



— OUT OF THE ORDINARY

# *Deeply* invested

INVESTEC ANNUAL REPORT  
2025

Investec plc silo  
(excluding Investec Limited)  
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.

**Page references**

Refers readers to information elsewhere in this report.

**Website**

Indicates that additional information is available on our website: [www.investec.com](http://www.investec.com)

**Group sustainability**

Refers readers to further information in the Investec Group's 2025 sustainability report which is published and available on our website: [www.investec.com](http://www.investec.com)

**Reporting standard**

Denotes our consideration of a reporting standard

**Unaudited information**

Indicated information which has not been audited.

**Integrating sustainability**

Indicates where we have incorporated sustainability content, aims and ambitions.

**Audited information**

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

**Feedback**

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

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investor-relations.html](http://www.investec.com/en_za/welcome-to-investec/about-us/investor-relations.html)

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01

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# Operational and strategic overview

## IN THIS SECTION

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- 4** Our business at a glance

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  - 8** Salient features

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Our purpose is to create enduring worth. This underpins who we are and how we create long term sustainable value. This section provides an overview of Investec plc.



OUR BUSINESS AT A GLANCE

# Our purpose is to *create enduring worth*

## Investec Group's mission

Investec is a distinctive bank and wealth manager, driven by commitment to our purpose, values, core philosophies and culture. We deliver exceptional service to our clients in the areas of banking and wealth management, striving to create long-term value for all of our stakeholders and contributing meaningfully to our people, communities and the planet.

## Our distinction

The Investec distinction is embodied in our entrepreneurial culture, supported by a strong risk management discipline, client-centric approach and an ability to be nimble, flexible and innovative. We do not seek to be all things to all people. Our aim is to build well defined, value-adding businesses focused on serving the needs of select market niches where we can compete effectively and build scale and relevance.

Our unique positioning is reflected in our iconic brand, our high-touch and high-tech approach and our positive contribution to society, macro-economic stability and the environment. Ours is a culture that values purposeful thinking and stimulates extraordinary performance. We take pride in the strength of our leadership team and our people are empowered and committed to our values and culture.

Corporate / Institutional / Government / Intermediary

Private Clients (HNW / High Income) / Charities / Trusts



### Specialist Banking

Corporate & Investment Banking,  
Private Banking

Lending

Transactional banking

Treasury solutions

Advisory

Investment activities

Deposit raising activities

### Wealth & Investment

Wealth & Investment services provided through our strategic partnership with Rathbones

OUR BUSINESS AT A GLANCE  
CONTINUED

**Our responsibility**

Our purpose to ‘create enduring worth’ is inseparable from being a sustainable business – is rooted in the belief that our contribution to society and the planet should be an integral part of our business rather than a peripheral consideration. Our sustainability strategy is built on the understanding that our business should actively contribute to the betterment of society and our planet.

**£14.9 billion**

sustainable and transition finance by 2030

**Our values**

**Deep client partnerships**, built on trust and Ordinary service, are the bedrock of our business

We uphold **cast-iron integrity** in all our dealings, consistently displaying moral strength

We seek **creative, talented people** with passion, energy and stamina, who collaborate unselfishly

We **thrive on change and challenge** the status quo with courage, constantly innovating and adapting to an ever-changing world

We believe in **open and honest dialogue** to test decisions, seek consensus and accept responsibility

We **pursue diversity** and strive to create an environment in which everyone can bring their whole selves

We show **care for people**, support our colleagues and respect the dignity and worth of the individual

We are committed to living in society, not off it, **contributing meaningfully to the communities** in which we operate

We embrace our **responsibility to the environment** and the well-being of our planet

We trust our people to exercise their judgement, promoting entrepreneurial flair and freedom to operate with risk consciousness and **unwavering adherence to our values**


**Our investment proposition**

<p><b>1</b></p> <p>Well-capitalised and highly liquid balance sheet</p>	<p><b>2</b></p> <p>Committed to optimising shareholder returns – managing capital dynamically and allocating it to activities that generate returns above cost of capital</p>	<p><b>3</b></p> <p>Diversified mix of earnings by business and geography</p>
<p><b>4</b></p> <p>Building scale and leveraging our existing franchises – we operate in large and growing markets</p>	<p><b>5</b></p> <p>Executing on specific growth initiatives to drive entrenchment and positive incremental returns</p>	<p><b>6</b></p> <p>Clear path to achieving the upper end of our medium-term targets</p>

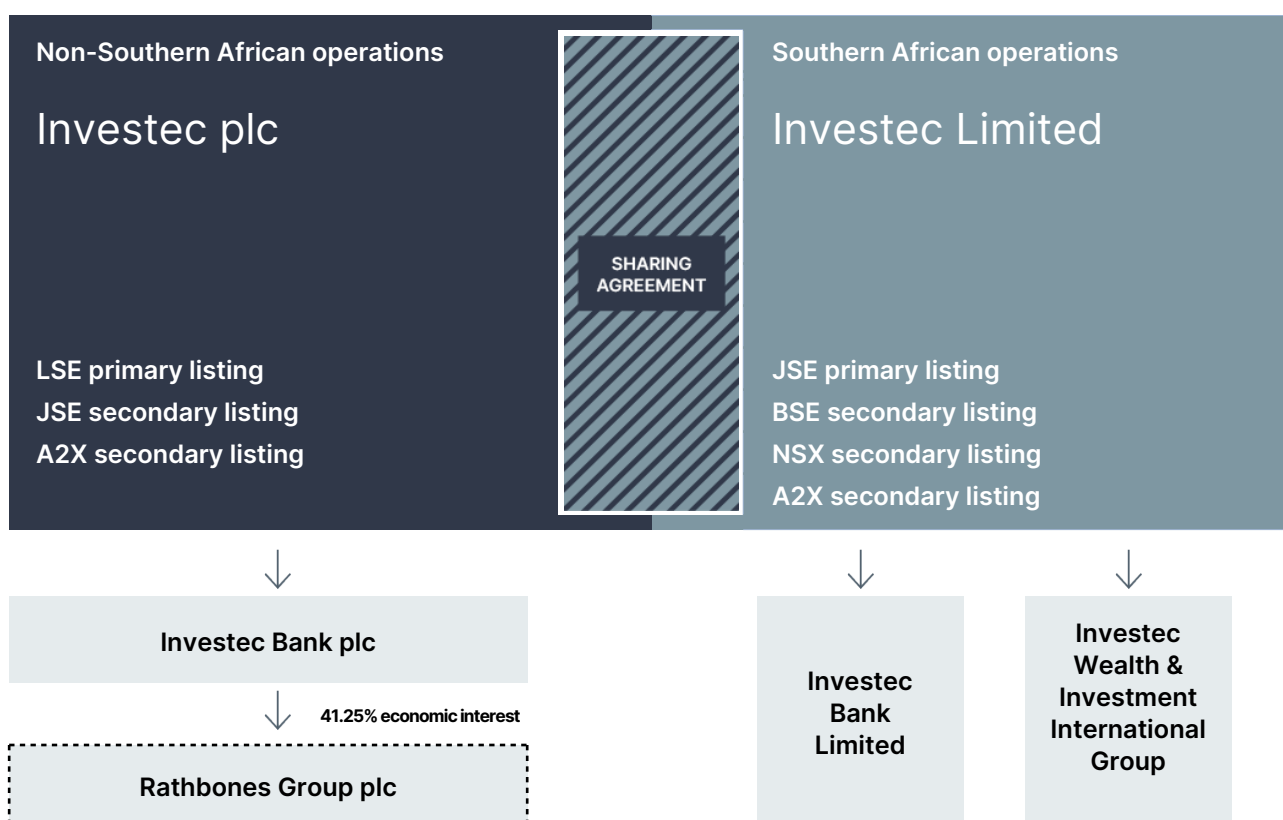
## OVERVIEW OF THE INVESTEC GROUP'S AND INVESTEC PLC'S ORGANISATIONAL STRUCTURE

Investec plc, which houses our non-Southern African businesses, has been listed on the London Stock Exchange since 2002 with a secondary listing on the Johannesburg Stock Exchange Limited (JSE) and A2X in South Africa.

All references in this report to the Group relate to Investec plc, whereas references to Investec, Investec Group or DLC relate to the combined DLC Group comprising Investec plc and Investec Limited.

 A circular on the establishment of our DLC structure was issued on 20 June 2002 and is available on our website.

### How we are structured



All shareholdings in the ordinary share capital of the subsidiaries shown are 100%.

### Salient features of the DLC structure

- Investec plc and Investec Limited are separate legal entities and listings, but are bound together by contractual agreements and mechanisms
- Investec operates as if it is a single unified economic enterprise
- Shareholders have common economic and voting interests as if Investec plc and Investec Limited were a single company
- Creditors, however, are ring-fenced to either Investec plc or Investec Limited as there are no cross-guarantees between the companies.

OVERVIEW OF THE ACTIVITIES OF INVESTEC PLC

## Specialist banking

Our teams are well positioned to provide solutions to meet private, corporate and institutional clients' needs. Each business provides specialised products and services to defined target markets.

### What makes us distinct?

- Provision of high-touch personalised service, with the ability to execute quickly
- Ability to leverage international, cross-border platforms
- Well positioned to capture opportunities between the developed and the emerging world
- Strong ability to originate, manufacture and distribute
- Balanced business model with good business depth and breadth
- Provision of high-quality solutions to corporate and private clients, with leading positions in select areas.

We provide our clients with an extensive depth and breadth of product and services in the corporate mid market, bespoke solutions to high net worth clients and access to a wealth management offering through our strategic partnership with Rathbones. We leverage our connected client ecosystem to deliver an exceptional client service with an entrepreneurial approach.

<p><b>Private client banking activities</b></p> <hr/> <p>High net worth (HNW) private clients</p> <hr/> <p>Helping our clients create and preserve wealth</p>	<p><b>Corporate and investment banking activities</b></p> <hr/> <p>Corporate, private, intermediary, government and institutional clients</p> <hr/> <p>A highly valued partner and adviser to our clients</p>
<p><b>UK, Channel Islands, and Switzerland</b></p> <hr/> <ul style="list-style-type: none"> <li>• Lending</li> <li>• Private capital</li> <li>• Transactional banking</li> <li>• Savings</li> <li>• Foreign exchange.</li> </ul> <hr/> <p>Our high-touch and high-tech private client offering provides transactional banking, lending, private capital, savings and foreign exchange tailored to suit our clients' needs.</p> <p>Our target market includes HNW active wealth creators (with &gt;£300 000 annual income and &gt;£3mn net asset value). Our savings offering targets primarily UK retail savers.</p>	<p><b>UK and Europe, Channel Islands, USA, India</b></p> <hr/> <ul style="list-style-type: none"> <li>• Lending</li> <li>• Treasury and risk management solutions</li> <li>• Advisory</li> <li>• Institutional research, sales and trading.</li> </ul> <hr/> <p>Our client-centric, solution-driven offering provides Corporate Banking and Investment Banking services to private companies, private equity and sponsor-backed companies and publicly listed companies.</p>

Natural linkages between the private client and corporate business

## SALIENT FEATURES

	31 March 2025	31 March 2024*	% change
<b>Income statement and selected returns on a pro-forma basis</b>			
Earnings attributable to ordinary shareholders (£'000)	331 753	706 210	(53.0%)
Adjusted operating profit (£'000) <sup>^^</sup>	460 103	462 268	(0.5%)
Operating costs (£'000)	631 810	656 599	(3.8%)
Cost to income ratio <sup>^^</sup>	53.1%	54.5%	
Return on average assets <sup>*</sup>	1.16%	1.20%	
Return on average risk weighted assets <sup>*</sup>	1.83%	1.93%	
Net interest income as a % of operating income	67.1%	67.2 <sup>^^</sup>	
Non-interest income as a % of operating income	32.9%	32.8 <sup>^^</sup>	
Annuity income as a % of total operating income	70.2%	68.7 <sup>^^</sup>	
<b>Balance sheet</b>			
Total assets (£'million)	29 824	30 004 <sup>**</sup>	(0.6%)
Net core loans (£'million)	16 791	16 557	1.4%
Cash and near cash balances (£'million)	9 090	9 652	(5.8%)
Customer accounts (deposits) (£'million)	21 456	20 791	3.2%
Funds under management (£'million)	2 691	2 130	26.3%
Gearing ratio (total assets to equity)	8.5x	8.6x <sup>**</sup>	
Level 3 (fair value assets) as a % of total assets	9.4%	8.1 <sup>**</sup>	
Core loans to equity ratio	4.8x	4.8x	
Loans and advances to customers as a % of customer deposits	78.4%	79.7%	
Credit loss ratio	0.60%	0.58%	
Stage 3 exposures as a % of gross core loans subject to ECL	3.3%	3.3%	
Stage 3 exposures net of ECL as a % of net core loans subject to ECL	2.7%	2.6%	
<b>Other regulatory ratios</b>			
LCR	409%	453%	
NSFR	145%	146%	
<b>Capital and leverage ratios<sup>^</sup></b>			
Total Capital ratio	17.8%	18.4%	
Tier 1 ratio	14.1%	14.6%	
Common Equity Tier 1 ratio	12.3%	12.1%	
Leverage ratio	9.6%	10.0%	

\* Average balances are calculated on a straight-line average

\*\* Restated as detailed in note 59 on page 161

<sup>^</sup> The capital and leverage ratios are calculated applying the IFRS 9 transitional arrangements.

<sup>^^</sup> Presented on a pro-forma basis. See page 9 for the 2024 pro-forma income statement

<sup>^^^</sup> Presented on a pro-forma basis. See page 217 for calculation.

## PRO FORMA

**Pro-forma income statement**

Given the nature of the IW&I UK transaction, Investec plc's economic interest remained similar before and after the transaction. To provide information that will be more comparable to the future presentation of returns from Investec plc's interest in this entity and given the new holding structures, pro-forma information has been prepared as if the transaction had been in effect from the beginning of the period, i.e. IW&I UK has been presented as an equity accounted investment.

£'000	Year to 31 March 2024	Re-presentation of Investec Wealth & Investment Limited	Year to 31 March 2024 Pro-forma
Interest income	1 914 473	—	1 914 473
Interest expense	(1 103 546)	—	(1 103 546)
<b>Net interest income</b>	<b>810 927</b>	<b>—</b>	<b>810 927</b>
Fee and commission income	173 213	—	173 213
Fee and commission expense	(16 451)	—	(16 451)
Investment income	14 322	—	14 322
Share of post-taxation profit of associates and joint venture holdings	55 793	35 855	91 648
Trading income/(loss) arising from			
– customer flow	103 158	—	103 158
– balance sheet management and other trading activities	27 099	—	27 099
Other operating income	2 150	—	2 150
<b>Operating income</b>	<b>1 170 211</b>	<b>35 855</b>	<b>1 206 066</b>
Expected credit loss impairment charges	(85 995)	—	(85 995)
<b>Operating income after expected credit loss impairment charges</b>	<b>1 084 216</b>	<b>35 855</b>	<b>1 120 071</b>
Operating costs	(656 599)	—	(656 599)
<b>Operating profit before goodwill, acquired intangibles and strategic actions</b>	<b>427 617</b>	<b>35 855</b>	<b>463 472</b>
Impairment of goodwill	—	—	—
Amortisation of acquired intangibles	(940)	—	(940)
Amortisation of acquired intangibles of associate	(5 679)	—	(5 679)
Closure and rundown of the Hong Kong direct investments business	(784)	—	(784)
<b>Operating profit</b>	<b>420 214</b>	<b>35 855</b>	<b>456 069</b>
Financial impact of strategic actions	(16 576)	—	(16 576)
<b>Profit before taxation</b>	<b>403 638</b>	<b>35 855</b>	<b>439 493</b>
Taxation on operating profit before goodwill, acquired intangibles and strategic actions	(86 502)	—	(86 502)
Taxation on goodwill, acquired intangibles and strategic actions	727	—	727
<b>Profit after taxation from continuing operations</b>	<b>317 863</b>	<b>35 855</b>	<b>353 718</b>
<b>Profit after taxation from discontinued operations*</b>	<b>389 551</b>	<b>(35 855)</b>	<b>353 696</b>
<b>Profit after taxation</b>	<b>707 414</b>	<b>—</b>	<b>707 414</b>
Profit attributable to other non-controlling interests	(1 204)	—	(1 204)
<b>Earnings attributable to shareholders</b>	<b>706 210</b>	<b>—</b>	<b>706 210</b>
<b>Cost to income ratio</b>	<b>56.2%</b>		<b>54.5%</b>

\* Refer to note 134 for discontinued operations disclosure.

Note: No adjustments have been made to the balance sheet for the purposes of our pro-forma disclosures.

CLIMATE-RELATED DISCLOSURES

# Climate-related disclosures overview

The following complies with the UK Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022. Additionally, we have prepared a comprehensive Climate Report that provides a more detailed and tailored perspective for our stakeholders, as required by the Financial Conduct Authority (FCA) UKLR 6.6.6R(8). The information provided, along with our extensive Climate Report available on our website, demonstrates our recognition and alignment with the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. These disclosures outline how we integrate climate-related risks and opportunities into our governance, strategy, risk management, metrics, targets, and our approach to meeting stakeholder expectations.

Investec publicly committed to support the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2019 and we released our first stand-alone TCFD report in 2019. During the year ended 31 March 2025, we have made progress in improving the data quality and processes for our financed emissions. In addition, we dedicated significant resources to automate the financed emissions calculations using the PCAF methodology which improved alignment across our jurisdictions and improved the consistency of applied methodologies.

Refer to the Investec Group’s 2025 climate and nature-related financial disclosures report for further detail. Our disclosures which are presented below are consistent with the 2021 TCFD recommendations and recommended disclosures across all four of the TCFD pillars.

See page 218 for a mapping table between the 11 TCFD recommended disclosures and the corresponding CFD requirements.

## Governance

### The Board’s oversight of climate and nature-related risks and opportunities

**Reporting requirements:** Climate-related financial disclosures: **CFD: G1 / TCFD: 1**

#### Board

##### Responsibility

The Board plays a crucial role in providing strategic leadership and governance to ensure the Group’s long-term success and integrity. The Board is responsible for setting and overseeing the implementation of the Group’s strategic direction and approach to sustainability-related matters, ensuring that business objectives align with the Group’s mission and values. It has delegated authority for sustainability-related matters to the DLC SEC and, when appropriate, to the DLC BRCC. The Board is supported by various executive committees and management teams to address sustainability-related impacts, risks and opportunities. Furthermore, the Board monitors progress towards achieving sustainability-related targets and goals.

##### Board meetings

The composition of the Board is designed to ensure that it benefits from the appropriate mix of knowledge, skills, experience, independence and diversity. The Board considers the collective skills, knowledge and experience of the directors when assessing the overall composition and suitability of the Board. In addition to a range of skills, the Board also values the innate difference in approach and thinking styles, which results from the varied backgrounds and experiences of our directors. The key skills and experience of specific directors are detailed in their respective biographies on pages 137 to 139 in the Investec Group’s 2025 integrated and strategic annual report.

##### Information and escalation channels

The DLC SEC Chair, Nicky Newton-King, reports to the Board after each meeting on the nature and content of the discussions at the DLC SEC, including recommendations, and action to be taken, and makes recommendations to the Board when appropriate on any area within its remit where action or improvement is needed. In addition, sustainability impacts, risks and opportunities are escalated to the Board through the DLC BRCC and the DLC Executive Sustainability Committee, with documented feedback provided at every meeting.

##### Monitoring and oversight

Our climate-related goals and targets are set at an operational level with the overarching commitment to remain carbon neutral within our operations (Scope 1, Scope 2 and operational Scope 3). This has resulted in us being carbon neutral for the seventh consecutive year. Additionally, the Board has reviewed and approved our climate impact roadmap, which outlines our strategy for sustainable and transition finance and our pathway to achieving net-zero carbon emissions by 2050. We have enhanced our Sustainable and Transition Finance Framework and established a sustainable and transition finance target, overseen by the Board. The Board has received regular updates throughout the financial year, both written and verbal, on sustainability-related matters.

##### Key achievements for the year ended 31 March 2025

- The concept of double materiality – in which we understand the impacts of climate change and biodiversity loss on our business, and the impact of our activities on the natural environment/biodiversity and climate change has been a key focus for the Board
- The Board approved the enhanced Sustainable and Transition Finance Classification framework
- The Board noted the emerging sustainability disclosure regulations, specifically the ISSBs IFRS S1 and IFRS S2 recommendations, the recommendations published by the Prudential Authority and the CSRD
- The Board was upskilled in climate-related matters, specifically in sustainable and transition finance as a result of our enhanced Sustainable and Transition Finance Classification Framework.

