 December 2027 to (and including) 6 March 2028 subject to conditions.

f. Audit fees

Details of the Company's audit fees are set out in note 7 of the Group financial statements.

g. Dividends

Details of the Company's dividends are set out in note 11 of the Group financial statements.

h. Share capital

Details of the Company's ordinary share capital and ordinary share premium are set out in note 45 and note 47 of the Group financial statements. Details of the perpetual preference shares are set out in note 46 of the Group financial statements. Details of the Additional Tier 1 securities are set out in note 49 of the Group financial statements.

i. Restatements

Amounts owed by Group undertaking was restated from Current assets to Fixed assets in accordance with guidance provided by IAS1 paragraph 66. There is no expectation that the amount will be realised within a twelve month period post the reporting date. The 31 March 2024 amount was £556.7 million (31 March 2023: £541.9 million and 31 March 2022: £523.3 million).

j. Audit opinion

The audit opinion on the financial statements of the Investec plc parent Company is included within the independent auditor's report to the members of Investec plc within the combined consolidated Investec annual financial statements of Investec plc and Investec Limited for the year ended 31 March 2024.

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k. Subsidiaries

At 31 March 2024	Principal activity	Interest held
United Kingdom **Registered office: 30 Gresham Street, London, EC2V 7QP, UK**		
Investec 1 Limited*	Investment holding company	100%
Investec Holding Company Limited*	Investment holding company	100%
Investec (UK) Limited	Holding company	100%
Guinness Mahon Group Limited	Dormant	100%
Investec Bank plc	Banking institution	100%
PIF Investments Limited	Dormant	100%
Beeson Gregory Index Nominees Limited	Dormant	100%
EVO Nominees Limited	Dormant	100%
Evolution Securities Nominees Limited	Dormant	100%
Investec Finance Limited	Dormant	100%
Investec Group Investments (UK) Limited	Investment holding company	100%
Investec Capital Solutions Limited	Lending company	100%
Diagonal Nominees Limited	Nominee	100%
GFT Holdings Limited	Dormant	100%
Investec Investment Trust plc	Debt issuer	100%
Investec Investments (UK) Limited	Investment holding company	100%
Inv-German Retail Ltd	Property company	100%
Investec Securities Limited	Dormant	100%
Technology Nominees Limited	Nominee	100%
Torteval LM Limited	Investment holding company	100%
Torteval Funding LLP	Financing company	100%
Kendals Regeneration Limited (formerly Nars Holdings Limited)	Property company	100%
Evolution Capital Investment Limited	Dormant	100%
Investec Investments Limited	Investment holding company	100%
PSV Marine Limited	Shipping holding company	100%
PSV Anjali Limited	Shipping holding company	100%
PSV Randeep Limited	Shipping holding company	100%
Investec India Holdco Limited	Investment holding company	80.48%
Investec Alternative Investment Management Limited	Fund management activities	100%
Investec-Capitalmind Investment Limited	Non trading	100%
NI (HH) LLP	Property company	93%
HH Farringdon Limited	Nominee	100%

* Directly owned by Investec plc.

INVESTEC PLC PARENT COMPANY ANNUAL FINANCIAL STATEMENTS
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k. Subsidiaries continued

At 31 March 2024	Principal activity	Interest held
Registered office: Reading International Business Park, Reading, RG2 6AA, UK		
Mann Island Finance Limited	Leasing company	100%
CF Corporate Finance Limited	Leasing company	100%
MI Vehicle Finance Limited	Leasing company	100%
Quantum Funding Limited	Leasing company	100%
Investec Asset Finance plc	Leasing company	100%
Australia **Registered office: Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000, Australia**		
Investec Holdings Australia Pty Limited	Holding company	100%
Investec Australia Finance Pty Limited	Lending company	100%
Investec Australia Pty Limited	Financial services	100%
Bowden (Lot 32) Direct Pty Limited	Dormant	100%

INVESTEC PLC PARENT COMPANY ANNUAL FINANCIAL STATEMENTS
CONTINUED

k. Subsidiaries continued

At 31 March 2024	Principal activity	Interest held
British Virgin Islands **Registered office: Palm Grove House, PO Box 438, Road Town, Tortola, British Virgin Islands**		
Finistere Directors Limited	Corporate director	100%
GFT Directors Limited	Corporate director	100%
Registered office: Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands		
Fertile Sino Global Development Limited	Holding company	100%
France **Registered office: 27 Rue Maurice Flandin – 69003 Lyon Cedex 03, France**		
SCI CAP Philippe	Property company	100%
Registered office: 151 Boulevard Haussman, 75008 Paris, France		
Capitalmind SAS	Advisory services	60 %
Germany **Registered office: Sonnenberger Straße 16, 65193 Weisbaden, Germany**		
Capitalmind GmbH & Co. KG	Advisory services	60 %
Guernsey **Registered office: PO Box 188, Glategny Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 3LP, Channel Islands**		
Investec Asset Finance (Channel Islands) Limited	Leasing company	100%
Registered office: Glategny Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 1WR, Channel Islands		
Investec Bank (Channel Islands) Limited	Banking institution	100%
Investec Bank (Channel Islands) Nominees Limited	Nominee	100%
Registered office: PO Box 290, Glategny Court, Glategny Esplanade, St Peter Port, Guernsey, GY1 3RP, Channel Islands		
Bayeux Limited	Corporate director	100%
Finistere Limited	Corporate nominee	100%
Finistere Secretaries Limited	Corporate secretary	100%
ITG Limited	Corporate director	100%

INVESTEC PLC PARENT COMPANY ANNUAL FINANCIAL STATEMENTS
CONTINUED

k. Subsidiaries continued

At 31 March 2024	Principal activity	Interest held
Guernsey **Registered office: Heritage Hall, Le Marchant Street, St Peter Port, Guernsey, GY1 4JH, Channel Islands**		
Investec Captive Insurance Limited	Captive insurance company	100%
Jersey **Registered office: 2nd Floor One The Esplanade, St Helier, Channel Islands, Jersey, JE2 3QA**		
Appleton Resources (Jersey) Limited	Holding company	100%
India **Registered office: B Wing, 11th floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, India**		
Investec Credit Finance Private Limited	Lending platform	99%
Investec Global Services (India) Private Limited	ITES outsourcing	100%
Ireland **Registered office: The Harcourt Building, Harcourt Street, Dublin 2, Ireland**		
Investec Holdings (Ireland) Limited	Holding company	100%
Investec Ireland Limited	Financial services	100%
Investec International Limited	Aircraft leasing	100%
Neontar Limited	Holding company	100%
Investec Securities Holdings Ireland Limited	Holding company	100%
Investec Private Finance Ireland Limited	Loan credit servicing	100%
Investec Ventures Ireland Limited	Investment management services	100%
Venture Fund Private Principals Limited	Investment services	100%
Investec Europe Limited	MiFiD firm	100%
Registered office: 32 Molesworth Street, Dublin 2, Ireland		
Gresham Leasing 2 Limited	Equipment rental and leasing	100%
Luxembourg **Registered office: 15 Boulevard Friedrich Wilhelm Raiffeisen L-2411 Luxembourg**		
PDF II GP s.a.r.l.	Fund management activities	100%
Netherlands **Registered office: Reitschweg 49, 5232BX's-Hertogenbosch, the Netherlands**		
Capitalmind International B.V.	Non-trading	60 %
Capitalmind B.V.	Advisory services	60 %
Singapore **Registered office: 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095**		
Investec Singapore Pte Limited	Securities services	100%

INVESTEC PLC PARENT COMPANY ANNUAL FINANCIAL STATEMENTS
CONTINUED

k. Subsidiaries continued

At 31 March 2024	Principal activity	Interest held
Switzerland **Registered office: 23 Avenue de France, CH – 1202, Geneva, Switzerland**		
Reichmans Geneva SA	Trading company	100%
Registered offices: Löwenstrasse 29, CH-8001 Zurich, Switzerland		
Investec Bank (Switzerland) AG	Banking institution and wealth manager	100%
United States of America **Registered office: 10 E. 53rd St., 22nd floor, New York, NY 10022, USA**		
US Multifamily GP LLC	Investment holding company	100%
Investec USA Holdings Corp	Holding company	100%
Investec Inc	Investment holding company	100%
Fuel Cell IP 1 LLC Investment	Investment holding company	100%
Fuel Cell IP 2 LLC Investment	Investment holding company	100%
Investec Securities (US) LLC	Financial services	100%
Registered office: One Carbon Center-Suite 501, 13905 McCorkle Ave. SE, Chesapeake, WV 25315		
Appleton Coal LLC	Investment holding company	100%