##### Focus areas for the year ending 31 March 2026

- Oversee progress of establishing sustainable finance targets for the Group
- Monitor sustainable and transition finance initiatives across the Group
- Oversee the developments regarding the inclusion of additional asset classes in the calculations of our Scope 3 financed emissions
- Further enhancements of skills in climate and sustainability-related matters.

CLIMATE-RELATED DISCLOSURES  
CONTINUED

Governance continued

The Board's oversight of climate and nature-related risks and opportunities continued

Reporting requirements: Climate-related financial disclosures: **CFD: G1 / TCFD: 1**

**DLC Social and Ethics Committee (DLC SEC)**

**Responsibility**

The DLC SEC is mandated by the Investec Group Board. This Committee, comprising both Executive and Non-Executive Directors, has accountability for monitoring the Investec Group's performance in terms of sustainability-related matters (which includes accountability for climate-related impacts, risks and opportunities and financial disclosures). The principal objective of the DLC SEC is to assist the Investec Group Board in ensuring that the Investec Group remains a committed, socially responsible corporate citizen in the context of the economy, society, and environment in which the Investec Group operates. More information on the Committee members can be found on pages 105 to 107 of the Investec Group's 2025 Risk and governance report.

**Committee meetings**

The DLC SEC consists of three independent Non-Executive Directors, the Group Chief Executive and the IBP CRO. Committee discussions are additionally strengthened by the contribution of the Group Chair and a number of senior executives across the Group. The Committee met four times during the year ended 31 March 2025 where climate and sustainability-related matters were discussed in every meeting. The Committee is confident that they have a strong and diverse team of directors who will continue to oversee the interests of the Group's stakeholders and the sustainability of the Group's business.

**Information and escalation channels**

The DLC SEC receives feedback on the latest sustainability impacts, risks and opportunities through a standing agenda item.

The Chief Strategy and Sustainability Officer escalates any sustainability impacts, risks and opportunities raised by the DLC Executive Sustainability Committee either verbally or in written format to the DLC SEC. During the financial year ended 2025 the DLC SEC climate-related discussion points for the Group included:

- A discussion on advancing work on biodiversity and nature-positive finance through expert-led sessions
- A discussion on recent developments in climate-related disclosure guidance and regulations, including the implementation implications.

**Monitoring and oversight**

The DLC SEC monitors and oversees progress against sustainability-related goals and targets through ongoing communication to the Committee through a standing agenda item.

Key points that are overseen and monitored include:

- Sustainability strategy, framework and policies
- Energy transition finance activities by approving the Investec Group's sustainable and transition finance target
- Scope 3 financed emissions
- Energy lending portfolio
- Sustainability transactions that are deemed to be of high concern
- Sustainability ratings and rankings.

**Key achievements for the year ended 31 March 2025**

- Approved the Sustainable and Transition Finance Framework and target with related KPIs integrated into executive remuneration
- Oversaw the calculations of Scope 3 financed emissions and the progress on automation and associated assurance processes
- Oversaw the implementation of the CSRD disclosure requirements for Investec Bank plc
- Monitoring the developments in sustainability-related disclosure guidance, including IFRS S1 and IFRS S2 and the PA guidance on climate related disclosures
- Advancing work on biodiversity and nature-positive finance through expert-led sessions
- Approving the outcomes of the double materiality assessment.

**Focus areas for the year ending 31 March 2026**

- Oversee the progress of sustainable and transition finance against the target
- Oversee the 2025/2026 double materiality assessment process
- Oversee progress towards setting transition plans in both jurisdictions supported by a client engagement strategy
- Track progress in disclosure and commercial activities aimed at reducing inequalities to support our impact on SDG 10
- Track efforts around understanding our impacts and dependencies on biodiversity.

## CLIMATE-RELATED DISCLOSURES

### CONTINUED

#### Governance continued

#### The Board's oversight of climate and nature-related risks and opportunities continued

Reporting requirements: Climate-related financial disclosures: **CFD: G1 / TCFD: 1**

#### DLC Board Risk and Capital Committee (DLC BRCC)

##### Responsibility

The role of the Committee is to provide independent challenge and oversight of the Group's risk and capital frameworks, management and governance structures. They ensure that effective risk and capital frameworks, plans, policies, processes and systems are in place to ensure current and emerging risks are adequately assessed and appropriately addressed within a reasonable timeframe.

The DLC BRCC oversees and signs off on the Group's risk management policies. The Committee is also responsible for managing the principal risks of the Group, of which sustainability risk is explicitly listed.

##### Committee meetings

The Committee comprises only non-executive members, with the composition designed to provide the breadth of risk expertise and commercial acumen to fulfil their responsibilities.

All the members have a strong awareness of climate and sustainability-related matters.

The Committee met five times during the financial year ended 31 March 2025 where members were informed of climate and sustainability-related matters on an ad-hoc basis.

##### Information and escalation channels

The DLC BRCC receives feedback through Committee meetings and interactions with the Group CRO, the IBP CRO (both of whom are members of the DLC Executive Sustainability Committee), the IBL CRO and Heads of Risk of the various subsidiaries.

Furthermore, the DLC BRCC receives feedback from the IBL BRCC and IBP BRCC where the risks of the banks are addressed, which includes sustainability-related impacts, risks and opportunities.

##### Monitoring and oversight

The Group's exposure to fossil fuels was considered.

The Committee was kept updated on the improvement actions being taken from a sustainability and climate risk perspective. These included assessing core loans and advances, as well as reviewing the risk classifications according to the International Finance Corporation (IFC) guidelines.

The Committee received confirmation from management that credit decisions considered financial risks from climate change and that these decisions were being documented.

##### Key achievements for the year ended 31 March 2025

- Approved the fossil fuel policy
- Approved the sustainable and transition finance target for the Group
- Reviewed and approved the outcome of the Financial Stability Department of the South African Reserve Bank (SARB) Climate Risk Stress Test (CRST) in 2024
- Reviewed and approved the outcome of the Bank of England's climate risk assessment, conducted in 2024, whereby credit exposures in sectors potentially exposed to climate risk were reviewed at an asset level.

##### Focus areas for the year ending 31 March 2026

- Continue to monitor the Group's fossil fuel exposure to meet our fossil fuel commitments
- Review vulnerabilities relating to physical and transition risk for the Group
- Monitor the progress of the Group in setting a transition plan and client engagement strategy.

#### DLC Audit Committee

##### Responsibility

The role of the Committee is to consider the appropriateness of financial and non-financial disclosures and provide oversight on compliance to climate-related reporting regulations.

The Committee also considers the level of assurance provided by external audit on sustainability and climate disclosures made in the annual report.

##### Committee meetings

The Audit Committee met eleven times during the financial year ended 31 March 2025, with certain meetings including discussions on regulations, specifically the CSRD disclosure requirements for Investec Bank plc.

##### Information and escalation channels

The Committee receives updates from Group Sustainability, Group Finance and from External Audit on the latest regulatory and disclosure requirements.

Significant judgments and estimates were discussed, including the inherent risks posed by sustainability-related matters.

##### Key achievements for the year ended 31 March 2025

The DLC Audit Committee reviewed the assurance provided for KPIs relating:

- Fossil fuel exposure
- Carbon footprint
- Limited assurance on the mortgage asset class for the Group with regards to Scope 3 financed emissions
- Limited assurance on the CSRD disclosures for Investec Bank plc.

##### Focus areas for the year ending 31 March 2026

- Development and upskilling of members on climate and nature-related matters

The implications of sustainability-related accounting disclosures and assurance processes.

CLIMATE-RELATED DISCLOSURES  
CONTINUED

Governance continued

The Board's oversight of climate and nature-related risks and opportunities continued

Reporting requirements: Climate-related financial disclosures: **CFD: G1 / TCFD: 1**

**DLC Remuneration (REM) Committee**

**Responsibility**

The DLC REM Committee establishes performance-related targets against sustainability measures, which incorporate climate-related aspects.

**Committee meetings**

The DLC REM Committee met seven times during the financial year ended 31 March 2025 and considered sustainability-related KPIs for the Group Executive Directors' remuneration in some of those meetings.

**Information and escalation channels**

The DLC REM Committee met seven times during the financial year ended 31 March 2025 and considered sustainability-related KPIs for the Group Executive Directors' remuneration in some of those meetings.

Refer to the 2025 Group remuneration report page 11 for executive remuneration.

**Key achievements for the year ended 31 March 2025**

- Extensive time spent on incorporating the sustainability-related performance measures into the Directors' remuneration policy.

**Focus areas for the year ending 31 March 2026**

- Continue to develop and enhance our sustainability-related framework linked to KPIs
- Implement further alignment of the remuneration structure of senior employees throughout the organisation with the executive directors' remuneration.

Management's role in assessing and managing climate and nature-related risks and opportunities

Reporting requirements: Climate-related financial disclosures: **CFD: G2 / TCFD: 2**

**Chief Executive (CE) responsibility**

**Responsibility**

The CE, Fani Titi, takes ultimate executive accountability for all sustainability-related impacts, risks and opportunities. He is also on the board of the UN Global Compact network in South Africa.

**Information and escalation channels**

The CE is informed of sustainability-related impacts, risks and opportunities through the Chief Strategy and Sustainability Officer, the DLC Executive Sustainability Committee and the DLC SEC, of which he is also a member. He also receives written feedback through the Board reports.

**Monitoring and oversight**

The CE is part of the DLC SEC and DLC BRCC, which monitor and oversee sustainability-related goals and targets.

**Key achievements for the year ended 31 March 2025**

- Approved the Group's Sustainable and Transition Finance Framework and target, and incorporated this target into Executive remuneration.
- Received recognition for the third year in a row by Corporate Knights as one of the top 100 most sustainable companies in the world.

**Focus areas for the year ending 31 March 2026**

- Monitor the Group's progress towards its sustainable and transition finance target
- Continue to advocate for industry participation, and in particular engagement with the UN Global Compact network in South Africa
- Monitor progress on the Group's net-zero ambitions
- Guide the strategic direction for sustainability-related initiatives and ensure alignment with the Group strategy.

CLIMATE-RELATED DISCLOSURES  
CONTINUED

Governance continued

Management’s role in assessing and managing climate and nature-related risks and opportunities continued

Reporting requirements: Climate-related financial disclosures: **CFD: G2 / TCFD: 2**

Group Executive Sustainability Committee

Responsibility

The Group CE is supported by the DLC Executive Sustainability Committee to help align and coordinate the sustainability strategy and governance efforts across geographies and businesses. The Chief Strategy and Sustainability officer is the Chair of the DLC Executive Sustainability Committee, which is mandated by the Group’s Executive Directors, and reports relevant sustainability-related impacts, risks and opportunities to the DLC SEC.

Information and escalation channels

Key sustainability matters raised by the business and forums mentioned below are escalated to the Chief Strategy and Sustainability Officer who presents these matters verbally and in written format at each DLC Executive Sustainability Committee meeting.

Information is escalated to this committee through the following functions:

- The Group sustainability team
- The Investec Limited Sustainable Business Forum
- The Investec plc Sustainable Business Forum
- The Wealth & Investment Responsible Investment Committee
- Group ERC
- IBL ERC
- IBP ERC.

Monitoring and oversight

This committee:

- Receives updates on sustainability-related impacts, risks and opportunities at each meeting in a verbal or written format
- Reviews Investec Group’s progress in terms of its sustainable and transition finance ambitions
- Reviews the Group’s approach to its sustainability strategy
- Integrates sustainability into the Group’s core business strategy to ensure it is considered in decision-making processes
- Reviews the Group’s sustainability ratings (in particular Sustainalytics, MSCI, CDP, CSA Dow Jones and ISS), and assesses and engages on suggested actions to improve ratings and sustainability performance where appropriate.

The committee met six times during the financial year ended 31 March 2025.

Key achievements for the year ended 31 March 2025

- Engaged actively and guided the process of establishing the Sustainable and Transition Finance Framework and target for the Group
- Provided support in implementing sustainability-related KPIs for executive remuneration with a focus on reduced inequalities (SDG 10) and climate action (SDG 13)
- Monitored the Group’s Scope 3 financed emissions
- Reviewed the progress of implementing CSR disclosures within Investec Bank plc
- Confirmed the sustainability strategy of the Group
- Evaluated the ongoing value and relevance of Investec’s sustainability-related memberships and associations
- Provided capacity building for our frontline employees on the application of sustainable finance in commercial activities.

Focus areas for the year ending 31 March 2026

- Endorse a refreshed double materiality assessment process
- Track progress towards our sustainable and transition finance target
- Initiate discussions in setting transition plans in both jurisdictions supported by a client engagement strategy
- Collaborate with business to strengthen our disclosure and commercial activities in reducing inequalities to support our impact SDG 10
- Understand and assess our impacts and dependencies on biodiversity
- Continue to monitor new product offerings with a strong emphasis on identifying greenwashing practices and staying updated on emerging anti-greenwashing regulations
- Oversee capacity building initiatives to strengthen sustainability competencies across the Group.

Executive responsibility within the Specialist Bank

The Board assigned executive responsibility to Marc Kahn (Chief Strategy and Sustainability Officer) to drive the sustainability agenda across the Group. Mark Currie, our Group CRO as well as Kevin McKenna, our IBP CRO are members of the DLC Executive Sustainability Committee. Kevin McKenna is also the Senior Manager (SMF) responsible for climate risk for Investec Bank plc.

Executive responsibility within Wealth & Investment

Joubert Hay as the Chief Executive Officer of Investec Wealth & Investment International has executive responsibility for sustainability-related matters. The implementation has been assigned to key members of the Wealth & Investment Responsible Investment Committee who coordinate the integration of the sustainability, climate and nature-related matters in our Wealth & Investment business.

Chief Strategy and Sustainability Officer

The Group CE is supported by the DLC Executive Sustainability Committee to help align and coordinate the sustainability strategy and governance efforts across geographies and businesses.

The Chief Strategy and Sustainability Officer is the Chair of the Group Executive Sustainability Committee and collaborates with a range of directors, executives and senior leaders on sustainability matters. The sustainability teams within each of our jurisdictions report directly to the Chief Strategy and Sustainability Officer.

## CLIMATE-RELATED DISCLOSURES

### CONTINUED

### Strategy

#### Climate and nature-related risks and opportunities identified over the short, medium and long term

**Reporting requirements:** Climate-related financial disclosures: **CFD: S1 / TCFD: 3**

#### Time horizons

Our time horizons are defined alongside according to the average maturity of our portfolio:

- Short-term (0 – 1 year): Sectors already experiencing some risk implications as a result of transition or physical risk
- Medium-term (1 – 5 years): Sectors with exposure to transition or physical risk that is broadly manageable
- Long-term (>5 years): Modest sector-wide exposure to transition or physical risk or where the consequences are not likely to be material to credit quality.

#### Risks

**Policy and legal risk** is classified as an emerging transition risk, with relevance across the short, medium, and long term. Regulatory developments, including carbon pricing mechanisms, mandatory climate-related disclosure standards, and the evolving risk of climate litigation, have the potential to influence asset valuations, increase operational complexity, and drive changes in business practices.

The policy environment is advancing rapidly, particularly through the integration of TCFD-aligned disclosures into FCA listing rules, the introduction of the UK Green Taxonomy, and the anticipated adoption of ISSB's IFRS S2 standards. Frameworks such as the Corporate Sustainability Reporting Directive (CSRD) also contribute to heightened disclosure requirements for Investec plc and its subsidiaries.

We respond to these developments through targeted engagement and active policy participation. We are members of key industry working groups in both jurisdictions, enabling us to stay informed and help shape regulatory outcomes in a proportionate and practical way. Across both regions, we also work closely with clients and suppliers to support credible decarbonisation strategies and encourage alignment with evolving climate and nature-related requirements.

To date, the financial impact of this risk has been modest. We have incurred increased compliance costs associated with enhanced disclosure obligations, particularly within Investec plc in response to CSRD and FCA requirements, but these remain within normal operating expenditure. We have not experienced any financially material impact related to policy as yet. Nonetheless, we continue to monitor developments closely.

**Technology risk** is considered an emerging transition risk, particularly over the short to medium term. As new low-carbon technologies continue to develop and become more commercially viable, existing systems and infrastructure may become less efficient or fall short of stakeholder expectations. This creates the potential for misalignment with market trends and sustainability standards, especially in areas where digital infrastructure intersects with environmental performance.

To manage this risk, we monitor technology developments and incorporate energy and emissions considerations into our operational planning. One key area of response has been the transition from on-premise data centres to cloud-based infrastructure, which supports lower energy use and improved scalability. We also assess opportunities to adopt more efficient technologies across our buildings and platforms, with the aim of continuously improving our environmental footprint and operational resilience.

The costs associated with addressing this risk to date have been modest and not financially material. Transition-related investments, such as the adoption of cloud computing, have been absorbed within normal operational expenditure.

**Climate-related demand risk** is considered an emerging transition risk, with increasing relevance over the short, medium and long term. Shifting market preferences, combined with evolving regulatory frameworks, are expected to drive growing demand for low-carbon products and services. These trends may lead to pressure on existing offerings and require additional investment to develop new solutions that align with climate goals and stakeholder expectations.

Investec is actively responding to this trend by embedding sustainable and transition finance targets across the Group. We have committed to facilitating £18 billion in sustainable and transition finance by 2030, with Investec plc's contribution of £14.9 billion. Furthermore, we plan to engage with our clients to understand their transition strategies and evolving product needs.

At this stage, we have not incurred financially material costs directly attributable to this risk. However, we recognise that continued growth in client demand for sustainable finance may require ongoing investment in product development, client engagement, and internal capabilities.

**Reputational risk** is an emerging climate-related risk, relevant across the short, medium, and long term. As sustainability-related matters gain prominence, stakeholders, including clients, investors, regulators, and civil society are placing increasing emphasis on the alignment between our environmental commitments and our actions. This heightened scrutiny increases the potential for reputational sensitivity, particularly in relation to product claims, public disclosures, and perceived consistency of climate action.

To manage this risk, we prioritise clear, transparent communication and ongoing stakeholder engagement. We take a cautious and evidence-based approach to sustainability messaging, ensuring that disclosures and product claims are aligned with regulatory guidance and best practice standards. Our reputational risk considerations are embedded in our governance and approval processes for external market communication.

To date, we have not incurred any financial costs arising from reputational matters linked to climate or nature-related disclosures. Nonetheless, we continue to monitor this risk closely given its potential to affect stakeholder trust, brand value, and broader licence to operate, particularly as market expectations and regulatory scrutiny continue to evolve.

**Acute physical risk** is considered a potential climate-related risk, with relevance across the short, medium, and long term. These risks relate to weather-related events such as storms, floods, and heatwaves, which could disrupt operations, impair physical assets, or impact supply chains. Although extreme weather events are projected to increase in frequency and intensity under certain climate scenarios, our physical risk assessment indicates low exposure across our office, real estate, and power generation portfolios.

Investec actively evaluates acute physical risks every three years. We conduct geospatial risk assessments across our owned and financed asset base, including real estate holdings and operational offices. Our assessment, based on updated MSCI scenario-aligned hazard data (SSP1-2.6, SSP2-4.5, and SSP3-7.0), found no material or identifiable financial risk from acute hazards such as pluvial, fluvial, or coastal flooding across office locations. In the UK we face limited exposure. Given the relatively short-term nature of many of our lending exposures, we retain the flexibility to adjust portfolio composition as new risks emerge.

To date, no financial losses have been incurred due to acute physical risks, and no asset impairments have resulted from weather-related disruptions. While current exposure remains low, we continue to monitor potential changes in hazard intensity and integrate physical risk metrics into our real estate and infrastructure due diligence, lending decisions, and business continuity planning.

## CLIMATE-RELATED DISCLOSURES

### CONTINUED

#### Strategy continued

#### Climate and nature-related risks and opportunities identified over the short, medium and long term continued

**Reporting requirements:** Climate-related financial disclosures: **CFD: S1 / TCFD: 3**

**Chronic physical risk** is considered a potential climate-related risk for Investec, particularly over the medium and long term. This type of risk arises from slower-onset environmental changes such as rising sea levels, shifts in precipitation patterns, and gradual temperature increases. These changes may influence the long-term suitability of certain locations for business operations, property investments, or supply chain dependencies. Although the financial impact of these trends has not materialised to date, they remain an area of relevance for the Group.

We manage this risk through physical risk assessments performed every three years. Our analysis includes real estate, operational offices, and power generation portfolios across key geographies, using updated scenario-aligned hazard data under the SSP1-2.6, SSP2-4.5, and SSP3-7.0 pathways.

Investec plc's UK operations face negligible chronic physical climate risk. While slight increases in extreme precipitation and heat days are projected under all climate scenarios, physical value at risk assessments show no material financial exposure across office and real estate assets.

No costs have been incurred to date as a direct result of chronic physical risks. However, we continue to monitor evolving climatic trends.

#### Opportunities

Within our business, we contribute to climate action and protecting nature through our financing activities. We actively support climate action by addressing critical environmental concerns, reducing greenhouse gas emissions, and fostering resilient communities. Through our investments, we promote a sustainable future where climate change impacts and biodiversity loss are mitigated, clean energy is accessible to all, and cities are environmentally friendly and adaptable.

**Renewable energy finance** is a current strategic opportunity for Investec plc, particularly over the short to medium term. As UK and Europe advances its transition to a low-carbon economy, demand for funding in clean energy infrastructure, such as solar, wind, and hybrid projects, is expected to increase. This is driven by a strong regulatory push toward net-zero targets, growing investor interest in sustainable assets, and the need to modernise ageing energy infrastructure.

Investec plc supports this opportunity by providing capital and advisory services to energy transition projects. Our focus is on financing renewable energy infrastructure that contributes to emissions reductions, enhances energy system resilience, and supports a sustainable economy. We partner with independent power producers, developers, and other stakeholders to structure finance solutions that align both environmental goals and commercial viability. These activities form a key component of our sustainable finance strategy and contribute toward our Group-wide commitment to facilitate £18 billion in sustainable and transition finance by 2030, of which £14.9 billion is attributable to Investec plc.

To date, our investment in renewable energy finance has not resulted in any material financial risk or cost. On the contrary, it has strengthened our client relationships, broadened our sustainable finance offering, and positioned Investec plc to play an enabling role in the UK's transition to net-zero infrastructure. We expect this opportunity to continue to grow over the medium term, in line with national climate ambitions and sectoral decarbonisation plans.

**Water infrastructure and conservation** is considered an actual medium-term opportunity for Investec plc, particularly as UK and Europe intensifies its focus on climate resilience and environmental sustainability. Climate change is expected to lead to increased variability in precipitation, greater pressure on urban drainage systems, and heightened regulatory expectations around water efficiency, waste management, and resilience planning. In this context, investment in water-related solutions, such as flood defence, wastewater treatment, and sustainable drainage systems, plays an important role in supporting long-term adaptation goals.

Investec plc is actively exploring this opportunity through targeted financing of water-related infrastructure projects that align with both environmental and social outcomes. These include initiatives aimed at improving water system efficiency, reducing pollution, and supporting local authority and utility-led upgrades in urban infrastructure. Our Sustainable and Transition Finance Classification Framework prioritises water as a key environmental theme, aligned with UN Sustainable Development Goal 6 (Clean Water and Sanitation). Through our lending and advisory capabilities, we seek to support projects that offer long-term resilience benefits while meeting market demand for sustainable asset classes.

While water-related financing currently represents a smaller share of Investec plc's sustainable finance activity, this may be a growing opportunity, particularly as the UK strengthens its policy framework on nature-based solutions and climate adaptation.

To date, our investment in water infrastructure and investment has not resulted in any material financial gains. These investments are expected to contribute to our sustainable finance pipeline over the medium term and further align our lending strategy with national climate priorities.

**Sustainable urban development** is an actual opportunity for Investec plc, particularly over the short to medium term, as UK cities face increasing pressure to decarbonise, improve resilience to climate impacts, and enhance liveability. Financing green infrastructure, energy-efficient buildings, and low-emission transport systems supports the UK's national net-zero targets, while also addressing pressing environmental and social challenges such as air quality, energy poverty, and urban congestion. This opportunity aligns with Investec plc's sustainable finance strategy and growing client demand for environmentally aligned real estate and infrastructure solutions.

Investec plc is pursuing this opportunity by financing projects that contribute to the development of low-carbon, climate-resilient cities. This includes lending to energy-efficient residential and commercial property developments, retrofitting initiatives, and the expansion of electric vehicle (EV) charging infrastructure. These projects respond to policy momentum, such as the UK's Future Homes Standard and local authority sustainability mandates, and are evaluated using our Sustainable and Transition Finance Classification Framework, which ensures alignment with climate and nature-related goals.

We anticipate that this opportunity will continue to grow over the medium term, driven by municipal investment plans, tightening building standards, and the expansion of green finance taxonomies.

To date, our investment in sustainable urban development has not resulted in any material financial gains. Investec plc is well positioned to support this transition by mobilising capital into climate-aligned urban assets and by offering tailored finance solutions that meet both commercial and environmental objectives.

## CLIMATE-RELATED DISCLOSURES

### CONTINUED

#### Strategy continued

### The impact of climate and nature-related risks and opportunities on our businesses, strategy and financial planning

**Reporting requirements:** Climate-related financial disclosures: **CFD: S2 / TCFD: 4**

Climate- and nature-related risks and opportunities are actively considered as part of Investec plc's business strategy, reflecting our commitment to sustainable value creation and long-term risk management. These factors are evaluated across short-, medium-, and long-term time horizons, and inform how we approach capital allocation, product innovation, client engagement, and regulatory readiness in the UK and Europe.

The actual and potential impacts of climate-related risks and opportunities are assessed through structured scenario analysis and embedded into our enterprise risk management and strategic planning frameworks. This includes understanding exposure to transition risks such as policy changes, market shifts, and reputational drivers, as well as physical risks related to asset vulnerability and climate adaptation. At the same time, we actively pursue opportunities in renewable energy finance, green buildings, sustainable transport, and water resilience, areas where the UK's policy ambition and investment demand continue to grow.

#### Actual impacts

**Policy and legal risk** is an emerging transition risk that has already influenced Investec plc's operations and internal processes. Regulatory developments in the UK, including TCFD-aligned disclosure requirements, the FCA's ESG Sourcebook, and the forthcoming application of the Corporate Sustainability Reporting Directive (CSRD), have required enhanced coordination across finance, risk, and sustainability functions. These developments have led to an increase in compliance activity and reporting complexity. While the associated costs remain below 1% of operating expenditure and are therefore not financially material, they represent a meaningful operational impact that continues to evolve in line with regulatory expectations.

**Technology risk** has also driven change within Investec plc, particularly through the shift away from high-energy infrastructure towards more efficient digital systems. Investments in cloud computing and operational system upgrades have improved energy efficiency and strengthened digital resilience. These upgrades support our emissions reduction goals and transition alignment. To date, associated costs have been absorbed within normal IT and operations budgets and are not considered financially material.

**Reputational risk** remains a key consideration for Investec plc, especially in a market where stakeholders increasingly expect integrity and transparency in sustainability-related claims. Although no reputational incidents or financial impacts have occurred, we have strengthened internal controls on product governance, marketing approvals, and sustainability disclosures. Sustainability-related risk review processes are embedded into product and client-facing communication workflows to ensure alignment with both regulatory expectations and stakeholder trust.

**Renewable energy finance** has emerged as a strategic opportunity for Investec plc, contributing directly to our sustainable finance growth strategy. In 2024, we provided financing for a £100 million biomass facility in the UK, supporting the country's broader decarbonisation efforts. Projects of this nature will in future contribute to our Group-wide commitment to facilitate £18 billion in sustainable and transition finance by 2030, of which £14.9 billion is attributable to Investec plc. The opportunity continues to grow in line with demand for clean energy infrastructure and investor preference for climate-aligned financing solutions.

#### Potential impacts

**Climate-related demand risk** may influence product relevance and competitiveness over time, particularly in wealth management and structured finance. In the UK, investor demand for net-zero aligned portfolios and sustainability-labelled products continues to grow, driven by both regulatory expectations and client values. This trend is expected to accelerate product innovation and capital allocation decisions across the business.

**Acute physical risk**, including flooding and extreme weather events, has been assessed across Investec plc's operational and real estate footprint. Based on scenario modelling, physical risk to assets within England, Wales, Ireland and Scotland remains low, with negligible exposure to high-risk flood zones or climate-sensitive infrastructure. Nonetheless, these findings inform our business continuity planning, site selection, and insurance strategy, ensuring we remain prepared for any future shifts in hazard intensity under long-term climate pathways.

**Chronic physical risk**, such as increasing average temperatures or long-term changes in rainfall, is expected to have limited direct impact on Investec plc's property and supplier exposure in the short to medium term. While this risk is currently considered non-material, we continue to monitor its evolution and incorporate relevant findings into our strategic facilities planning and supplier evaluations where appropriate.

**Water infrastructure and sustainable urban development** present emerging opportunity areas for Investec plc. While water-related financing is a more established theme in other jurisdictions, we see increasing interest in the UK in nature-based solutions, green transport systems, and low-carbon real estate. These opportunities are aligned with the UK's net-zero strategy, growing policy incentives, and client interest in sustainability-linked asset classes. They also contribute to Investec plc's role in achieving the Group's £18 billion sustainable and transition finance target by 2030, of which £14.9 billion is attributable to Investec plc.

#### Strategic implications

While Investec plc's business model and overarching strategic priorities have remained consistent, we acknowledge that climate- and nature-related risks and opportunities are increasingly relevant to how we execute our strategy, engage clients, and allocate capital in the UK market. These considerations are embedded across key aspects of our operations and enterprise frameworks, guiding our response to evolving stakeholder expectations, regulatory developments, and climate-related market dynamics.

**Capital allocation:** We are directing a growing proportion of lending and investment activity toward low-carbon infrastructure, renewable energy, and climate adaptation projects, in alignment with our sustainable finance objectives. This reflects our support for the UK's national net-zero goals and our contribution to the Group-wide sustainable finance target.

**Client strategy:** We continue to expand our range of sustainability-aligned products and services, particularly in wealth management and specialist banking. We engage proactively with clients to support their transition journeys, recognising the growing demand for sustainability-related solutions and climate-resilient financing structures.

**Operational evolution:** We have implemented upgrades to our technology infrastructure and governance practices to support enhanced climate-related disclosures and respond to increasing regulatory expectations. This includes improvements to systems, risk oversight, and internal reporting capabilities.

**Regulatory responsiveness:** Our UK strategy reflects tailored responses to frameworks such as TCFD, and CSRD, and the expected implementation of ISSB-aligned reporting. This positions us to stay ahead of regulatory developments while maintaining robust compliance.

**Risk integration:** Climate- and nature-related factors are considered within credit risk assessments, portfolio management, product governance, and strategic planning. While meaningful progress has been made in embedding these factors into our processes, we recognise that further work is required to ensure full integration across all business areas and to meet evolving best practice.

## CLIMATE-RELATED DISCLOSURES

### CONTINUED

### The resilience of our strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

**Reporting requirements:** Climate-related financial disclosures: **CFD: S3 / TCFD: 5**

#### Scenario analysis

We conducted a climate-related scenario assessment during 2024, building on the principles of the Bank of England's (BoE) 2021 Climate Biennial Exploratory Scenario (CBES) for the financial industry. While the BoE and Prudential Regulation Authority did not issue updated CBES guidance in 2024, the methodologies and sectoral framing from the original CBES were used as a foundation for this assessment.

The exercise included a transition scenario broadly aligned to the Paris Agreement's 1.5°C target, focusing on early policy action, rapid decarbonisation, and sector-specific shifts in energy usage and regulation. No specific carbon price trajectory was applied, but the scenario assumed an accelerated implementation of climate policy and widespread adoption of low-carbon technologies. In addition, a qualitative physical risk overlay was applied to assess potential exposure to flooding and heat stress within the Bank's high-net-worth (HNW) mortgage portfolio.

As part of the transition scenario, Investec plc assessed the top 100 exposures within key sectors, property, transportation, energy, and manufacturing, through bespoke sectoral narratives. These narratives included assumptions about the availability of transition technologies, evolving customer preferences, and jurisdictional policy divergence. The purpose was to understand whether the transition to a lower-carbon economy could materially affect asset values or client risk profiles.

The results of this scenario analysis indicated that climate transition and physical risks to the Bank are low over a 5 to 10 year horizon, consistent with previous assessments. The findings were driven by low exposure to fossil fuel-linked activities, conservative risk appetite in high-risk sectors, and limited physical risk exposure in the Bank's property portfolios. We maintain strong capital and liquidity buffers that are sufficient to absorb the potential impact of adverse climate scenarios.

#### Assumptions applied

The 2024 scenario analysis followed the structure and assumptions of the Bank of England's 2021 Climate Biennial Exploratory Scenario (CBES). Although no new CBES was issued during 2024, the original framework was used to evaluate exposures under three narratives: an early action transition pathway aligned to a 1.5°C scenario, a late action disorderly scenario, and a no action physical risk scenario. The early action narrative assumed accelerated policy implementation, carbon pricing of ~USD \$150 per tonne by 2030, and widespread deployment of clean technologies. Sectoral narratives were developed for property, transport, energy, and manufacturing exposures, incorporating assumptions about policy implementation, technological uncertainty, and client adaptation readiness.

In addition, a qualitative flood risk overlay was applied to the HNW mortgage portfolio, based on assumptions around physical exposure, insurance coverage, and property location. While the exercise was not based on new quantitative models, it built upon our 2022 analysis by refining asset-level exposure inputs and sectoral transition expectations. There were no material changes to the core scenario assumptions used in the 2024 exercise relative to 2022, although the application of those scenarios was refined to reflect Investec plc's current portfolio composition and risk focus.

Across both entities, scenario analysis remains primarily qualitative, but continues to serve as a critical input into strategic planning, portfolio risk review, and forward-looking risk identification. The assumptions and dependencies used, while largely derived from external regulatory frameworks, were tailored to reflect Investec's operating footprint and exposure profile.

We acknowledge that our current methodology does not yet include probability-weighted forecasts or full capital-at-risk modelling. As scenario analysis capabilities mature, we plan to enhance the precision of financial impact estimates, improve documentation of scenario inputs, and build modelling capacity across credit, operational, and market risk domains. These efforts will support our future alignment with evolving international disclosure standards, including IFRS S2 and the UK Transition Plan Taskforce (TPT) Framework.

#### Assumptions and estimates used in climate-related scenario analysis

The scenario analyses conducted by Investec plc applied multi-decade time horizons consistent with regulatory frameworks.

Investec plc's assessment based on the Bank of England's CBES framework considered climate risks over a 5- to 30-year horizon, with transition risk impacts modelled through to 2050, and chronic physical risks assessed under a no-transition scenario extending to 2100. These timeframes reflect the underlying assumptions in the NGFS and CBES scenarios and were used to understand both near- and longer-term vulnerabilities in the Group's lending and real estate exposures.

#### Scenario analysis use and financial impact estimation

At present, Investec plc has not yet undertaken a fully modelled financial quantification of capital or earnings at risk under the climate-related scenarios described. However, we recognise this as a critical area of development and are actively working to enhance our capabilities. Planned improvements include the introduction of capital-at-risk estimates, scenario-adjusted credit loss projections, and broader integration of climate risk analytics into financial planning and risk reporting frameworks.

That said, preliminary qualitative assessments and internal stress overlays suggest that climate-related credit and valuation risks are currently not financially material for Investec plc under the orderly and delayed transition scenarios assessed. Sector-level reviews, particularly of the top 100 counterparties across property, energy, transportation, and manufacturing, indicate low exposure to fossil fuel-linked activities and limited short-term vulnerability to policy, market, or technological shifts.

These indicators support the current view that, over a 5–10 year horizon, climate-related financial risk for Investec plc is manageable and is not expected to materially impact capital buffers or liquidity requirements. Nonetheless, we will continue to evolve our scenario analysis tools to improve precision, comparability, and alignment with regulatory expectations, including those under IFRS S2 and the UK Transition Plan Framework.

## CLIMATE-RELATED DISCLOSURES

### CONTINUED

### Risk management

#### Our processes for identifying and assessing climate and nature-related risks

**Reporting requirements:** Climate-related financial disclosures: **CFD: RM1 / TCFD: 6**

We recognise climate change as a material and evolving risk driver that requires ongoing assessment across strategic, operational, and financial domains. Climate-related risk has been formally recognised within our enterprise-wide risk management framework as a principal risk since 2018. Our processes for identifying and assessing these risks continue to develop, informed by regulatory expectations in the UK, enhanced data availability, and evolving best practice in climate risk modelling and scenario analysis.

Climate-related risks are identified and assessed at both the transactional and portfolio levels, and are integrated into existing governance and risk management frameworks. These assessments form part of our credit due diligence, sustainability screening processes, and portfolio-level risk reviews, ensuring that transition and physical risks are considered in line with regulatory requirements and stakeholder expectations.

#### Transaction-level screening

At Investec plc, lending and investment transactions associated with high-risk sectors—as defined by the EBRD sector mapping and aligned with IFC's high-risk sector guidance—are subject to a sustainability screening process, which includes climate-related considerations. This screening is conducted by the Investec plc Sustainability function, as and when a high-risk transaction is identified, prior to the proposal being submitted to the relevant credit or investment committee. The review covers a broad set of sustainability risk factors, including:

- Environmental risks: such as climate change impacts, biodiversity loss, nature degradation, and animal welfare (aligned to SDG 13)
- Social risks: including human rights, diversity and inclusion, modern slavery, community displacement, and occupational health and safety (aligned to SDG 10)
- Governance risks: such as corruption, fraud, and reputational controversies
- Macro-economic risks: including poverty, inequality, economic resilience, and unemployment.

#### Escalation and oversight

Where a transaction is flagged as having elevated climate or social risk, it is escalated to the Investec Bank plc Executive Risk Committee (IBP ERC) prior to any credit or investment decision. Additionally, the DLC SEC is notified of high-concern transactions to ensure appropriate oversight and governance.

#### Portfolio-level physical risk assessments

Investec plc conducts physical climate risk assessments on its real estate and infrastructure portfolios on a triennial basis, with the previous assessment conducted in 2022. These reviews help identify potential exposure to long-term physical risks, including flooding, extreme heat, and severe weather events. Assessments are based on scenario-aligned hazard data and are used to inform property strategy, client lending decisions, and operational resilience planning.

#### Portfolio-level transition risk assessments

Investec plc has adopted a sector-based approach to assessing transition risk across its lending and investment portfolios. The assessment is refreshed annually (with the prior assessment done for the financial year ended 31 March 2024) and focuses on sectors most likely to be affected by changes in climate policy, carbon pricing, technological shifts, and evolving consumer behaviour. Sectors identified as particularly sensitive to transition risk include:

- Real estate and property
- Utilities
- Fossil fuel-related activities
- Manufacturing
- Mining
- Transport and logistics.

These sectors are more likely to experience direct financial or operational impacts arising from emissions-related policy measures, subsidies or taxes, and investor pressure to decarbonise. The risk assessment incorporates regional and jurisdictional differences in transition timing, with the UK regulatory environment recognised as being comparatively advanced and more prescriptive in climate-related expectations.

Investec plc also supports a just and inclusive transition, and this principle is integrated into our risk analysis and client engagement practices. We acknowledge the social and economic complexities that come with sectoral change and ensure that our financing approach considers the broader implications for communities and industries in transition.

#### Time horizon classification of risks

For internal consistency and planning purposes, Investec plc classifies climate-related risks by time horizon as follows:

- Short-term (0–1 year): Sectors currently experiencing credit implications due to transition pressures
- Medium-term (1–5 years): Sectors with manageable exposure or near-term impact risk
- Long-term (>5 years): Sectors with slower-moving exposure or minimal short- to medium-term impact on credit quality.

#### Scenario-based risk identification

Investec plc participates in climate scenario analysis and stress testing in line with UK regulatory requirements set out by the Bank of England and the Prudential Regulation Authority (PRA). These stress tests are aligned with forward-looking scenario frameworks (e.g. BoE CBES and NGFS pathways) and allow us to assess our exposure to both transition and physical risks over multiple timeframes. Outputs from these exercises inform risk strategy, lending policies, and ongoing scenario development.

## CLIMATE-RELATED DISCLOSURES

### CONTINUED

#### **Our processes for managing climate and nature-related risks**

**Reporting requirements:** Climate-related financial disclosures: **CFD: RM2 / TCFD: 7**

Investec has a holistic approach to sustainability, and support the precautionary approach to sustainability management, guided by international best practices regarding the responsibilities of the financial sector in financing and investing transactions. This approach runs beyond recognising the Group's own footprint on the environment and is based on a broader responsibility to the environment and society. We recognise the complexity and urgency of climate change. We are committed to supporting the transition to a clean and energy efficient world while preserving our planet and the wellbeing of our people. The DLC Executive Sustainability Committee mandated by the Group's Executive Directors' reports sustainability-related matters to the DLC SEC. The main objectives of the committee are to coordinate sustainability-related efforts across geographies and businesses. Accordingly, sustainability risk considerations are considered by the relevant credit committee or investment committee when making lending or investment decisions. Investec's climate change statement stems from the belief that one of the greatest socio-economic impacts we can have is to partner with our clients and stakeholders to accelerate a cleaner, more resilient and inclusive world. Our environmental policy considers the risks and opportunities that climate change and nature degradation present to the global economy. We have linked sustainability-related metrics and KPIs to the Group Executive Directors' remuneration. Refer to page 22 of the Group climate and nature-related disclosure report.