INVESTEC PLC PARENT COMPANY ANNUAL FINANCIAL STATEMENTS
CONTINUED

k. Subsidiaries continued

Associated undertakings and joint ventures holdings

At 31 March 2024	Principal activity	Interest held
United Kingdom **Registered office: 8 Finsbury Circus, London EC2M 7AZ**		
Rathbones Group Plc	Financial services	41.25%
British Virgin Islands **Registered office: Vistra Corporate Service Centre, Wickhams Cay II, Road Town, Tortola VG1110, British Virgin Islands**		
iMarkets (Holdings) Limited	Online trading platform	33%
Registered office: Wattley Building, 2nd Floor, 160 Main Street, PO Box 3410, Road Town, Tortola, British Virgin Islands		
Templewater Holdings Limited	Holding company	50%
India **Registered office: 32/1. 14th Cross, 9th Main, 6th Sector H.S.R. Layout, Bangalore, Karnataka 560102, India**		
JSM Advisers Private Limited	Fund management	55%
Registered office: B Wing, 11th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai-400051		
Investec Capital Services (India) Private Limited	Merchant banking and stock broking	80.3%
Guernsey **Registered office: 1st Floor Tudor House Le Bordage, St Peter Port, Guernsey, GY1 1DB**		
Grovepoint Limited	Investment and advisory	41.9%

Annexures

IN THIS SECTION

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. External auditors Ernst & Young Inc. performed a review of the pro-forma financial information and the opinion is available for inspection at the registered office of Investec upon request.

Adjusted earnings attributable to ordinary shareholders	Earnings attributable to shareholders adjusted to remove goodwill, acquired intangibles, strategic actions, and earnings attributable to perpetual preference shareholders and Other Additional Tier 1 security holders. Refer to note 10 on page 93 for the reconciliation of earnings attributable to shareholders to adjusted earnings attributable to ordinary shareholders
Adjusted earnings per share	Adjusted earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year. Refer to note 10 on page 93 for calculation
Adjusted operating profit	Refer to the calculation in the table below:

£'000	31 March 2024	31 March 2023
Operating profit before goodwill, acquired intangibles and strategic actions	885 888	819 479
Less: Profit attributable to other non-controlling interests	(1 382)	(752)
Adjusted operating profit	**884 506**	**818 727**

Adjusted operating profit per employee	Adjusted operating profit divided by average total employees including permanent and temporary employees. Refer to calculation on page 69 of the Investec Group's 2024 year-end results booklet
Annuity income	Net interest income (refer to note 2 on pages 75 and 76) plus net annuity fees and commissions (refer to note 3 on page 77)
Core loans	The table below describes the differences between 'loans and advances to customers' as per the balance sheet and gross core loans

	UK and Other		Southern Africa		Total Group	
£'million	**31 March 2024**	31 March 2023	**31 March 2024**	31 March 2023**	**31 March 2024**	31 March 2023**
Loans and advances to customers per the balance sheet	16 570	15 568	14 075	14 545	30 645	30 113
Add: own originated loans and advances to customers per the balance sheet	—	—	269	273	269	273
Add: ECL held against FVOCI loans	(13)	(5)	—	—	(13)	(5)
Net core loans	**16 557**	**15 563**	**14 344**	**14 818**	**30 901**	**30 381**
*of which subject to ECL**	15 916	15 012	14 280	14 743	30 196	29 755
Net core loans at amortised cost and FVOCI	15 916	15 012	13 669	14 104	29 585	29 116
Net fixed rate loans designated at FVPL (on which ECL is calculated for management purposes)^	—	—	611	639	611	639
of which FVPL (excluding fixed rate loans above)	641	551	64	75	705	626
Add: ECL	187	146	116	150	303	296
Gross core loans	**16 744**	**15 709**	**14 460**	**14 968**	**31 204**	**30 677**
*of which subject to ECL**	16 103	15 158	14 396	14 893	30 499	30 051
of which FVPL (excluding fixed rate loans above)	641	551	64	75	705	626

^ 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. £0.6 billion of the drawn exposure falls into Stage 1 (31 March 2023: £0.6 billion), £1 million in Stage 2 (31 March 2023: £1 million) and the remaining £42 million in Stage 3 (31 March 2023: £44 million). The ECL on the Stage 1 portfolio is £1 million (31 March 2023: £2 million), ECL on the Stage 2 portfolio is £nil (31 March 2023: £nil) and ECL on the Stage 3 portfolio is £5 million (31 March 2023: £11 million).
* Includes portfolios for which ECL is not required for IFRS purposes, but which management evaluates on this basis.
** Restated as a result of change in classification between non-sovereign and non-bank cash placements and loans and advances to customers as detailed in note 62.