## CLIMATE-RELATED DISCLOSURES

### CONTINUED

#### Risk management continued

#### How our processes for identifying, assessing, and managing climate and nature-related risks are integrated into overall risk management

**Reporting requirements:** Climate-related financial disclosures: **CFD: RM3 / TCFD: 8**

We assess sustainability risks as part of the Credit Committee or Investment Committee's evaluation of lending or investment decisions. This includes sustainability screening, conducted by the Group Sustainability team, for transactions that fall into sustainability categories classified as high risk.

We continuously support international best practices regarding the responsibilities of the financial sector in financing and investing in transactions. We adopt a precautionary approach to environmental, nature, climate-related, and broader sustainability matters. These risk considerations are integrated into multidisciplinary, company-wide management processes throughout the Group and are effectively managed within our lending and investment portfolios. We have established an environmental policy, climate change statement, biodiversity statement and a fossil fuel policy.

We conduct screening on high risk sectors to identify possible adverse climate and nature-related impacts in both our lending and investment activities, as well as in our deposit-taking activities. We have a strict policy of not onboarding clients who do not comply with our Group environmental policy, climate change statement, biodiversity statement or fossil fuel policy.

Regular training is provided to business units to identify any potential high-risk transactions as classified by the IFC.

High risk transactions are escalated to the Group sustainability team who conducts screening and additional due diligence. In the case where the Group sustainability team flag a transaction as high concern, the transaction will be escalated to IBL, IBP, or Group ERC before any credit or investment decision is made. Additionally, the DLC Executive Sustainability Committee and the DLC SEC are informed at every meeting regarding the number of transactions screened, high risk transactions identified, and high concern transactions escalated.

##### **Credit risk:**

We are continuously improving our screening process across all our business activities and actively working on making this process more efficient. Transactions are categorised into high, medium, and low risk according to the EBRD mappings using the World Bank IFC guidelines.

- High risk: Proposed funding or investment is likely to have significant adverse social or environmental impacts that are diverse, irreversible, or unprecedented without mitigation.
- Medium risk: Proposed funding or investment is likely to have limited adverse social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.
- Low risk: Proposed funding or investment is likely to have minimal or no social or environmental impacts. This largely relates to services, consulting, training and education, trading, retail sales, etc.

Once a transaction has been identified as being in a high-risk industry, these activities go through a comprehensive screening process performed by the Group sustainability team.

In-depth analysis is done by the team to:

- Assess the alignment of the transaction with our sustainability policies
- Ensure there is no contravention of our sustainability screening requirements or zero-tolerance activities
- Assess the client's ambitions towards net-zero pathways
- Assess sustainability ratings by globally accredited bodies (e.g. CDP, Sustainalytics)
- Assess public reporting on sustainability matters and impacts
- Assess disclosures in line with the GRI and TCFD
- Assess alignment with the UN SDGs
- Assess any other publicly available information around their contribution to, and positive/negative impact on sustainability aspects
- Investigate any media controversies or reputational issues facing the client involved.

For each high-risk transaction, a sustainability screening is provided by the Group sustainability team for consideration by our Credit and Investment Committees.

##### **Operational risk:**

We reviewed our exposure to physical risk within Investec Limited and Investec plc operations. Our operational risk systems incorporate climate change in their risk assessments. Our business units complete a climate-related risk impact assessment annually. In addition, we perform sustainability due diligence on all suppliers when they are onboarded.

##### **Litigation/liability:**

Where required our legal documentation includes sustainability-related terms and conditions.

## CLIMATE-RELATED DISCLOSURES

### CONTINUED

### Metrics and targets

#### The metrics used to assess climate-related risks and opportunities in line with our strategy and risk management process

**Reporting requirements:** Climate-related financial disclosures: **CFD: M1 / TCFD: 9**

The following section outlines how our key targets relate to these themes, and clarifies terminology, boundaries, and entity-specific commitments.

Topic	Target	Definition/ clarification	Entity	Start date/ horizon	Related risk/ opportunity	Progress/ measure FY2025
Carbon footprint	Investec plc's target is to remain carbon neutral for Scope 1, Scope 2, and operational Scope 3 emissions	Carbon neutrality is achieved through a combination of emissions reduction efforts and the purchase of Renewable Energy Certificates (RECs) and verified carbon offsets for residual, unavoidable emissions. This target responds to transition risk, and aligns with stakeholder expectations for direct environmental responsibility	Group-wide	Ongoing	<b>Transition risk:</b> <ul style="list-style-type: none"> <li>Policy and legal risk</li> <li>Reputational risk</li> </ul>	Market-based footprint: 9 106tCO <sub>2</sub> e (2024: 7 352*tCO <sub>2</sub> e) Location-based: 10 041tCO <sub>2</sub> e (2024:8 289*tCO <sub>2</sub> e) Refer to our Basis of Reporting on our website <a href="#">here</a>
Fossil fuel lending	Zero coal exposure (Investec plc) by 31 March 2027 (achieved in September 2024) Cease direct financing of new oil and gas exploration, extraction and production by 1 January 2035	Investec plc and Limited have separate targets based on market and portfolio maturity	Entity-specific	2024–2035	<b>Transition risk:</b> <ul style="list-style-type: none"> <li>Policy and legal risk</li> <li>Climate-related demand risk</li> <li>Reputational risk</li> </ul>	Fossil fuel as a % of core loans and advances: 1.39% (2024: 2.50%) Coal as a % of core loans and advances: 0.00% (2024: 0.05%) Coal exposure as a % of total energy lending portfolio 0.00% (2024: 0.90%) Renewables exposure as a % of total energy lending portfolio 73.97% (2024: 52.35%)
Financed emissions	Investec Group is committed to achieving net-zero financed emissions by 2050.	Reduction aligned to 1.5°C pathway; offsets only for residual emissions	Group-wide	By 2050	<b>Transition risk:</b> <ul style="list-style-type: none"> <li>Policy and legal risk</li> <li>Climate-related demand risk</li> <li>Reputational risk</li> </ul>	Current financed emissions: 3 043 733tCO <sub>2</sub> e (March 2023: 1 464 032tCO <sub>2</sub> e)
High-risk sectors	While we have not yet set an explicit Group-wide target, we continue to manage our exposure to IFC-defined high-risk sectors, which include extractives, infrastructure, and heavy industry. This metric is linked to our credit risk management approach and exposure to transition-sensitive clients.	High-risk as defined by IFC environmental risk classifications	Group-wide	Ongoing	<b>Transition risk:</b> <ul style="list-style-type: none"> <li>Policy and legal risk</li> <li>Reputational risk</li> </ul>	High-risk lending: 7.8% of total core loans and advances (2024: 8.0%)
Sustainable and transition finance	Investec plc's target is to facilitate £14.9 billion of sustainable and transition finance by 2030	Target to support climate-related opportunities and transition finance activities	Entity-specific	From 1 April 2025	<b>Opportunity:</b> <ul style="list-style-type: none"> <li>Renewable energy finance</li> <li>Water infrastructure and conservation</li> <li>Sustainable urban development</li> </ul>	Activities underway: More information on selected transitions are available in our 2025 Group sustainability report on our website

## CLIMATE-RELATED DISCLOSURES

### CONTINUED

#### Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

**Reporting requirements:** Climate-related financial disclosures: **CFD: M2 / TCFD: 10**

- Investec plc's operational emissions increased by 21% in the current reporting year. This increase is attributable to a combination of operational factors and improvements in data accuracy. Notably, natural gas consumption rose due to higher demand for heating across several UK sites during colder periods. Additionally, business travel activity increased as operations continued to normalise following the pandemic, contributing to higher Scope 3 operational emissions. We have also increased our reporting scope by adding employee commuting which contributed to the increase in emissions. A portion of the increase is also due to the restatement of historical data, specifically through the more accurate categorisation of waste streams. This change was implemented to align our reporting with best practice sustainability standards and improve the quality of our environmental disclosures. Despite these factors, the Group continues to benefit from increased green energy consumption and a reduction in unspecified energy sources, which helped mitigate further emissions growth. Refer to page 56 for the SECR disclosures.
- In line with our ambition to be net-zero by 2050. While our primary focus over the past year has been on strengthening our measurement capabilities, we have expanded the scope of our financed emissions reporting to include all previously excluded energy-related lending activities, such as asset finance, energy distribution and infrastructure, and waste-to-energy power generation. In addition, we have continued to improve data quality and related processes for our financed emissions, implementing robust data collection practices to ensure accuracy, reliability and timeliness, and have strengthened collaboration with business partners and stakeholders to obtain key data points and validate their accuracy, ensuring the integrity of our reported data. We have enhanced the process thereby increasing our data governance and data integrity. As a result, we have analysed 82% of our loans and investment exposure as of 31 March 2024.

#### The targets used by the organisation to manage climate and nature-related risks and opportunities and performance against targets

**Reporting requirements:** Climate-related financial disclosures: **CFD: M3 / TCFD: 11**

Progress is monitored through climate-related targets and ambitions across the following:

- Investec Group stopped all project financing to new thermal coal mines, regardless of jurisdiction
- Investec Group committed not to finance any new oil and gas extraction, exploration, or production from 1 January 2035
- Investec Group commitment to zero thermal coal exposure in their loan book by 31 March 2030
- Investec plc committed to zero coal exposure in their loan book by 31 March 2027, which was achieved in September 2024
- Continue our efforts in financing climate solutions
- Embedding climate into our culture and decision-making.

02

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# Risk management and governance

## IN THIS SECTION

<b>26</b>	Risk management approach and framework
<b>27</b>	Year in review from a risk perspective
<b>29</b>	Principal risks
<b>46</b>	Investec plc Audit Committee report
<b>51</b>	Directors' report

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Our risk management culture ensures we are locally responsive yet globally aware. This section contains our risk management disclosures.

02

## RISK MANAGEMENT APPROACH AND FRAMEWORK

Information provided in this section of the annual report is prepared on an Investec plc consolidated basis unless otherwise stated.

### Philosophy and approach to risk management

The Group's comprehensive risk management process involves identifying, quantifying, managing, monitoring, mitigating and reporting the risks associated with each of the businesses to ensure the risks remain within the stated risk appetite.

The Board ensures that there are appropriate resources to manage the risks arising from running our businesses.

The DLC Board Risk and Capital Committee (DLC BRCC) (comprising both executive and non-executive directors) is the Board mandated committee to monitor and oversee risk. The DLC BRCC meets four to six times per annum and recommends the overall risk appetite for the Investec Group to the Board for approval.

We monitor and control risk exposure through independent credit, market, liquidity, operational, legal, internal audit, capital and compliance teams. This approach is core to assuming a tolerable risk and reward profile, helping us to pursue controlled growth across our business.

Group risk management operates within an integrated but geographical and divisional structure, in line with our management approach, ensuring that the appropriate processes are used to address all risks across the Group.

There are specialist divisions in the UK and smaller risk divisions in other regions tasked with promoting sound risk management practices.

Risk management units are locally responsive yet globally aware. This helps to ensure that all initiatives and businesses operate within our defined risk parameters and objectives. We continually seek new ways to enhance risk management techniques.

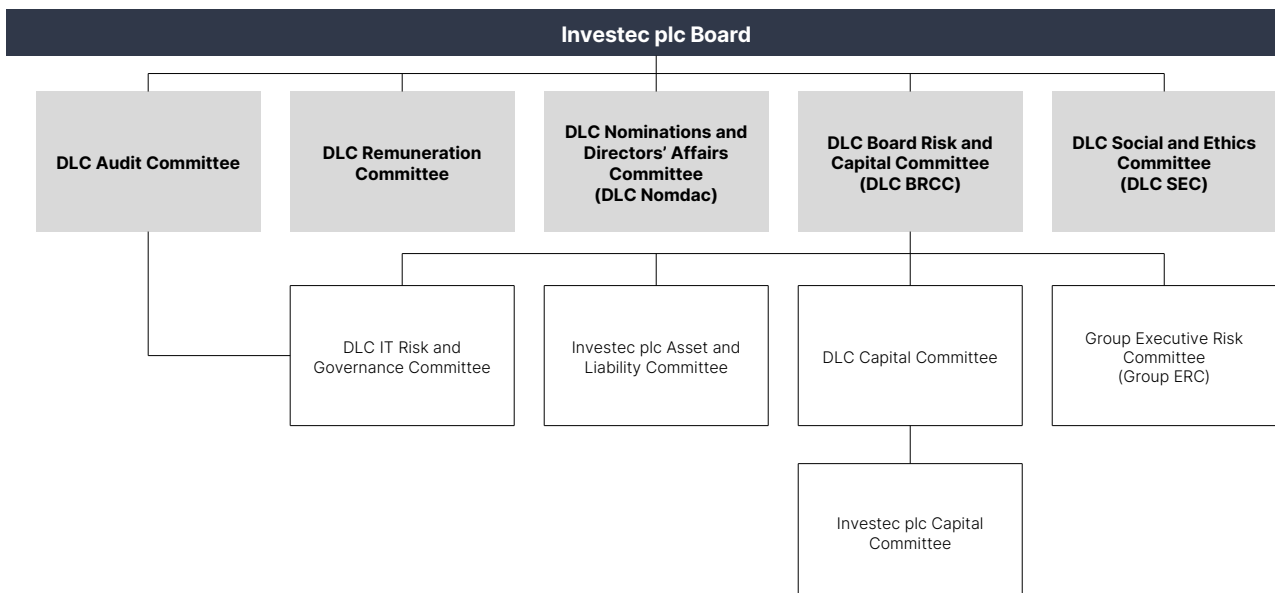
We believe that the risk management systems and processes we have in place are adequate to support the Group's strategy and allow the Group to operate within its risk appetite tolerance.

- Ensure adherence to our risk management culture
- Support the long-term sustainability of the Group by providing an established, independent framework for identifying, evaluating, monitoring and mitigating risk with good customer outcomes
- Set, approve and monitor adherence to underlying risk parameters and limits across the Group and ensure they are implemented and adhered to consistently within the Board-approved risk appetite
- Aggregate and monitor exposure across risk classes
- Maintain compliance in relation to regulatory requirements
- Coordinate risk management activities across the organisation, covering all legal entities and jurisdictions
- Establish and convene appropriate risk committees, as mandated by the Board
- Resource risk teams suitably and with appropriate expertise and facilitate operating independence
- Give the Board reasonable assurance that the risks the Group is exposed to are identified and appropriately managed and controlled.

### Risk management framework, committees and forums

A number of committees and forums identify and manage risk at Group level, as shown in the diagram below. These committees and forums, mandated by the Board, operate together with Group risk management, the IBP Board and sub-committees within respective operating jurisdictions. The Board of IBP, our regulated banking subsidiary, is responsible for the statutory matters, corporate governance and compliance with the applicable legislation and governance requirements within jurisdictions of operation. The Board and Board committees of IBP report to the Board and the Board committees of the Group with the interconnection between the respective Board committees supported by the membership or attendance of the Chair of the Group Board committee at the respective subsidiary Board committees.

### Group risk management objectives are to:



## YEAR IN REVIEW FROM A RISK PERSPECTIVE

**A summary of the year in review from a risk perspective**

The executive management is integrally involved in ensuring stringent management of risk through our risk appetite framework, and embedding a culture of risk consciousness in all staff. The risk appetite framework is set taking into consideration prevailing market conditions and Investec's strategy. The primary aim is to achieve a suitable balance between risk and reward in our businesses.

Despite rising geopolitical tensions across the world, we have continued to grow our business in a risk conscious manner and are well placed to navigate the uncertainty that has arisen with respect to the US tariff negotiations and broader global markets volatility.

The Bank remains well capitalised, maintains high levels of liquidity, runs modest levels of market risk and favours secured lending to clients with predictable income streams.

Loans and advances to customers as a percentage of customer deposits remained conservative at 78.4% (31 March 2024: 78.7%). Investec plc has a substantial portion of eligible deposits that are covered by Financial Services Compensation Scheme (FSCS) protection.

We have limited reliance on wholesale funding but we maintain access and presence, using wholesale issuance to strategically diversify our funding base and complement the other liability channels by focusing, where appropriate, on tenor and currency as part of a longer term strategic plan.

The Minimum Requirements for Own Funds and Eligible Liabilities (MREL) transition will commence from 1 January 2026 in a phased manner with end-state MREL applying from 1 January 2032.

Cash and near cash balances at 31 March 2025 amounted to £9.1 billion (31 March 2024: £9.7 billion). We maintain a high level of readily available, high-quality liquid assets (HQLA), targeting a minimum cash to customer deposit ratio of 25%. Current cash and near cash is equivalent to 42.4% of customer deposits. At 31 March 2025, the Liquidity Coverage ratio (LCR) for Investec plc was 409% and the Net Stable Funding ratio (NSFR) was 145%, both metrics well ahead of current minimum regulatory requirements.

We continue to maintain a structural hedging programme in the UK to reduce sensitivity of earnings to interest rate movements.

The Group's focus remains on maintaining a strong liquidity position as we continue to navigate global markets with heightened levels of volatility.

IBP's long-term Moody's deposit rating is A1 (stable outlook) and Investec plc's rating is Baa1 (positive outlook). During the year, IBP's long-term Fitch rating was upgraded to A- (stable outlook).

We have continued to grow our loan book while ensuring its resilience, despite the challenging macro-economic environment. Increased and diversified client activity and new client acquisition resulted in an increase in the Group's net core loan book by 1.4% to £16.8 billion (31 March 2024: £16.6 billion). Growth was due to increased activity diversified across multiple asset classes of Corporate client lending as well as residential mortgage lending.

Credit exposures are focused on secured lending to a select target market, comprising high-income and high net worth individuals, established corporates, and medium-sized enterprises. Our risk appetite continued to favour lower risk, income-based lending, with exposures well collateralised and with credit risk taken over a short to medium term. We remain focused on our target market, supporting clients with significant wealth and experience in their chosen sectors, as indicated by our continued growth in the private banking space as we execute on our strategy to target this sector of the market. Over the past few years we have realigned and rebalanced our portfolios in line with our risk appetite framework and this is reflected in the movements in asset classes on our balance sheet; showing an increase in private client, mortgages and corporate and other lending, and maintaining lending collateralised by property as a proportion of net core loans.

Concentration risk is well managed and exposures are spread across geographies and industries. We remain confident that we have a well-diversified portfolio across sectors.

The Group's net core loan exposures remain well diversified with commercial rent producing property loans comprising approximately 7.5% of net core loans, other lending collateralised by property 6.4%, high net worth and other private client lending 34.7% and corporate and other lending 51.4% (with most industry concentrations well below 5%).

Asset quality ratios reflect the current operating environment and underlying portfolios remain resilient. The credit loss ratio is at 0.60% at 31 March 2025 (31 March 2024: 0.58%), in line with guidance provided in November 2024. This was driven by a small number of increased idiosyncratic impairments, in part given higher for longer rates and challenges in achieving anticipated exit valuations. We expect the credit loss ratio to remain elevated around FY25 reported levels in the short term.

Stage 3 remained flat at 3.3% of gross core loans subject to ECL at 31 March 2025 (31 March 2024: 3.3%) driven by the resolution of existing defaults and a reduced rate of new defaults.

Stage 2 exposures as a proportion of gross core loans subject to ECL decreased to 8.1% at 31 March 2025 (31 March 2024: 8.6%) as underlying portfolios continue to perform.

The measurement of ECL under IFRS 9 has increased complexity and reliance on expert credit judgements. Key judgemental areas under IFRS 9 are highlighted in this document and are subject to robust governance processes. Macro-economic scenarios have been updated during the course of the year to reflect the changing landscape, particularly with respect to tariffs and the potential impact of a trade war.

The Bank continues to hold a management overlay of £3.7 million at 31 March 2025 (31 March 2024: £3.7 million) which is apportioned to Stage 2 assets.



Further detail on key judgements can be found on page 181.

YEAR IN REVIEW FROM A RISK PERSPECTIVE  
CONTINUED

We continue to progress in entrenching sustainability across all aspects of our business. Our commitment to human rights and support for internationally recognised principles, guidelines and voluntary environmental, social and governance (ESG) standards is tightly integrated into our credit and investment decision-making process which considers the important aspects of each geography we operate in. Following the publication of our enhanced Sustainable and Transition Finance Framework in May 2024, we announced a target to facilitate £14.9 billion of sustainable and transition finance by 2030.

Market risk within our trading portfolio remains modest with Value at Risk (VaR) and stress testing scenarios remaining at prudent levels. Trading revenues are driven by client activity.

We have substantially managed down our investment portfolio exposure in line with our objective of optimising capital allocation, reducing income volatility and aligning the business with our client franchises. The investment portfolio on the balance sheet reduced by 14.3% over the year under review to £348 million at 31 March 2025 (31 March 2024: £405 million).

The Group continued to maintain a sound balance sheet with a low gearing ratio of 8.5 times and a core loans to equity ratio of 4.8 times at 31 March 2025.

The Group maintained a sound capital position, well in excess of minimum regulatory requirements, with a Common Equity Tier 1 (CET1) ratio of 12.3% (31 March 2024: 12.1%) and a leverage ratio of 9.6% (31 March 2024: 10.0%). The Group remains on the Standardised Approach and with these metrics comfortably exceeds the target CET1 ratio of greater than 10% and leverage ratio target of greater than 6%. The Bank is progressing on the journey to migrate its capital management to the Internal Ratings Based (IRB) approach.

Non-financial risks that arise through the Group's operations remain highly topical and continue to receive a significant amount of management time, particularly in light of the evolving technological landscape and regulatory focus. Operational risk is managed across the business through an internal control environment, with a view to limiting the risk to acceptable residual risks.

The importance of operational resilience to ensure minimal client disruption is paramount. We take a highly disciplined approach to recovery and resolution planning and actively test our resilience to potential external shocks regularly. The Group remains focused on managing conduct, reputational and operational risks.

Keeping abreast of industry-wide trends with respect to artificial intelligence (AI) developments, cyber threats and data management as well as increased reliance on big tech and cloud platforms remains an area of focus and significant time is spent ensuring we have the appropriate expertise to assess potential threats and opportunities.

We remain cognisant of the emerging risks arising from technological advances and continually aim to strengthen and test our systems and controls to mitigate cyber risk and fulfil our moral and regulatory obligations to combat money laundering, fraud and corruption.

We continue to offer access to wealth management through our strategic partnership with Rathbones, following completion of the all-share combination of the UK Wealth & Investment business in September 2023. The Partnership Agreement with Rathbones governs the long-term, strategic partnership and is expected to unlock significant value in the medium to long term.

The Group operates in a legal and regulatory environment that exposes it to litigation risks. As a result, the Group is involved in disputes and legal proceedings which arise in the ordinary course of business. The Group evaluates all facts, the probability of the outcome of legal proceedings and advice from internal and external legal counsel when considering the accounting implications.

The Group notes the recent Court of Appeal decisions on Wrench, Johnson and Hopcraft relating to motor commission arrangements and the lender's appeal to the UK Supreme Court which was heard on 1 April to 3 April 2025. Judgement is expected by July 2025. Based on the current available information, the Group has concluded that the provision of £30 million raised in the prior year for the motor commission review still remains appropriate. Investec plc began lending in this space in June 2015. There remains 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 following the Court of Appeal decision and FCA motor commission review. The Group notes that the ultimate financial impact of the Court of Appeal decision and ongoing FCA investigation into motor commission could materially vary, pending further guidance from the FCA or the outcome of the appeal to the UK Supreme Court.

The Board, through its respective risk and capital committees, continued to assess the impact of its principal risks and the Group's stress testing scenarios (including 'bottom-up' and reverse stress testing analyses) on its business. The Board has concluded that the Group has robust systems and processes in place to manage these risks and that, while under a severe stress scenario business activity would be very subdued, the Group would continue to maintain adequate liquidity and capital balances to support the continued operation of the Group.

During the year, a number of stress scenarios were considered and incorporated into our processes.

Fundamental risk performance during the period has been solid and management remains focused on maintaining a sound underlying balance sheet, notwithstanding the macro-economic pressures and uncertainty we continue to face in our areas of operation. Going forward, we continue to navigate ongoing operations with heightened awareness of the global geopolitical outlook, including any potential impact from the US tariff negotiations, changing currency and sovereign risk dynamics and geopolitical tensions across the world. We maintain high levels of liquidity and diversified funding, supported by a strong capital base in line with our risk appetite. This positions us well to support our clients through the period ahead.

## PRINCIPAL RISKS

Principal risks are the most material and significant risks we face, which the Board and senior management believe could have an impact on our strategy, operations, financial performance and viability. These risks are summarised in the section that follows, with further information pertaining to the management and monitoring thereof.

### Overall Group risk appetite

The Group has a number of Board-approved risk appetite statements and policy documents covering our risk appetite and approach to our principal aspects of risk. The risk appetite frameworks and statements for Investec plc and Investec Limited set out the Board's mandated risk appetite. The risk appetite frameworks act as a guide to determine the acceptable risk profile of the Group. The risk appetite statements ensure that limits/targets are applied and monitored across all key operating jurisdictions and legal entities.

The risk appetite frameworks are a function of business strategy, budget and capital processes, our stress testing reviews and the regulatory and economic environment in which the Group is operating. The risk appetite frameworks are reviewed (in light of the above aspects) and approved by the Board at least annually or as business needs dictate.

A documented process exists where our risk profile is measured against our risk appetite and this positioning is presented to the Board. In the section that follows, the Group's high-level summary of overall risk appetite and positioning has been detailed against the respective principal risks.

### Three levels of defence

The Group has a strong and embedded risk and capital management culture with policies, processes and systems in place to address these principal risks. Risk awareness, governance, controls and compliance are embedded in all our day-to-day activities through a levels of defence model.

The levels of defence model is applied as follows:

- **Level 1** – Business units: responsible for identifying and managing risks inherent in the products, activities, processes and systems for which they are accountable
- **Level 2** – Independent risk and compliance functions: responsible for building and embedding risk frameworks, monitoring the implementation of effective risk management practices, challenging the business lines' inputs to, and outputs from, the Group's risk management, risk measurement and reporting activities
- **Level 3** – Independent internal audit: responsible for providing independent and objective assurance over the design and effectiveness of governance, risk management and control processes.

### Overview of principal risks

The Board, through its various committees, has performed a robust assessment of the principal risks and regular reporting of these risks is made to the Board.

The Board recognises that, even with sound appetite and judgement, extreme events can happen which are completely outside of the Board's control. It is, however, necessary to assess these potential events and their impact and how they may be mitigated. It is the Group's policy to regularly conduct multiple stress testing scenarios (including reverse stress testing) which, in theory, test extreme but plausible events and from that, assess and plan what can be done to mitigate the potential outcomes.

In addition to the principal risks, emerging risks continue to be reviewed and assessed. These emerging risks are evaluated for their inherent risk level and potential impact on the Group's strategy, operations, financial performance and viability. Mitigation measures are considered to address these emerging risks, taking into account their potential influence on the principal risks.

A number of these risks are beyond the Group's control and are considered in our capital plans, stress testing analyses and budget processes, where applicable.

The Group's stress testing framework is well embedded in its operations and is designed to identify and regularly test the Group's key vulnerabilities under stress. A fundamental part of the stress testing process is a full and comprehensive analysis of the Group's material business activities, incorporating views from risk, the business units and the executive – a process called the 'bottom-up' analysis. Resulting from the 'bottom-up' analysis, the Investec-specific stress scenarios are designed to specifically test the unique attributes of the Group's portfolio.

The key is to understand the potential threats to our sustainability and profitability and thus a number of risk scenarios are developed and assessed.

These Investec-specific stress scenarios form an integral part of our capital planning process and IFRS 9 reporting. The stress testing process also informs the risk appetite review process and the management of risk appetite limits and is a key risk management tool of the Group. Reverse stress tests are conducted to stress the Group's business plan to failure and consider a broad variety of extreme and remote events. These processes allow the Group to proactively identify underlying risks and manage them accordingly.

PRINCIPAL RISKS  
CONTINUED

Link to strategy – key



Connected client ecosystems



Growth initiatives



Optimisation of returns



Entrepreneurial culture



Digitalisation

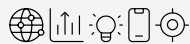


Strategic use of data

**Credit and counterparty risk**

Credit and counterparty risk is defined as the risk arising from an obligor’s (typically a client or counterparty) failure to meet the terms of any agreement thereby resulting in a loss to the Group, arising when funds are extended, committed, invested, or otherwise exposed through contractual agreements, whether reflected on- or off-balance sheet

**Link to strategy and opportunities**



**Further information**



Read more on pages 163 to 180.

**Monitoring and mitigation activities**

- Independent credit committees exist in the UK which also have oversight of regions where we assume credit and counterparty risk. These committees operate under Board-approved delegated limits, policies and procedures
- There is a high level of executive involvement in decision-making with non-executive review and oversight
- The Group’s credit exposures are to a select target market comprising high-income and high net worth individuals, established corporates, small and medium-sized enterprises, financial institutions and sovereigns
- Our risk appetite continues to favour lower risk, income-based lending with exposures well collateralised and credit risk taken over a short to medium term
- Investec has limited appetite for unsecured debt. A strong emphasis is placed on proven income and cash flows generated by the clients and risk is managed through assessment of the ability of clients to meet their payment obligations and/or tangible assets provided in support of their obligations
- Portfolio reviews (including stress testing analyses) are undertaken on all material businesses, where the portfolios are analysed to assess any migration in portfolio quality, highlight any vulnerabilities, identify portfolio concentrations and make appropriate recommendations, such as a reduction in risk appetite limits or specific exposures.

**Risk appetite and tolerance metric**

We target a credit loss ratio of less than 1.5% under a weak economic environment/stressed scenario (under normal conditions, less than 0.5%). We target Stage 3 net of ECL as a % of net core loans subject to ECL to be less than 4% under a weak economic environment/stressed scenario (excluding the Legacy portfolio\*; under normal conditions, less than 2%). We target Stage 3 net of ECL as a % of CET1 less than 25%.

**Positioning a 31 March 2025**

The Group currently remains within all tolerance levels given the current weakened economic environment. The Group credit loss ratio was calculated at 0.60% for 31 March 2025 (31 March 2024:0.58%). Stage 3 net of ECL as a % of net core loans subject to ECL was 2.6% excluding the Legacy portfolio\*). Stage 3 net of ECL as a % of CET1 is 17.0%.

\* Refer to definitions on page 219.

PRINCIPAL RISKS  
CONTINUED

Link to strategy – key



Connected client ecosystems



Growth initiatives



Optimisation of returns



Entrepreneurial culture



Digitalisation



Strategic use of data

**Concentration risk**

Concentration risk refers to the risk that could arise from a single client or counterparty, group of connected counterparties, or from a particular geography, asset class, supplier or industry. Concentration risk may occur when counterparties are mutually affected by similar economic, legal, regulatory or other factors which could hinder their ability to meet contractual obligations

**Link to strategy and opportunities**



**More information**

→ Read more on page 164.

**Monitoring and mitigation activities**

- As a matter of course, concentration risk is well managed and exposures are well spread across geographies, asset classes and industries
- We target a diversified funding base, avoiding undue concentrations by investor type, maturity, market source, instrument and currency
- Consideration is given to concentration risk when assessing suppliers and third parties, both within the business and across the financial sector systemically
- We target a diversified loan portfolio, lending to clients we know and understand. Credit and counterparty risk is always assessed with reference to the aggregate exposure to a single counterparty or group of related parties to manage concentration risk. These are reported to DLC BRCC on a regular basis. In order to manage concentration, we will consider a sell-down of exposures to market participants
- Concentration risk can also exist where loan maturities are clustered to single periods in time. Loan maturities are monitored on a portfolio and a transaction level.

**Risk appetite and tolerance metric**

We limit our core loan exposure to a single/connected individual or company to £120 million for Investec plc. We also have a number of risk tolerance limits and targets for specific asset classes.

Third party and outsourcing concentrations are permitted in relation to regulated, systemically important entities, external auditors or specialist global network infrastructures. Where strategic decisions result in concentration risk in third parties outside of these classifications, these decisions are based on considered analysis where the benefits outweigh the risks and appropriate controls have been deployed for managing and monitoring the associated risks.

**Positioning at 31 March 2025**

We maintained this risk tolerance level throughout the year.

**Country risk**

Country risk refers to the risk of lending to a counterparty operating in a particular country or the risk inherent in a sovereign exposure, i.e. the risk of exposure to loss caused by events in that country. Country risk covers all forms of lending or investment activity whether to/with individuals, corporates, banks or governments

**Link to strategy and opportunities**



**Further information**

→ Read more on page 164.

**Monitoring and mitigation activities**

- Exposures are only to politically stable jurisdictions that we understand and have preferably operated in before
- The legal environment should be tested, have legal precedent in line with the Organisation for Economic Co-operation and Development (OECD) standards and have good corporate governance
- In certain cases, we may make use of political risk insurance to mitigate exposure where deemed necessary.

**Risk appetite and tolerance metric**

We have a preference for primary exposure in the Group's main operating geography (i.e. the UK). We will accept exposures where we have a branch or local banking subsidiary and tolerate exposures to other countries where we have developed a local understanding and capability or we are facilitating a transaction for a client.

**Positioning at 31 March 2025**

We maintained this risk tolerance level in place throughout the year.

PRINCIPAL RISKS CONTINUED

Link to strategy – key



Connected client ecosystems



Growth initiatives



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Digitalisation



Strategic use of data

Sustainability risk

The risk that our lending and investment activities give rise to unintended climate, environmental, social and economic consequences

Link to strategy and opportunities



More information



Read more on pages 164, 184 to 186 and pages 112 to 131 of the Investec Group's 2025 integrated and strategic annual report and the Investec Group's 2025 sustainability report which is published and available on our website: [www.investec.com](http://www.investec.com).

Monitoring and mitigation activities

- Investec has a holistic approach to sustainability, and supports the precautionary approach to sustainability management, guided by international best practices regarding the responsibilities of the financial sector in financing and investing transactions
- This approach runs beyond recognising the Group's own footprint on the environment and is based on a responsibility to the broader economy, environment and society
- We recognise the complexity and urgency of climate change. We are committed to supporting the transition to a clean and energy efficient world while preserving our planet and the wellbeing of our people
- The DLC Executive Sustainability Committee, mandated by the Investec Group's executive directors, reports relevant sustainability-related matters to the DLC SEC and Group ERC. The main objectives of the committee are to coordinate sustainability-related efforts across geographies and businesses
- Accordingly, sustainability risk considerations are taken into account by the relevant credit or investment committee, in conjunction with the Investec Group sustainability team, when making lending or investment decisions
- Investec's climate change position statement stems from the belief that one of the greatest socio-economic impacts we can have is to partner with our clients and stakeholders to accelerate a cleaner, more resilient and inclusive world
- Our environmental policy considers the risks and opportunities that climate change and nature degradation present to the global economy
- We have linked sustainability-related metrics and KPIs to executive director remuneration
- The DLC BRCC oversees and monitors key transition and physical climate considerations, ensuring effective management of climate-related risks and opportunities in alignment with our sustainability objectives.

Risk appetite and tolerance metric

It is important to consider potential financial risk that could result from unmanaged sustainability-related risks. We are continually monitoring best practice in this area and will continue to develop and enhance our approach over time. We take a cautious approach with respect to industries falling in our high-risk sustainability categories that are known to have negative environmental (including climate) and societal consequences. Our targets around fossil fuel activities can be found in our published fossil fuel policy on our website. Further detail around our zero tolerance activities can be found in the Investec Group's 2025 sustainability report.

Positioning as of 31 March 2025

We maintained this risk tolerance level in place throughout the year.

PRINCIPAL RISKS CONTINUED

Link to strategy – key



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Investment risk

Investment risk arises where the Group invests in unlisted companies and select property investments, as well as certain listed investments (predominantly relating to Ninety One) with risk taken directly on the Group’s balance sheet

Link to strategy and opportunities



Further information

→ Read more on page 187.

Monitoring and mitigation activities

- Independent credit and investment committees in the UK provide oversight of regions where we assume investment risk
- Risk appetite limits and targets are set to limit our exposure to investment risk
- As a matter of course, concentration risk is avoided and investments are well spread across geographies and industries.

Risk appetite and tolerance metric

We have moderate appetite for investment risk, and set a risk tolerance of less than 30% of CET1 capital for our unlisted principal investment portfolio.

Positioning at 31 March 2025

Our unlisted investment portfolio amounted to £213 million, representing 9.0% of CET1.

Market risk in the trading book

Traded market risk is the risk of potential value changes in the trading book as a result of changes in market factors such as interest rates, equity prices, commodity prices, exchange rates, credit spreads and the underlying volatilities where derivatives are traded. The trading book is defined as positions in financial instruments and commodities, including derivative products and other off-balance sheet instruments that are held within the respective trading desks

Link to strategy and opportunities



Further information

→ Read more on pages 189 to 192.

Monitoring and mitigation activities

- Independent market risk management teams identify, measure, monitor and manage market risk
- The focus of our trading activities is primarily to support our clients. Our strategic intent is that proprietary trading should be limited and that trading should be conducted largely to facilitate client flow
- Within our trading activities, we act as principal with clients or the market. Market risk exists where we have taken on principal positions resulting from market making, underwriting and facilitation of client business in the foreign exchange, interest rate, equity, credit and commodity markets
- Measurement techniques used to quantify market risk arising from our trading activities include sensitivity analysis, value at Risk (VaR), stressed VaR (sVaR), expected shortfall (ES) and extreme value theory (EVT). Stress and scenario analyses are used to add insight to possible outcomes under severe market disruptions.

Risk appetite and tolerance metric

Market risk arises through our trading activities which are primarily focused on supporting client activity. Appetite for proprietary trading is limited. We set an overall tolerance level of a one-day 95% VaR of less than £2.25 million.

Positioning at 31 March 2025

We met these internal limits; one-day 95% VaR was £0.2 million at 31 March 2025.

PRINCIPAL RISKS CONTINUED

Link to strategy – key



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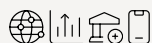


Strategic use of data

Liquidity risk

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

Link to strategy and opportunities



Further information



Read more on pages 193 to 198.

Monitoring and mitigation activities

- The Group's banking entity in the UK is ring-fenced from the Investec Group's banking entity in South Africa and is required to meet the UK regulatory liquidity requirements
- Each geographic entity is self-sufficient from a funding and liquidity standpoint and must adhere to the respective Board-approved risk appetite limits and management policy metrics
- The Group maintain a liquidity buffer in the form of unencumbered cash, government or rated securities (typically eligible for repurchase with the central bank), and near cash assets well in excess of the regulatory requirements as protection against unexpected disruptions in cash flows. We maintain a prudent approach to the mix of instruments in the liquidity buffer to ensure it is available when and where required, taking into account regulatory, legal and other constraints
- Daily liquidity stress tests are carried out in order to help accurately measure the liquidity profile and ensure that in the absence of market or funding liquidity during periods of stress, obligations will continue to be met
- The maintenance of sustainable prudent liquidity resources takes precedence over profitability
- The Group targets a diversified funding base, avoiding undue concentrations by investor type, maturity, market source, instrument and currency
- Our core loans are predominately funded by stable funding
- The Group does not rely on committed funding lines for protection against unforeseen interruptions to cash flow
- The balance sheet risk management teams independently monitor key daily funding metrics and liquidity ratios to assess potential risks to the liquidity position, which further act as early warning indicators of potential normal market disruptions
- Investec plc maintains a contingency funding and recovery plan designed to protect depositors, creditors and shareholders and maintain market confidence during adverse liquidity conditions. This document is reviewed and approved by IBP BRCC, DLC BRCC and by the IBP and DLC Boards
- Investec plc undertakes an annual Internal Liquidity Adequacy Assessment Process (ILAAP) which documents the approach to liquidity management across the firm, including IBP (solo basis). This document is reviewed and approved by IBP BRCC, DLC BRCC and by the IBP and DLC Boards.

Risk appetite and tolerance metric

The Group carry a high level of liquidity in all its banking subsidiaries in order to be able to cope with shocks to the system, targeting a minimum cash and near cash to customer deposit ratio of 25%.

Positioning at 31 March 2025

Total cash and near cash balances amounted to £9.1 billion at year end representing 42.4% of customer deposits.

PRINCIPAL RISKS CONTINUED

Link to strategy – key



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**Interest rate risk in the banking book (IRRBB)**

IRRBB arises from the impact of adverse movements in interest rates on both earnings and economic value of equity. IRRBB is an inherent consequence of conducting banking activities, and arises from the provision of non-trading banking services

**Link to strategy and opportunities**



**Further information**



Read more on pages 197 and 198.

**Monitoring and mitigation activities**

- The daily management of IRRBB is centralised within the Treasury of each banking entity and is subject to local independent risk and local Asset and Liability Committee (ALCO) review
- Together with the business, the treasurer develops strategies regarding changes in the volume, composition, pricing and interest rate characteristics of assets and liabilities to mitigate the interest rate risk and ensure a high degree of net interest margin stability over an interest rate cycle. These are presented, debated and challenged in the respective ALCO
- Each banking entity has its own Board-approved IRRBB policy and risk appetite, which is clearly defined in relation to both earnings risk and economic value of equity risk
- The policy dictates that long-term (>one year) IRRBB is managed within Board-approved risk appetite limits. Where natural hedges between banking book items do not suffice to reduce the exposure within defined limits, interest rate swaps are used to transform fixed rate assets and liabilities into variable rate items
- IRRBB is measured and analysed by utilising standard tools of traditional interest rate repricing mismatch and net present value (NPV) sensitivity to changes in interest rate risk factors.