ALTERNATIVE PERFORMANCE MEASURES
CONTINUED

Core loans to equity ratio	Net core loans divided by total shareholders' equity per the balance sheet
Cost to income ratio	Refer to calculation in the table below:

£'000	31 March 2024	31 March 2023
Operating costs (A)	1 120 245	1 085 999
Total operating income before expected credit losses	2 085 246	1 986 324
Less: Profit/loss attributable to other non-controlling interests	(1 382)	(752)
Total (B)	2 083 864	1 985 572
Cost to income ratio (A/B)	**53.8%**	**54.7%**

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
Dividend payout ratio	Ordinary dividend per share divided by adjusted earnings per share
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 tangible asset value per share	Refer to calculation on page 81 of the Investec Group's 2024 year-end results booklet.
Net interest margin	Interest income net of interest expense, divided by average interest-earning assets Refer to calculation on pages 75 and 76
Return on average ordinary shareholders' equity (ROE)	Adjusted earnings attributable to ordinary shareholders divided by average ordinary shareholders' equity Refer to calculation on pages 82 to 85 of the Investec Group's 2024 year-end results booklet
Return on average tangible ordinary shareholders' equity	Adjusted earnings attributable to ordinary shareholders divided by average tangible ordinary shareholders' equity Refer to calculation on pages 82 to 85 of the Investec Group's 2024 year-end results booklet
Return on risk-weighted assets	Adjusted earnings attributable to ordinary shareholders divided by average risk-weighted assets, where risk-weighted assets is calculated as the sum of risk-weighted assets for Investec plc and Investec Limited (converted into Pound Sterling)
Staff compensation to operating income ratio	All staff compensation costs expressed as a percentage of operating income before ECL (net of operating profits or losses attributable to other non-controlling interests)

DEFINITIONS

Cash and near cash

Includes cash, near cash (other 'monetisable assets') and central bank cash placements and guaranteed liquidity.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders of Investec plc and Investec Limited, adjusted for the effects of dilutive ordinary potential shares, by the weighted average number of shares in issue during the period plus the weighted average number of ordinary shares that would be issued on conversion of the dilutive ordinary potential shares during the year.

Refer to page 93 for the calculation of diluted earnings per share.

Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders in Investec plc and Investec Limited by the weighted average number of ordinary shares in issue during the year.

Refer to page 93 for the calculation of earnings per share.

Effective operational tax rate

Tax on profit on ordinary activities (excluding non-operating items) divided by operating profit before goodwill and acquired intangibles and excluding share of post-taxation profit of associates and joint venture holdings.

Headline earnings per share

Headline earnings is calculated in accordance with the JSE listing requirements and in terms of circular 1/2023 issued by the South African Institute of Chartered Accountants. Headline earnings per share is calculated by dividing the Group's headline earnings by the average number of shares which it had in issue during the accounting period.

Refer to page 93 for the calculation of headline earnings per share.

Interest-bearing liabilities

Deposits by banks, debt securities in issue, repurchase agreements and cash collateral on securities lent, customer accounts (deposits), subordinated liabilities, liabilities arising on securitisation of own originated loans and advances, and finance lease liabilities. Refer to page 75 for calculation.

Interest-earning assets

Cash and near cash, bank debt securities, sovereign debt securities, core loans, other debt securities, other loans and advances, other securitised assets, and finance lease receivables. Refer to page 75 for calculation.

Market capitalisation

Total number of shares in issue (including Investec plc and Investec Limited) excluding treasury shares, multiplied by the closing share price of Investec plc on the London Stock Exchange.

Ninety One and Ninety One Group

All references to Ninety One and Ninety One Group refer to Ninety One plc and its subsidiaries plus Ninety One Limited and its subsidiaries.

Strategic actions

Comprises the closure and rundown of the Hong Kong direct investments business, the demerger of the asset management business and the financial impact of Group restructures.

Subject to ECL

Includes financial assets held at amortised cost and FVOCI 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.

Total Group

Total Group represents the Group's results including the results of discontinued operations in the prior period.

Weighted number of ordinary shares in issue

The number of ordinary shares in issue at the beginning of the year increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the income of the Group less treasury shares. Refer to calculation on page 93.