**Risk appetite and tolerance metric**

A movement in rates can result in a negative impact on revenues across the banking industry. This risk is managed within the Group's risk appetite framework as a proportion of capital and net interest income in order to limit volatility.

**Positioning at 31 March 2025**

Investec plc is within these tolerance metrics. The UK regulatory framework requires banks to assess their Pillar II requirements, including those related to IRRBB, as part of systems and processes included in their ICAAP.

**Capital risk**

The risk that we do not have sufficient capital to meet regulatory requirements or that capital is inefficiently deployed across the Group

**Link to strategy and opportunities**



**Further information**



Read more on pages 202 to 206.

**Monitoring and mitigation activities**

- Investec plc's approach to capital management utilises both regulatory capital as appropriate to the jurisdiction in which it operates and internal capital, which is an internal risk-based assessment of capital requirements
- A detailed assessment of the regulatory and internal capital position is undertaken on an annual basis and is documented in the Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP is reviewed by PLC and DLC Capital Committees before being recommended for approval to DLC BRCC and the Board
- The determination of target capital is driven by our strategy, risk profile and risk appetite, taking into account the regulatory and market factors applicable to the Group
- At the most fundamental level, we seek to balance our capital consumption between prudent capitalisation in the context of the Group's risk profile and optimisation of shareholder returns
- Our internal capital framework is designed to manage and achieve this balance
- The framework has been approved by the Board. The Investec plc Capital Committee is responsible for assisting the DLC Capital Committee (mandated by DLC BRCC) with the oversight and management of capital and leverage
- The leverage ratio is considered and monitored as part of the capital management framework.

**Risk appetite and tolerance metric**

We intend to maintain a sufficient level of capital to satisfy regulatory requirements and our internal target ratios. We target a Total Capital ratio range of between 14% and 17%, minimum Tier 1 ratio of > 11% and a CET1 ratio of > 10%, on a consolidated basis for Investec plc.

We are a lowly leveraged firm and target a leverage ratio in excess of 6%.

**Positioning at 31 March 2025**

Investec plc met all these targets. The leverage ratio is 9.6%.

PRINCIPAL RISKS CONTINUED

Link to strategy – key



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Reputational risk

Reputational risk is damage to our reputation, name or brand. Reputational risk is often associated with strategic decisions made and also arises as a result of other risks manifesting and not being appropriately mitigated or managed

Link to strategy and opportunities



Further information



Read more on page 83 of the Investec Group's 2025 risk and governance report.

Monitoring and mitigation activities

- We have various policies and practices to mitigate and/or manage reputational risk, including strong values that are regularly and proactively reinforced
- Reputational risk is mitigated and/or managed as much as possible through detailed processes and governance/escalation procedures from business units to Group ERC and the Board, and from regular, clear communication with shareholders, customers and all stakeholders
- The Group has a disclosure and market communications policy which is reviewed and approved annually by Group ERC and DLC BRCC.

Risk appetite and tolerance metric

We have a number of policies and practices in place to mitigate and/or manage reputational risks.

Positioning at 31 March 2025

We have continued to mitigate and/or manage these risks where possible throughout the year.

Business and strategic risk

Business and strategic risk relates to external market factors that can create income volatility

Link to strategy and opportunities



Further information



Read more on pages 8 to 87 of the Investec Group's 2025 integrated and strategic annual report and pages 78 to 81 of the Investec Group's 2025 year-end results booklet.

Monitoring and mitigation activities

- Group strategy is directed towards generating and sustaining a diversified income base for the Group
- The risk of loss caused by income volatility is mitigated through diversification of income sources, reducing concentration of income from any one type of business or geography and maintaining a flexible cost base
- In the instance where income falls, we retain the flexibility to reduce costs (particularly variable remuneration), thereby maintaining a competitive cost to income ratio.

Risk appetite and tolerance metric

The Investec Group aims to build a sustainable business generating sufficient return to shareholders over the longer term and seeks to maintain strict control over fixed costs.

The Investec Group has a medium-term\* return on equity (ROE) target range for its UK and Other operations of 10% to 14%, a return on tangible equity (ROTE) target range of 13% to 17%, and a medium-term\* cost to income ratio target of below 58%.

Positioning at 31 March 2025

The Investec Group's UK and Other operations reported a ROE of 11.2%, a ROTe of 14.5% and a cost to income ratio of 52.7%.

Investec plc's cost to income ratio was 53.1%.

\* Revised medium-term targets to 31 March 2027.

PRINCIPAL RISKS CONTINUED

Link to strategy – key



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**Operational risk**

Operational risk is defined as the potential or actual impact to the Group as a result of failures relating to internal processes, people, systems or from external events. The impact can be financial as well as non-financial such as customer detriment, reputational or regulatory consequences

**Link to strategy and opportunities**



**Further information**

→ Read more on pages 199 and 200 and pages 84 to 87 of the Investec Group's 2025 risk and governance report.

**Monitoring and mitigation activities**

- The Group manages operational risk through an embedded operational risk management framework
- Operational risk sub-types which are significant in nature are managed by dedicated specialist teams within the Group. These operational risk sub-types are addressed in specific, detailed risk policies and procedures, but are included within the operational risk management framework and are reported and monitored within the operational risk appetite. These sub-types include:
  - Business disruption and operational resilience risk
  - Conduct risk (including Consumer Duty)
  - Data management risk
  - Financial crime risk
  - Fraud risk
  - Information security and cyber risk
  - Legal risk
  - Model risk
  - People risk
  - Physical safety and security risk
  - Processing and execution risk
  - Regulatory compliance risk
  - Tax risk
  - Technology risk
  - Third party risk
- The Group maintains insurance to cover key insurable risks.

**Risk appetite and tolerance metric**

We monitor the level of acceptable operational risk exposure/loss through qualitative and quantitative measures.

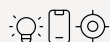
**Positioning at 31 March 2025**

The Group continued to monitor operational risk exposures and losses against the tolerance levels with appropriate escalation and action where required.

**Operational risk – Business disruption and operational resilience risk**

The risk associated with disruptive incidents which may impact critical functions and important business services including key dependencies such as processes, premises, employees, equipment, third party services and technology systems

**Link to strategy and opportunities**



**Further information**

→ Read more on pages 199 and 200.

**Monitoring and mitigation activities**

- The Group maintains business continuity through appropriate resilience strategies that cater for severe but plausible scenarios, irrespective of the cause
- These strategies include, but are not limited to, enabling employees to work from home, the application of high availability technology solutions, obtaining third party dependency business continuity assurances, implementing substitutability arrangements and ensuring readiness of physical solutions for critical infrastructure components
- Resilience testing is conducted annually to validate business continuity strategies and ensure they remain effective and appropriate. This includes annual recovery testing for all key systems that support important business services.

PRINCIPAL RISKS CONTINUED

Link to strategy – key



Connected client ecosystems



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Strategic use of data

**Operational risk – Conduct risk**

The risk associated with inappropriate behaviours or business activities that may lead to client, counterparty or market detriment, erosion of Investec values, culture and ethical standards expected of its employees, reputational and/or financial damage to the Group

**Link to strategy and opportunities**



**Further information**



Read more on pages 199, 200 and pages 84 to 86 of the Investec Group's 2025 risk and governance report.

**Monitoring and mitigation activities**

- Our approach to conduct risk is driven by our values and philosophy, ensuring that the Group operates with integrity and puts the wellbeing of its customers at the heart of how the business is run
- Risk and Conduct Forums have the objective of ensuring that the Group maintains a customer-focused and fair outcomes-based culture
- There is regular conduct risk reporting to relevant ERC, BRCC and Board committees
- The conduct risk policy is designed to create an environment for consumer protection and market integrity within the business, supported with the right conduct risk management framework
- Consumer Duty rules and guidance set higher and clearer standards of consumer protection across the financial services industry and require institutions to put their customers' needs first. These requirements have been incorporated into conduct risk frameworks, policies and governance arrangements.

**Operational risk – Data management risk**

The risk associated with mismanagement in acquiring, processing, storing and protecting data. Issues with data quality, reliability or corruption can adversely impact business decisions, client services and financial reporting

**Link to strategy and opportunities**



**Further information**



Read more on pages 199 and 200.

**Monitoring and mitigation activities**

- The Group promotes strong data management practices and ensures accountability for data across the organisation. This includes managing data modelling and architecture, reference data, master data, metadata, and reporting any data quality issues
- Adoption of necessary data management tooling is in place for data consolidation, storage, data security, privacy, accessing data and reporting
- Data flows and reconciliations are automated as far as possible and integration between systems is streamlined to reduce the need for manual tasks, minimise data processing delays and limit single points of failure
- Data quality is monitored, reported and enhanced in line with business needs and regulatory principles
- Predictive analytics and data insights are utilised to support proactive risk management
- Data retention and destruction processes are designed to meet business needs and comply with applicable legal obligations.

PRINCIPAL RISKS  
CONTINUED

Link to strategy – key



Connected client ecosystems



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Strategic use of data

**Operational risk –  
Financial crime  
risk**

The risk associated with the possibility of handling proceeds of crime, financing of terrorism, proliferation financing, sanctions breaches and bribery or corruption, as well as any related regulatory breaches

**Link to strategy and opportunities**



**Further information**



Read more on pages 199, 200 and page 86 of the Investec Group's 2025 risk and governance report.

**Monitoring and mitigation activities**

- Established policies, procedures and controls are in place to promote business with clients in such a manner that minimises exposure to money laundering and terrorist or proliferation financing, sanction breaches, bribery or corruption
- Regular training is provided to employees to create awareness to identify and report suspicion of money laundering and terrorist or proliferation financing
- A risk-based approach supports these objectives, while complying with the Group's regulatory compliance obligations. At a high level the control framework ensures that:
  - Sufficient information about existing and prospective clients is obtained
  - All clients and prospective clients are risk rated and verification commensurate with their risk profile is conducted
  - All prospective and existing clients and relevant related parties are screened against relevant lists (including applicable sanctions list) to identify increased financial crime risk
  - Suspicious transactions and terrorist or proliferation financing are identified and reported to the relevant regulatory bodies
  - Existing and prospective clients that are not within the Group's financial crime risk appetite are exited or declined
  - An independent integrity (whistleblowing) line is in place to ensure that staff can report regulatory breaches, allegations of fraud, bribery or corruption, and non-compliance with policies
- There is regular reporting to the DLC Audit Committee, DLC BRCC as well as Group ERC.

**Operational risk –  
Fraud risk**

The risk associated with any kind of criminal conduct arising from fraud, corruption, theft, forgery and misconduct by employees, clients, suppliers or any other internal or external stakeholder

**Link to strategy and opportunities**



**Further information**



Read more on pages 199 and 200.

**Monitoring and mitigation activities**

- The Group manages internal and external fraud risk through an integrated framework which includes global policies, standards and methodologies and adherence to these are proactively monitored
- Detection and prevention systems are utilised to help identify potential fraud, reaching out to clients or suppliers where appropriate to validate or discuss concerns
- Fraud risk assessments are conducted to proactively identify and map existing preventative and detective controls to the relevant fraud risks to ensure effective mitigation
- Fraud prevention and detection controls are enhanced on an ongoing basis in response to regulatory requirements and increased fraud losses across the industry due to existing and new fraud modus operandi
- Industry collaboration assists with fraud prevention efforts and the recovery of funds that have been paid away
- Practices which comply with updated regulations, industry guidance and best practice are embedded within the Group
- Awareness of existing and horizon fraud threats is created through internal training and education of clients and intermediaries on fraud prevention and detection.

PRINCIPAL RISKS CONTINUED

Link to strategy – key



Connected client ecosystems



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Digitalisation



Strategic use of data

**Operational risk – Information security and cyber risk**

The risk associated with unauthorised access, use, disclosure, modification or destruction of information assets, including cyber threats to the Group’s operations and data

**Link to strategy and opportunities**



**Further information**



Read more on pages 199 and 200.

**Monitoring and mitigation activities**

- The risk is managed by addressing both internal and external threats to our systems and data
- Internal threats relate to data theft, inappropriate access or confidentiality breaches by employees
  - Data protection controls have been implemented in line with data sensitivity, with advanced data loss prevention measures of confidential data
  - Access to systems and data is tightly controlled and regularly reviewed
  - Privileged IT access is restricted and administrative accounts are protected by strong authentication and automated password management
  - A dedicated insider threat team drives targeted monitoring to detect anomalous behaviours and proactively identify and respond to potential data loss events
  - Ongoing security training of all employees ensures high level of awareness and vigilance, augmented by tailored training for specific audiences and risks
- External threats relate to cyberattacks such as ransomware, denial of service and cyber fraud
  - An adaptive cyber strategy evolves with the changing cyber threat landscape
  - We leverage advanced technologies for layered protection against sophisticated attacks
  - Cyber risk is monitored by a 24/7 global team, collaborating with external threat intelligence partners and industry groups to identify and respond to emerging risks
  - Cyber controls are stress-tested through security assessments, attack simulations and executive cyber exercises, run both internally and in conjunction with independent specialists
  - Continuous improvement, is driven by maturity benchmarking against industry peers and monitoring through leading cyber rating platforms
  - Periodic updates to the Board keep them abreast of the threat landscape and informed on the Group’s security position
- Investec actively researches the potential security risks posed by artificial intelligence (AI) and the development of proactive mitigation. This includes threat simulations to assess our ability to detect and prevent deepfake attacks and AI-powered malware
- Information security and cyber risk are reported to the DLC IT and Risk and Governance Committee with material issues escalated to IBP and DLC BRCCs.

**Operational risk – Legal risk**

The risk associated with losses resulting from any of our rights not being fully enforceable or from our obligations not being properly performed. This includes our rights and obligations under contracts entered into with counterparties. Such risk is especially applicable where the counterparty defaults and the relevant documentation may not support the anticipated rights and remedies in the transaction

**Link to strategy and opportunities**



**More information**



Read more on page 83 of the Investec Group’s 2025 risk and governance report.

**Monitoring and mitigation activities**

- Members of the legal risk function are mandated to ensure we keep abreast of developments and changes in the nature and extent of our activities, and to benchmark our processes against best practice
- The key principles of the legal risk policy describe the overall responsibility of the legal risk function, outline how legal risks are to be assessed and how material legal risks should be reported and escalated where necessary
- There is a central independent in-house legal team with embedded business unit legal officers where business volumes or needs dictate
- The legal risk function is supplemented by suitably qualified third party legal firms/counsel to be utilised where necessary
- The Group may, at its discretion, constitute dedicated committees to deal with specific legal matters.

PRINCIPAL RISKS  
CONTINUED

Link to strategy – key



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Strategic use of data

**Operational risk – Model risk**

The risk associated with the adverse consequences that arise from decisions based on incorrect or misused model outputs (including reports). Material sources of model risk include: credit model risk, liquidity model risk, trading book model risk and IRRBB model risk

**Link to strategy and opportunities**



**Further information**



Read more on pages 199 and 200.

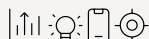
**Monitoring and mitigation activities**

- The Group manages model risk through embedded, risk specific frameworks and policies
- Model governance forums employ a set of mechanisms such as regular model reviews (prioritised by risk), model validations and overlays to manage this risk
- The frameworks address roles and responsibilities, governance processes and committees and approaches to managing model risk
- Material models are recorded in a model inventory, which tracks approval status, validation date, ongoing issues, caveats/recommendations in relation to model use, as well as the model validation findings
- Models are subject to independent initial and then regular validation by specialist risk teams; the frequency and scale of which is determined by their assessed risk
- The relevant committees are mandated to oversee model risk and have delegated further oversight and approval to appropriate sub-committees.

**Operational risk – People risk**

The risk associated with the inability to recruit, develop, retain and engage diverse talent across the organisation and remain aligned to the Investec purpose, values and culture

**Link to strategy and opportunities**



**Further information**



Read more on pages 124 and 125 of the Investec Group's 2025 integrated and strategic annual report and the Investec Group's 2025 sustainability report which is published and available on our website: [www.investec.com](http://www.investec.com)

**Monitoring and mitigation activities**

- Our people and organisation team plays a critical role in assisting the business to achieve its strategic objectives, which are matched to learning strategies and market trends
- The people and organisation team also works with leadership to strengthen the culture of the business, ensure its values are lived, build capability and contribute to the long-term sustainability of the organisation
- The people and organisation team is mandated to enable the attraction, recruitment, development and retention of talent who can perform in a manner consistent with our culture and values
- We focus on building a strong, diverse and capable workforce by providing a workplace that stimulates and rewards distinctive performance
- Investec invests significantly in opportunities for the development of all employees, and in leadership programmes to enable current and future leaders of the Group
- Internal mobility is a key element for our people strategy, it drives succession, supports our One Investec Group strategy and is a valuable retention mechanism.

**Operational risk – Physical security and safety risk**

The risk associated with the potential or actual impact to the Group arising from threats to people, assets, facilities, or information due to unauthorised access, theft, vandalism, natural disasters, or other physical threats

**Link to strategy and opportunities**



**More information**



Read more on pages 199 and 200.

**Monitoring and mitigation activities**

- There is 24/7 surveillance and access control including CCTV monitoring, security personnel, and controlled access systems at all Investec office locations
- Continuous evaluation is conducted on emerging security threats through intelligence gathering and site risk assessments
- Security awareness programmes train employees on physical security, and emergency preparedness.

PRINCIPAL RISKS  
CONTINUED

Link to strategy – key



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Digitalisation

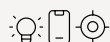


Strategic use of data

**Operational risk – Processing and execution risk**

The risk associated with the failure to process, manage and execute transactions and/or other processes (such as change) completely, accurately and timeously due to human error or inadequate process design or implementation

**Link to strategy and opportunities**



**Further information**



Read more on pages 199 and 200.

**Monitoring and mitigation activities**

- The Group seeks to minimise process failures or human error which can disrupt operations or impact delivery of services to clients
- Policies, processes, procedures and key monitoring controls which mitigate against control failures are implemented to protect clients, markets and the Group from detriment
- Key business processes are regularly reviewed and the relevant risks assessed through the risk and control self-assessment process
- We manage operational capacity to meet client and industry needs and continue to explore automation to improve efficiency and reduce human error
- Material change is managed through dedicated projects with formalised project governance.

**Operational risk – Regulatory compliance risk**

The risk associated with changing legislation, regulation, policies, voluntary codes of practice and their interpretation in the markets in which we operate

**Link to strategy and opportunities**



**Further information**



Read more on pages 199, 200 and pages 84 and 85 of the Investec Group's 2025 risk and governance report.

**Monitoring and mitigation activities**

- The Group remains focused on achieving the highest levels of compliance with applicable legislation and/or regulation and professional standards in each of our jurisdictions
- Our culture is a major component of our compliance framework and is supported by robust frameworks, policies, processes and talented professionals who ensure that the interests of our stakeholders remain at the forefront of everything we do
- An independent integrity (whistleblowing) line is in place to ensure that staff can report regulatory breaches, allegations of fraud, bribery and corruption, and non-compliance with policies
- There are independent compliance, legal and risk management functions in each of our core operating jurisdictions, which ensure that the Group implements the required processes, practices and policies to adhere to applicable legislation and/or regulation and professional standards.

**Operational risk – Tax risk**

The risk associated with inadequate tax planning, transaction execution, tax compliance and reporting failures

**Link to strategy and opportunities**



**Further information**



Read more on pages 199, 200 and page 87 of the Investec Group's 2025 risk and governance report.

**Monitoring and mitigation activities**

- The Group's control environment for the management and mitigation of tax risk includes a formalised tax strategy, framework, policy and processes
- The Group ensures that all transactions and financial products and services are commercially motivated
- All advisory and tax planning work is conducted in accordance with the relevant tax laws, regulations and intentions of legislators of the country in which the Group operates.

PRINCIPAL RISKS  
CONTINUED

Link to strategy – key



Connected client ecosystems



Growth initiatives



Optimisation of returns



Entrepreneurial culture



Digitalisation



Strategic use of data

**Operational risk – Technology risk**

The risk associated with disruption to or malfunction of critical IT infrastructure, systems or applications that support key business processes and client services

**Link to strategy and opportunities**



**Further information**



Read more on page 199 and 200.

**Risk management and key mitigating actions**

- The technology environment is proactively monitored for continuous visibility of operational performance and availability
- Mature incident management processes and continuity plans support a resilient technology environment that is able to respond to disruption and minimise interruption to business services
- A defined, business-aligned strategy directs implementation of new technologies to enhance resilience, scalability and modernise legacy systems
- Internal controls are automated where possible and augmented with monitoring to reduce human error and enhance efficiency
- Technology governance structures provide oversight of IT projects and new investments in infrastructure and software.

**Operational risk – Third party risk**

The risk associated with the reliance on and use of external providers of services to the Group

**Link to strategy and opportunities**



**Further information**



Read more on pages 199 and 200.

**Risk management and key mitigating actions**

- Formal policies and practices govern the assessment of suitability, selection, approval, oversight as well as the off-boarding process of third party service providers
- A dedicated third party management team coordinate and drive consistency of third party practices, supported by a centralised vendor management platform
- Robust due diligence processes are in place to evaluate and periodically review the adequacy and resilience of third party controls, applying the appropriate level of rigour based on risk and materiality
- Comprehensive legal agreements and ongoing monitoring ensures that contractual obligations are met, required service levels are maintained, and data appropriately safeguarded
- Appropriate supplier business contingency plans are established and maintained to minimise client impact following any disruption in third party services, including exit strategies for critical providers are established and managed to minimise client impact following any disruption in service
- Regular monitoring is conducted to maintain an understanding of our strategic partnerships with technology service providers and that of any fourth party providers
- Service disruption or security risks that third parties may introduce are identified and managed
- Investec places significant importance in adhering to the relevant laws and regulations related to third parties, including third parties' policies on modern slavery. These are carefully reviewed by specialist teams and any potential concerns escalated where appropriate.

**Emerging and other risks**

Emerging risks have been identified are highlighted on pages 27 to 29 of the Investec Group's 2025 risk and governance report and should be read in the context of our approach to risk management and our overall Investec Group risk appetite framework.



Additional risks and uncertainties not presently known to us or that we currently deem immaterial may in the future also negatively impact our business operations. Emerging and other risks are factored into the Board's viability assessment. Read more on page 53.

## PLC AUDIT COMMITTEE REPORT

**Diane Radley**

Chair of the PLC Audit Committee

## Working to embed climate and technology trends into our oversight of controls and reporting.

### Introduction and vote of thanks

The Investec plc Audit Committee (the Committee), as mandated by the Investec plc Board, is pleased to present its report for the financial year ended 31 March 2025. The Committee has carried out its duties in accordance with its Terms of Reference, guided by the requirements of the applicable laws and regulations, including but not limited to the UK Banking Act, 2009, the UK Companies Act, 2006, the UK Corporate Governance Code 2018 (UK Code), Audit Committees and the External Audit: Minimum Standard as issued by the Financial Reporting Council (FRC) and the UK Listing Rules.

I extend my gratitude to Zarina Bassa, who stepped down from the Board and as Chair of the Committee in August 2024, for her leadership of and contribution to the Committee.

### Role of the Committee

The main role of the Committee is to provide independent challenge and oversight across the Group's financial results, as well as over the disclosure of relevant financial and non-financial information. In doing so, the Committee evaluates the adequacy and effectiveness of accounting policies and satisfies itself that significant estimates and judgements made by management in preparing the financial results are sound and reasonable.

We further scrutinise the financial control environment and assurance processes related to financial reporting and accounting, assessing their effectiveness in supporting accurate and reliable reporting. Through this process we maintain oversight of both the external auditors and internal audit function, ensuring the quality and effectiveness of these functions as well as their independence. The Committee further addresses concerns raised internally or externally, if any, regarding the application of accounting principles and external reporting.

During the 2025 financial year, the Committee oversaw the mandatory rotation of external auditors from Ernst & Young LLP (EY) to Deloitte LLP, which proceeded smoothly with no surprises. Early resolution of key estimates and areas of judgement, together with effective communication, assisted in the transition and resulted in minimal restatements arising from differences in technical interpretations of International Financial Reporting Standards (IFRS).

The Committee maintains regular engagement with Deloitte LLP, independent of management.

EY's audit of Investec DLC's 2024 financial statements was subject to inspection by the UK Audit Quality Review (AQR) team from the UK Financial Reporting Council. The AQR inspection covered three key audit matters (adequacy of the provision for expected credit losses on loans and advances to customers, valuation of fair value instruments with higher risk characteristics and associated income and IT systems and controls impacting financial reporting) as well as three other areas of audit focus (oversight of component teams, journal entry testing, and ethics and independence). The final report from the AQR was received in February 2025. The Committee was pleased to note that there were no key findings and that the AQR called out examples of best practice in EY's work on Investec's audit in relation to expected credit losses, Group oversight of the credit modelling work and Group oversight of the components work in relation to differences in auditing and ethical standards across the Group. One minor area for improvement arose from the inspection, relating to enhancing specific independence documentation, which the Committee discussed with EY. Overall, this was a commendably good outcome.

Investec's Internal Audit (IA) maintains an internal Quality Assurance (QA) function and a QA improvement programme that covers all aspects of Internal Audit activity. This enables continuous monitoring of effectiveness against the Institute of Internal Auditors (IIA) Standards and the Code of Practice, including documented policies and procedures regarding compliance with the ethical requirements of the IIA Code of Ethics and applicable legal and regulatory requirements. The Global IA Standards require the IA function be reviewed at least once every five years by a qualified, independent assessor or assessment team from outside the Group. The function was reviewed by EY during the 2025 financial year, with the overall assessment concluding that the activities of Investec IA "Generally Conforms" to the IIA Professional Practice of Internal Auditing; the highest possible rating. The Committee has congratulated the Internal Audit team on this strong result.

## PLC AUDIT COMMITTEE REPORT

### CONTINUED

The Committee oversees and considers Group audit related matters and works closely with the Audit Committees of key subsidiaries, as mandated by their respective Boards, to address all Group reporting related matters. Members of the Committee are present at these subsidiary Audit Committee meetings, as well as the DLC IT Risk and Governance Committee (ITRGC) and the DLC Board Risk and Capital Committee (BRCC), and report back to the Committee regularly.

#### Key Committee responsibilities include:

- Overseeing and ensuring the integrity of the Group's reporting process, including the effectiveness of accounting policies, financial and other internal control systems and financial reporting processes. We further assess the Group's compliance with applicable legal, regulatory and accounting standards and policies
- Satisfying itself that significant estimates and judgements made by management in reporting the Group's financial results are sound and reasonable
- Providing independent oversight of the Group's assurance functions with a focus on combined assurance including external audit, internal audit, risk, Regulatory compliance and financial control functions
- Reviewing internal audit independence and effectiveness
- Monitoring the independence and objectivity of the external auditor, the effectiveness of the audit process and reviewing the Group's relationship with the external auditor and approving its remuneration.



The Committee's terms of reference can be found at [www.investec.com](http://www.investec.com).

#### Committee Composition and attendance

The Committee is composed of independent non-executive directors, each of whom possesses the necessary financial literacy and skills in addition to expertise in banking and financial services. In May 2025, Vivek Ahuja was appointed to the Committee, following his appointment as a non-executive director to the Investec plc Board, and I look forward to his contribution. Having reached nine years of service with the Group, Brian Stevenson has not made himself available for re-election to the Board at the 2025 Annual General Meeting (AGM). I would like to thank him for his contribution to the Committee over the last year.

The Group Chief Executive (CE), Group Finance Director (FD), Group Chief Operating Officer (COO), Group Chief Risk Officer (CRO), Head of Internal Audit, Chief Tax Officer and the External Auditors are all permanent invitees at Committee meetings.

The Committee held 11 meetings during the year.

## 2024

April

**Audit Quality Sessions – individual audit firms and internal audit**

May

Two meetings  
**2024 year-end financial results**

June

Two meetings  
**2024 annual report**

July

Two meetings  
**Governance meeting – oversight of assurance activities and close out of external audit management letter points.**

Sept

**Governance meeting – oversight of assurance activities**

Nov

Two meetings  
**2025 interim financial results**

## 2025

March

**Governance meeting – oversight of assurance activities**

Members	Meetings attended / Eligible to attend
Diane Radley (Chair)	11/11
Vivek Ahuja <sup>1</sup>	0/0
Zarina Bassa <sup>2</sup>	7/7
Vanessa Olver	11/11
Philisiwe Sibiyi <sup>3</sup>	7/7
Brian Stevenson <sup>4</sup>	3/5

1. Vivek Ahuja was appointed as a member of the Committee effective 6 May 2025.
2. Zarina Bassa stepped down as a member of the Committee from 8 August 2024.
3. Philisiwe Sibiyi stepped down as a member of the Committee from 8 August 2024.
4. Brian Stevenson was appointed as a member of the Committee effective 26 July 2024. He was unavailable for two meetings due to prior commitments at the time of his appointment.



Further details of the experience of the members can be found in their biographies in the Investec Group's 2025 integrated and strategic report.

## PLC AUDIT COMMITTEE REPORT CONTINUED

### Principal areas of focus in the 2025 financial year

#### Key matters

Key matters are those areas of focus that, in the view of the Committee, are material in nature, requiring significant exercise of judgement and may be subjective or complex from an accounting or auditing perspective.

The following key matters were the focus of the Committee during the year:

Key matter	What we did
<p><b>Expected credit losses (ECL) assessment</b></p> <p>The appropriateness of the allowance for ECL is highly subjective and judgemental.</p>	<ul style="list-style-type: none"> <li>Challenged the level of ECL, model methodology and assumptions applied to calculate the ECL provisions held by the Group</li> <li>Reviewed for reasonableness the benchmarking of macro-economic scenarios, ECLs, Credit Loss Ratio (CLR) and coverage ratios against relevant UK peers</li> <li>Assessed ECL experienced against forecasts and considered whether the level of ECL was appropriate</li> <li>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.</li> </ul>
<p><b>Fair value of level 3 instruments and the resulting IFRS® Accounting Standards 13 fair value measurement (IFRS 13) disclosure</b></p> <p>For level 3 instruments such as unlisted investments in private equity businesses, investment properties, fair value loans and large bespoke derivative structures, high degree of subjectivity surrounds the inputs to the valuations and valuations methodology. With the lack of observable liquid market inputs, determining appropriate valuations continues to be highly judgemental.</p>	<ul style="list-style-type: none"> <li>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 2025</li> <li>Challenged and debated significant subjective exposures and assumptions including: <ul style="list-style-type: none"> <li>The valuation principles applied for the valuation of level 3 investments (unlisted and private equity investments) and fair value loans</li> <li>The appropriateness of the IFRS 13 disclosures regarding fair value.</li> </ul> </li> </ul>
<p><b>Uncertain tax provisions and other legal matters</b></p>	<ul style="list-style-type: none"> <li>Considered potential legal and uncertain tax matters with a view to ensuring appropriate accounting treatment in the financial statements</li> <li>Evaluated the appropriateness of the accounting and disclosures regarding the investigation by the Office of the Public Prosecutor in Cologne. Considered guidance provided by external and internal legal counsel regarding the recognition, measurement and disclosure of a provision for this matter. Refer to note 53 of the Investec Group's 2025 annual financial statements for further information</li> <li>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 53 of the Investec Group's 2025 annual financial statements for further information</li> <li>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 under the International Financial Reporting Interpretations Committee (IFRIC) 23.</li> </ul>

## PLC AUDIT COMMITTEE REPORT CONTINUED

### Execution of responsibilities

Responsibility	What we did
<b>Going concern and the viability statement</b>	<ul style="list-style-type: none"> <li>• Considered reports and stress testing analyses 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</li> <li>• Considered the impact of strategic corporate actions on the capital plans and the three-year Viability Statement.</li> </ul>
<b>Technology, information security and cyber and data management controls impacting financial reporting</b>	<ul style="list-style-type: none"> <li>• Received and reviewed reports in respect of IT systems, cyber security and controls impacting financial reporting and feedback from the DLC ITRGC</li> <li>• Received regular reports from internal audit on the effectiveness of IT controls tested as part of the internal audit process</li> <li>• Met with IT external auditors to discuss the results of the audit of IT systems and controls.</li> </ul>
<b>External audit and audit quality</b>	<ul style="list-style-type: none"> <li>• Pre-approved all non-audit services provided by external audit and confirmed the services to be within the approved non-audit services policy</li> <li>• Discussed external audit feedback on the Group's critical accounting estimates and judgements, restatements and the control environment, in the context of the external audit report on the review performed on the interim results and the audit performed on the annual results</li> <li>• Approved the external audit plan, audit fee, engagement letter and the main areas of focus</li> <li>• Assessed the independence and effectiveness of the external auditors before recommending the auditors to the Board for their reappointment at the AGM. This included an assessment of the FRC reviews, internal quality review reports and processes. Reviewed the external audit process, taking into account the Group Finance assessment of audit effectiveness.</li> </ul>
<b>Regulatory compliance and reporting</b>	<ul style="list-style-type: none"> <li>• Received regular reports from the DLC BRCC and maintained membership between it and our own Committee to ensure that we were comfortable with 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 and regulators.</li> </ul>

PLC AUDIT COMMITTEE REPORT  
CONTINUED

Responsibility	What we did
<p><b>Sustainability, including climate risk</b></p>	<ul style="list-style-type: none"> <li>Reviewed reporting and disclosures</li> <li>Reviewed the scope of the external assurance provided on the sustainability reporting and disclosures</li> <li>Considered the changing regulatory landscape for all jurisdictions in which the Group operates.</li> </ul>
<p><b>Internal controls</b></p> <p>Assess the overall control environment, the status of any material control issues with emphasis on the progress of specific remediation plans.</p>	<ul style="list-style-type: none"> <li>Attended regular meetings of the DLC BRCC. Based on reports presented at those meetings, evaluated the impact of all financial and non-financial risks</li> <li>Evaluated and tracked the status of material control issues identified by internal and external audit and tracked the progress of the associated remediation plans against agreed time frames</li> <li>Reviewed reports from the independent audit committees of the Group's subsidiaries, including entities for which the Group's management is operationally responsible</li> <li>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</li> <li>Attended and received regular reports from the DLC ITRGC 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</li> <li>Reviewed the combined assurance model, ensuring completeness of risks and adequacy and effectiveness of assurance coverage</li> <li>Noted internal audit reports and conclusions on internal controls, internal financial controls and the risk management framework for the year under review</li> <li>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.</li> </ul>
<p><b>Combined assurance matrix</b></p>	<ul style="list-style-type: none"> <li>Received regular updates on the new Group wide combined assurance model process being undertaken to further enhance the combined assurance model and the alignment of risk taxonomies across the Group</li> <li>Confirmed that the existing combined assurance model remained applicable for the 2025 financial year, covering the various disciplines of Risk Management, Regulatory compliance, internal audit, external audit and other assurance providers</li> <li>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</li> <li>Reviewed the results of the Combined Assurance Matrix (CAM) coverage plan at the year-end to assess actual coverage and conclusions relative to planned coverage for the year. Concluded that the CAM formed an appropriate basis for assurance coverage and outcomes.</li> </ul>
<p><b>Fair, balanced and understandable reporting</b></p> <p>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 strategy, business model and financial position.</p>	<ul style="list-style-type: none"> <li>Undertook an assessment on behalf of the Board, to provide the Board with assurance that it can make the statement. This included a review of the accounting treatment of key judgements, accounting policies applied and the quality of earnings assessment</li> <li>Obtained input and assurance from the external auditors and considered the level of and conclusion on the summary of audit differences</li> <li>Concluded that the processes underlying the preparation of the annual report and financial statements for the financial year ended 31 March 2025 were appropriate in ensuring that those statements were fair, balanced and understandable.</li> </ul>

PLC AUDIT COMMITTEE REPORT  
CONTINUED

Responsibility	What we did
<p><b>Finance function</b></p>	<ul style="list-style-type: none"> <li>• Considered the financial reporting as prepared by Group Finance regarding the interim results for the period ended 30 September 2024 and final results for the 31 March 2025 year end</li> <li>• In a closed session, discussed and concluded that the finance functions of both Investec plc 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</li> <li>• Concluded that the Group FD, Nishlan Samujh, had the appropriate expertise and experience to meet the responsibilities of the position.</li> </ul>
<p><b>Internal Audit</b></p> <p>The Committee is responsible for the internal audit plan coverage, tracking of findings, monitoring audit quality, the level of resources, independence and effectiveness of the function.</p>	<ul style="list-style-type: none"> <li>• Scrutinised and reviewed internal audit plans, risk assessments and methodology and approved the annual plan. The Committee satisfied itself that Internal Audit has the appropriate resources to execute on the annual plan</li> <li>• Reviewed and approved the Group internal audit charter</li> <li>• Provided input into and considered the annual performance, objectives and independence of the Head of Internal Audit</li> <li>• The Chair met with the Head 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</li> <li>• 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</li> <li>• Monitored and followed up internal audit control findings, including IT, and ensured appropriate mitigation and timeous close-out by management</li> <li>• Discussed and considered the internal audit quality assurance programme</li> <li>• Reviewed the use of data analytics in ensuring comprehensive population testing in data sets with a focus on journal entry testing</li> <li>• Reviewed the Investec plc written assessment of the overall effectiveness of the organisation's governance, risk, and control framework. This included 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</li> <li>• Confirmed our satisfaction with the independence and performance of the internal audit function</li> <li>• Considered succession and the skills matrix for internal audit</li> <li>• EY performed the external quality assurance review required every five years. The Committee independently reviewed the findings.</li> </ul>

## PLC AUDIT COMMITTEE REPORT

### CONTINUED

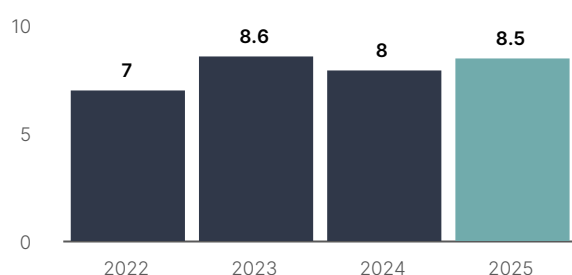
### External audit

#### Non-audit services

Our policy on non-audit services was developed to safeguard auditor objectivity and independence.

Total fees paid for the financial year ended 31 March 2025 amounted to £8.5 million (2024: £8.0 million), of which £2.7 million (2024: £1.6 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.

#### Total Fees (£m)



#### Auditor independence, objectivity and audit quality

The Committee critically evaluated audit quality at an engagement and firm level, audit effectiveness and independence, as well as audit rotation requirements applicable to all jurisdictions in which the Group operates.

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

We considered the External Auditors' report with reference to the audit opinion with a specific focus on their key audit matters. We met with the External Auditors during closed sessions to discuss any areas of concern, their working relationship with Management and their assessment of the effectiveness of the finance function. No material concerns were noted.

#### Re-election of auditors

The Board and the Committee are recommending the re-appointment of Deloitte LLP, as auditors of Investec plc, at its AGM in August 2025 for the financial year ending 31 March 2026. The Committee confirms its satisfaction with the performance and quality of the External Audit function, the External Audit firms and the engagement partners.

### Focus for the 2026 financial year

In addition to fulfilling its key responsibilities in line with its Terms of Reference, the Committee will be focusing on:

- Preparation for the UK Corporate Governance Code, 2024 which requires boards to monitor and annually review the company's risk management and internal control framework, including a declaration on the effectiveness of material controls (financial, operational, reporting, and compliance), and reporting on any failures and corrective actions taken
- Implementation of the new Financial Control Framework which embeds additional key controls and ensures that internal control processes remain relevant in a changing world
- Oversight of the revision process for the Combined Assurance model, ensuring the effective functioning of the Group's financial systems and processes are monitored by a relevant and refreshed model
- Challenging management on key IT general control risks and increasing levels of automation in the financial reporting areas.

### Conclusion

The Committee is confident that it has fulfilled its responsibilities effectively and contributed to the Group's overall governance framework. The Committee will continue to work diligently to ensure the integrity of the Group's financial reporting and the internal control environments.

**Diane Radley**

Chair, PLC Audit Committee

20 June 2025

## DIRECTORS' REPORT

The Directors' report for the year ended 31 March 2025 comprises pages 51 to 61 of this report, together with the sections of the annual report incorporated by reference.

The Directors' report deals with the requirements of Investec plc.

As permitted by Section 414C(11) of the UK Companies Act, some of the matters required to be included in the directors' report have instead been included in the strategic report on pages 8 to 131 of the Investec Group's 2025 integrated and strategic report, as the Board considers them to be of strategic importance. Specifically, these are:

- Future business developments (throughout the strategic report)
- Risk management on page 90.
- Information on how the directors have had regard to the Group's stakeholders, and the effect of that regard, on pages 22 to 31 of the Investec Group's 2025 integrated and strategic report.

The strategic report (as contained in the Investec Group's 2025 integrated and strategic report) and the Directors' report together form the management report for the purposes of Disclosure Guidance and Transparency Rules (DTR) 4.1.8R.

For information on the corporate governance of the Investec Group, refer to the corporate governance sections of the Investec Group's 2025 integrated and strategic report and the Investec Group's 2025 risk and governance report.

Information relating to the use of financial instruments by the Company can be found on pages 120 to 122 and is incorporated by reference.

Additional information for shareholders of Investec plc is detailed in schedule A to the Directors' report on pages 59 and 61.