GLOSSARY

Abbreviation	Meaning
ADR	Arrears, default and recovery
AFS	Available for sale
AGM	Annual general meeting
ALCO	Asset and Liability Committee
ANC	African National Congress
AT1	Additional Tier 1
BCBS	Basel Committee of Banking Supervision
BIS	Bank for International Settlements
BoE	Bank of England
BOM	Bank of Mauritius
BSE	Botswana Stock Exchange
CA	Chartered Accountant
CDO	Collateralised debt obligation
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CLF	Committed liquidity facility
CLO	Collateralised loan obligation
CMD	Capital Markets Day
CMI	Continuous Mortality Investigation
COO	Chief Operating Officer
CPI	Consumer Price Index
CPR	Conditional prepayment rate
CRDIV (BASEL III)	Capital Requirements Directive IV
CRO	Chief Risk Officer
CVA	Credit value adjustment
DCF	Discounted cash flow
DLC	Dual listed Company
DLC BRCC	DLC Board Risk and Capital Committee
DLC Nomdac	DLC Nominations and Directors Affairs Committee
DLC Remco	DLC Remuneration Committee
DLC SEC	DLC Social and Ethics Committee
EAD	Exposure at default
EBA	European Banking Authority
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECB	European central bank
ECL	Expected credit losses
EPS	Earnings per share
ESG	Environmental, social and governance
ERV	Expected rental value
ESMA	European Securities and Markets Authority
EU	European Union
FCA	Financial Conduct Authority
FINMA	Swiss Financial Market Supervisory Authority

Abbreviation	Meaning
FIRB	Foundation Internal Ratings-Based
FRC	Financial Reporting Council
FSB	Financial Services Board
FSC	Financial Sector Code
FSCS	Financial Services Compensation Scheme
FUM	Funds under management
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit and loss
GDP	Gross Domestic Product
GFSC	Guernsey Financial Services Commission
GM	Guinness Mahon
HNW	High net worth
IAM	Investec Asset Management
IASB	International Accounting Standards Board
IASs	International Accounting Standards
IBL	Investec Bank Limited
IBL BRCC	IBL Board Risk and Capital Committee
IBL ERC	IBL Executive Risk Committee
IBP	Investec Bank plc
IBP BRCC	IBP Board Risk and Capital Committee
IBP ERC	IBP Executive Risk Committee
IFRS	International Financial Reporting Standard
ISAs (UK)	International Standards on Auditing (UK)
JSE	Johannesburg Stock Exchange
LCR	Liquidity Coverage Ratio
LGD	Loss given default
LIBOR	London Inter-Bank Offered Rate
LSE	London Stock Exchange
MD	Managing Director
MiFID	Markets in Financial Instruments Directive
NCI	Non-controlling interests
NSFR	Net Stable Funding Ratio
NSX	Namibian Stock Exchange
OCI	Other comprehensive income
OECD	Organisation for Economic Co-operation and Development
OTC	Over the counter
PACCC	Prudential Assurance Conduct and Controls Committee
PCCC	Prudential Conduct and Controls Committee
PD	Probability of default
Policy ERRF	Policy Executive Risk Review Forum
PRA	Prudential Regulation Authority
PRASA	Passenger Rail Agency of South Africa
ROE	Return on equity
ROU	Right of use asset

GLOSSARY
CONTINUED

Abbreviation	Meaning
RPI	Retail Price Index
S&P	Standard & Poor's
SARS	South African Revenue Service
SDGs	Sustainable Development Goals
SME	Small and Medium-sized Enterprises
SMMEs	Small, Medium & Micro Enterprises
SOFR	Secured Overnight Financing Rate
South African PA	South African Prudential Authority (previously known as the Banking Supervision Division of the South African Reserve Bank)
SOE	State-Owned Enterprise
SPPI	Solely payments of principal and interest
UKLA	United Kingdom Listing Authority
W&I	Wealth & Investment
WACC	Weighted average cost of capital
YES	Youth Employment Service

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Registration number 3633621

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Directorate as at 24 June 2024

Executive directors
Fani Titi (Chief Executive)
Nishlan Samujh (Group Finance Director)

Non-executive directors
Philip Hourquebie (Chair)
Zarina Bassa (Senior Independent Director)
Henrietta Baldock
Stephen Koseff
Nicky Newton-King
Jasandra Nyker
Vanessa Olver
Diane Radley
Philisiwe Sibiya
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