Disclosures required pursuant to the UK Listing Rule 6.6.1.R can be found on the following pages:

Directors remuneration	p167 Integrated Report
Waiver of dividends	p159 Integrated Report
Corporate governance statements	p140 Integrated Report
Significant contracts	on pages 146 and 147

Other information to be disclosed in the Directors' report is given in this section.

The Directors' report fulfils the requirements of the corporate governance statement for the purposes of DTR 7.2.3R.

### Directors

- The membership of the Board and biographical details of the Directors are provided on pages 137 to 139 of the Investec Group's 2025 integrated and strategic report.

Changes to the composition of the Board during the year and up to the date of this report are shown in the table below:

	Role	Effective date of departure/ appointment
<b>Departures</b>		
Zarina Bassa	Non-Executive Director	8 August 2024
Philiisiwe Sibiyi	Non-Executive Director	8 August 2024
<b>Appointments</b>		
Vivek Ahuja	Non-Executive Director	6 May 2025

In accordance with the UK Corporate Governance Code, all of the directors will retire and those willing to serve again will submit themselves for re-election at the AGM.

Brian Stevenson will reach nine years of service with the Group and accordingly will not stand for re-election at the 2025 AGMs of the Group.

### Company Secretary

The Company Secretary of Investec plc is David Miller.

The Company Secretary is professionally qualified and has gained experience over many years. His performance is evaluated by Board members during the annual Board evaluation process. He is responsible for the flow of information to the Board and its Committees and for ensuring compliance with Board procedures. All directors have access to the advice and services of the Company Secretary, whose appointment and removal is a Board matter.

In compliance with the UK Corporate Governance Code and the UK Companies Act, the Board has considered and is satisfied that the Company Secretary is competent, and has the relevant qualifications and experience.

### Induction, training and development

The Chair leads the training and development of directors and the Board generally.

A comprehensive development programme operates throughout the year, and comprises both formal and informal training and information sessions.

On appointment to the Board, all directors benefit from a comprehensive induction, which is tailored to the new director's individual requirements. The induction schedule is designed to provide the new director with an understanding of how the Group works and the key issues that it faces. The Company Secretary consults the Chair when designing an induction schedule, giving consideration to the particular needs of the new director. When a director joins a Board Committee, the schedule includes an induction to the operations of that Committee.

### Directors and their interests

- Details of the directors' shareholdings and options to acquire shares are detailed in the Investec Group's 2025 remuneration report.

### Directors' conflicts of interest

The Group has procedures in place for managing conflicts of interest. Should a director become aware that they, or any of their connected parties, have an interest or a potential interest in an existing or proposed transaction with the Group, they are required to notify the Board or at the next Board meeting. Internal controls are in place to ensure that any related party transactions involving directors, or their connected parties, are conducted on an arm's length basis. Directors have a continuing duty to update any changes to their declarations.

## DIRECTORS' REPORT CONTINUED

### Directors' and officers' liability insurance

The Group maintains directors' and officers' liability insurance which provides appropriate cover for any potential legal action brought against its directors.

### Change of control

The Articles of Association of Investec plc and the Memorandum of Incorporation of Investec Limited ensure that a person cannot make an offer for one company without having made an equivalent offer to the shareholders of both companies on equivalent terms.

Pursuant to the terms of the agreements establishing the DLC structure, if either Investec plc or Investec Limited serves written notice on the other at any time after either party becomes a subsidiary of a third party, or after both Investec plc and Investec Limited become subsidiaries of a third party, the agreements establishing the DLC structure will terminate.

All of the Investec Group's share plans contain provisions relating to a change of control. Outstanding awards and options would normally vest and become exercisable on a change of control and, where applicable, subject to the satisfaction of any performance conditions at that time.

### Powers of directors

The Board manages the business of the Group under the powers set out in the Articles of Association of Investec plc, which include the ability of directors to issue or buy back shares. Directors were granted authority to issue and allot shares and to buy back shares at the 2024 AGM. Shareholders will be asked to renew these authorities at the 2025 AGM and further details will be provided in the AGM notice.

### Contracts

→ Details of contracts with directors can be found on pages 20 and 21 of the Investec Group's 2025 remuneration report.

### Authorised and issued share capital

Details of the share capital are set out on pages 139 to 141 in note 41 to the annual financial statements.

Investec plc did not issue any ordinary shares during the financial year ended 31 March 2025.

Investec plc did not repurchase any of its ordinary shares during the financial year ended 31 March 2025. Investec Limited held 50 920 312 Investec plc shares.

At 31 March 2025, Investec plc held 50 175 786 shares in treasury (2024: 53 401 625), for allotment under share plans. The maximum number of shares held in treasury by Investec plc during the period under review was 53 375 491 shares.

### Ordinary dividends

An interim dividend of 16.5p per ordinary share (2023: 15.5p) was paid on 31 December 2024, as follows:

- 16.5p per ordinary share to non-South African resident shareholders registered on 13 December 2024, and
- South African resident shareholders registered on 13 December 2024, through a dividend paid by Investec Limited on the SA DAS share, equivalent to 16.5p per ordinary share.

The directors have proposed a final dividend to shareholders registered on 15 August 2025, of 20p (2024: 19p) per ordinary share, which is subject to the approval by the members of Investec plc at the AGM that is scheduled to take place on 7 August 2025. If approved, this will be paid on 29 August 2025, as follows:

- 20p per ordinary share to non-South African resident shareholders registered on 15 August 2025, and
- South African resident shareholders registered on 15 August 2025, through a dividend paid by Investec Limited on the SA DAS share, equivalent to 20p per ordinary share.

### Preference dividends

#### Non-redeemable, non-cumulative, non-participating preference shares

Preference dividend number 37 for the period 1 April 2024 to 30 September 2024, amounting to 30.91782p per share, was declared to members holding preference shares registered on 29 November 2024 and was paid on 13 December 2024.

Preference dividend number 38 for the period 1 October 2024 to 31 March 2025, amounting to 28.55478p per share, was declared to members holding preference shares registered on 13 June 2025 payable on 27 June 2025.

#### Rand-denominated non-redeemable, non-cumulative, non-participating preference shares

Preference dividend number 27 for the period 1 April 2024 to 30 September 2024, amounting to 558.87329 cents per share, was declared to members holding Rand-denominated non-redeemable, non-cumulative, non-participating preference shares registered on 4 December 2024 and was paid on 13 December 2024.

Preference dividend number 28 for the period 1 October 2024 to 31 March 2025, amounting to 532.26027 cents per share, was declared to members holding Rand-denominated non-redeemable, non-cumulative, non-participating preference shares registered on 13 June 2025 and payable on 20 June 2025.

### Going concern

In adopting the going concern basis for preparing the consolidated financial statements, the directors have considered the Group's business activities, objectives and strategy, principal risks and uncertainties in achieving its objectives, and performance that are set out in the Investec Group's 2025 integrated and strategic annual report. The directors have performed a robust assessment of the Group's financial forecasts across a range of scenarios over a 12-month period from the date the financial statements are authorised for issue. Based on these, the directors confirm that they have a reasonable expectation that the Company and the Group, as a whole, has adequate resources to continue in operational existence for the 12 months from the date the financial statements are authorised for issue. The directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the accompanying consolidated financial statements.

## DIRECTORS' REPORT CONTINUED

### Viability statement

In accordance with the UK Corporate Governance Code, in addition to providing a going concern statement (disclosed on page 52), the Board is required to make a statement with respect to the Group's viability (i.e. its ability to continue in operation and meet its liabilities). This is required to take into account the Board's assessment of the current position of the Group, its prospects and the principal and emerging risks it faces, including the period of time for which the Board has made the assessment and why that period is considered appropriate.

The Board has used a three-year assessment period as this is aligned to the Group's medium-term capital plans which incorporate profitability, leverage and capital adequacy projections and include impact assessments from a number of stress scenarios. Detailed management information therefore exists to provide senior management and the Board sufficient and realistic visibility of the Group's viability over the three years to 31 March 2028.

Following discussion and review by the DLC BRCC (comprising a majority of Non-Executive Directors, which includes members of the Audit Committees), the DLC Audit Committee recommended the viability statement for Board approval.

The Board has identified the principal and emerging risks facing the Group and these are highlighted on pages 112 to 117 of the Investec Group's 2025 risk and governance report.

Through its various committees, notably the DLC Audit Committee and the DLC BRCC and its sub-committee, the DLC Capital Committee, the Board regularly carries out a robust assessment of these principal and emerging risks and their potential impact on the performance, liquidity, solvency, capital and operational resilience of the Group. The activities of these Board sub-committees and the issues considered by them are described in the Investec Group's 2025 risk and governance report.

Taking these risks into account, together with the Group's strategic objectives and the prevailing market environment, the Board approved the overall mandated risk appetite and capital frameworks for Investec plc. The risk appetite and capital frameworks set parameters relating to the Board's expectations around performance, business stability and risk and capital management.

The Board considers that prudential risk management is paramount in all it does. Protection of depositors, customers' interests, capital adequacy and shareholder returns are key drivers. The Group, in keeping with sound governance practices, has defined roles and responsibilities for the management of risk in accordance with the three lines of defence model, i.e. business line management, an independent risk function and an independent internal audit function. In addition, to manage the Group's risk appetite, there are a number of detailed statements, frameworks, policies and governance structures in place. The Board ensures that there are appropriate resources in place to manage the risks arising from running the business by having independent Risk Management, Compliance, and Financial Control functions. These are supplemented by an Internal Audit function that reports independently to the non-executive DLC Audit Committee Chair.

The Board believes that the risk management systems and processes, supported by the conclusions of the Internal Audit function and the results of combined assurance coverage through each assurance function, are adequate to support the Group's strategy and allow the Group to operate within its risk appetite and capital frameworks. A review of the Group's performance/measurement against its risk appetite framework is provided at each DLC BRCC meeting and at the main Board meetings.

In terms of the FCA and PRA requirements, the Group is also required to meet regulatory standards with respect to capital and liquidity. In terms of these requirements, the Group is required to stress its capital and liquidity positions under a number of severe stress conditions. Investec's stress testing framework is well embedded in its operations and is designed to identify and regularly test the Group's key 'vulnerabilities under stress'.

In order to manage liquidity risk, liquidity stress testing is performed for a range of scenarios, each representing a different set of assumptions. These include market-wide, firm-specific, and combined scenarios (combination of the market-wide and firm-specific stresses). The Group manages its liquidity risk appetite in relation to combined stress parameters which represent extreme but plausible circumstances. The objective is to have sufficient liquidity under a combined stress scenario to continue to operate for a minimum period as detailed in the Board-approved risk appetite framework. In addition to these stress scenarios, the Group's risk appetite also requires it to maintain specified minimum levels for both the liquidity coverage ratio and net stable funding ratio, which are well in excess of the regulatory minimums of 100% respectively; a minimum cash and near cash to customer deposit ratio of 25%; and to maintain low reliance on wholesale funding to fund core asset growth. Investec plc undertakes an annual Internal Liquidity Adequacy Assessment Process (ILAAP) which documents the approach to liquidity management across the firm. This document is reviewed and approved by IBP Board Risk and Capital Committee (IBP BRCC), DLC BRCC and by the IBP, plc and DLC Boards. Each banking entity within the Group is required to be fully self-funded. The Group currently has £9.1 billion in cash and near cash assets as at 31 March 2025, representing 42.4% of customer deposits.

The Group develops annual capital plans (refreshed after six months), that look forward over a three-year period. The capital plans are refreshed on an ad hoc basis if a material event occurs or is likely to occur. These plans are designed to assess the capital adequacy of the Group's respective banking entities under a range of economic and internal conditions, with the impact on earnings, asset growth, risk appetite and liquidity considered. The output of capital planning allows senior management and the Board to make decisions to ensure that the Group continues to hold sufficient capital to meet internal and regulatory capital targets over the medium term (i.e. three years). The Group targets a CET1 ratio in excess of 10%, a tier 1 ratio greater than 11%, a minimum capital adequacy ratio of between 14% to 17% and a leverage ratio in excess of 6% for both of its banking entities.

The parameters used in the liquidity and capital stresses are reviewed regularly, taking into account the principal and emerging risks facing the Group, changes in the business environments and inputs from business units. Scenarios are designed considering macro-economic downside risks, portfolio-specific risk factors and business model vulnerabilities. Multiple scenarios are considered to account for the uncertain forward-looking macro-economic environment. The scenarios are considered appropriate to assess the ongoing viability of the Group given the severity of the downside scenarios.

## DIRECTORS' REPORT

### CONTINUED

- Base case: A reacceleration of UK GDP is expected following the stagnation seen over H2 2024 calendar year. Solid real household disposable income growth, alongside a pickup in investment, are seen as driving factors. A more favourable interest rate environment is supportive to growth too. This is due to the baseline assumption that CPI inflation returns to the 2% target over time, thus allowing for further interest rate reductions: the Bank rate is expected to fall to 3.75% by the end of 2025 and to 3.00% in the medium term. Globally monetary policy is also assumed to return to more neutral levels following several years in restrictive territory, enabled by continued disinflationary trends and inflation targets being met. Meanwhile global growth is expected to continue at a modest pace in the near term.

In assessing stress scenarios for the 2025 capital planning exercise, two different scenarios were considered. The first scenario entails an escalated trade war resulting in renewed inflationary pressures and higher interest rates, and the second scenario considers a global economic demand shock resulting in severe recessions and aggressive central bank monetary policy easing. These are defined below:

- Trade war: This scenario is characterized by aggressive US trade policy, including a universal 20% tariff and a 100% levy on Chinese imports prompts retaliation from major trading partners and the onset of a global trade war. Tariffs themselves, and supply chain disruptions, result in a resurgence in inflation. In the UK CPI inflation reaches a peak of 4.7%. In response to the rise in inflation, and concerns over inflation expectations becoming dis-anchored, the Bank of England resumes monetary policy tightening, with the Bank rate reaching a peak of 5.50% in Q4 '25 and remaining there until Q3 '26. The economy enters a protracted and deep recession with GDP contracting by 3%. Financial markets witness a significant degree of turbulence, the FTSE 100 falls 35%, and sterling corporate bond spreads more than double (investment grade, 340bps). Meanwhile tighter financial conditions, higher interest rates and the poor macro backdrop prompt significant falls in real estate values: UK residential house prices fall 26%, commercial -23%. The economy begins to recover in 2027, helped by falling interest rates, although in the medium-term potential growth is lower than before the economic shock. More broadly there is a global recession with world GDP contracting 2.6%, and economies such as the Euro area seeing a more severe downturn (-3.4%), whilst the US experiences a 4% fall in GDP.
- Global synchronised downturn: This stress scenario represents a hypothetical synchronised demand shock designed to encapsulate unforeseen tail risks. This envisages a global recession over FY 2025/26, with world GDP contracting by 3%. At the country level, US and Chinese output fall by 4.2% and 1.2% respectively. Unemployment rises, whilst inflation falls, prompting central banks globally to ease monetary policy expediently. Domestically UK GDP falls 4.1% peak to trough in year 1 of the scenario. Meanwhile, with disinflationary pressures causing CPI inflation to fall to a low of 0.8%, the Bank of England is assumed to respond aggressively to the economic downturn by easing policy. The Bank rate is therefore assumed to fall by 350bps between Q1 '25 and Q3 '26, reaching a low of 0.75%, whilst Quantitative Easing (QE) is also resumed. A recovery is envisaged in the medium term, accompanied by a sustainable return of inflation to the 2% target, and as such the Bank rate rises to a level judged to be neutral at 3.00%.

The Group implements regulatory scenarios when they are published by regulators (UK BoE Bank Capital Stress Scenario). For 2025 the BoE published its new Bank Capital Stress Test (BCST) in March 2025. This new regulatory scenario has been incorporated into the Investec PLC stress testing programme. The summary of this scenario is below:

- The 2025 Bank of England Bank Capital Stress Test (BCST) represents a severe global supply shock driven by an escalation in geopolitical tensions and a consequent commodity price shock. The shock is further compounded by a fragmentation of global trade relationships caused by import tariffs and supply chain disruptions. The main features domestically are a significant rise in inflation: CPI inflation reaches a peak of 10% in Q1 2026, which causes the Bank rate to rise to a peak of 8% by Q1 2026. The Bank rate is subsequently then cut, helping to support a recovery following the 5% contraction in GDP over the first five quarters of the scenario. The severity of the economic downturn, coupled with high unemployment and high interest rates, sees house prices fall by 28%. The picture is mirrored globally with both the US and Euro area experiencing 4% falls in GDP. Meanwhile the financial market stress is as severe as that seen during the 2008/09 global financial crisis.

The Board has assessed the Group's viability in its 'base case' and stress scenarios. In assessing the Group's viability, a number of assumptions are built into its liquidity and capital plans. In the stress scenarios these include, for example, foregoing or reducing dividend payments and asset growth being curtailed.

We also carry out 'reverse stress tests', i.e. scenarios that cause the business model to fail. Reverse stress testing scenarios are developed thematically and their impact is assessed in qualitative and quantitative terms with respect to liquidity threshold conditions and regulatory capital, taking into account the loss absorbing effects of the bank's capital stack. Escalating losses may expose the business model to unacceptable levels of risk well before regulatory threshold conditions are breached, and mitigating actions are identified with the aim to prevent the failure of the Group. Reverse scenarios are extreme tail events and are considered remote, and mainly serve the purpose of identifying and addressing potential weaknesses that may not be identified through the ongoing risk and capital management and stress testing processes.

In addition, Investec plc performs climate scenario analysis and risk assessments in line with the requirements stipulated by Supervisory Statement SS3/19 'Enhancing banks' and insurers' approaches to managing the financial risks from climate change', on a proportionate basis for the size and complexity of the Group. To date, findings indicate that transition and physical risk is low and Investec plc has sufficient liquidity and capital to continue as a going concern and meet regulatory liquidity and capital requirements.

Furthermore, the Group is required to have a contingency funding and recovery plan as well as a resolution pack. The recovery plans document how the Board and senior management will ensure that the Group recovers from extreme financial stress to avoid liquidity and capital difficulties in its separately regulated companies.

## DIRECTORS' REPORT

### CONTINUED

On 28 June 2023, the BoE formally notified Investec plc that the preferred resolution strategy will be changed from bank insolvency procedure to bail-in and as such a revised, increased minimum requirement for own funds and eligible liabilities (MREL) requirements will be imposed on Investec plc and IBP as a material subsidiary. The MREL transition will commence from 1 January 2026 with end state MREL applying from 1 January 2032. As a bail-in firm, Investec plc will come into scope of the BoE's Resolvability Assessment Framework and is committed to ensuring its resolution capabilities meet the required regulatory standards. The Group is well-positioned to meet the requirements.

The Group maintains an operational resilience framework that defines important business services, impact tolerances and plans to respond effectively to a disruption. This not only ensures continuity of business operations but also safeguards the interests of key stakeholders including clients and regulators, as well as maintaining our reputation, brand and value-creating activities.

The capital and liquidity plans, stress scenarios, contingency funding and recovery plans, the resolution pack and the risk appetite statements are reviewed at least annually by the respective Capital, Risk, and Board Committees. In times of severe economic distress and if applicable, stress scenarios are reviewed more regularly; for example, as was the case with the COVID-19 pandemic. In addition, senior management hosts an annual risk appetite process at which the Group's risk appetite frameworks are reviewed and modified to take into account risk experience and changes in the environment. Furthermore, strategic budget processes take place within each business division at least annually. These focus on, amongst other things: the business and competitive landscape; opportunities and challenges including the use of new and emerging technologies and operational risks relating to technology, resilience, and cyber security; and financial projections. A summary of these divisional budgets, together with a consolidated Group budget, is presented to the Board during its strategic review process annually.

In assessing the Group's viability, the Board has taken all of the above-mentioned factors, documents and processes into consideration. The directors can confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due over the next three years.

The viability statement should be read in conjunction with the following sections in the annual reports, all of which have informed the Board's assessment of the Group's viability:

- Pages 29 to 43 which provide detail on the principal and emerging risks the Group faces and the processes in place to assist the Group in mitigating its principal risks
- Page 29 which provides information on the overall Group's risk appetite
- Page 26 which provides an overview of the Group's approach to risk management
- Pages 29, 164, 189 and 203 which highlight information on the Group's various stress testing processes
- Pages 193 to 198 which specifically focus on the Group's philosophy and approach to liquidity management
- Page 201 which provides detail on the recovery and resolution plan
- Pages 202 to 206 which explain the Group's capital management framework.

This forward-looking viability statement made by the Board is based on information and knowledge of the Group at 20 June 2025. There could be a number of risks and uncertainties arising from (but not limited to) domestic and global economic and business conditions, including the development of new technologies, beyond the Group's control that could cause the Group's actual results, performance or achievements in the markets in which it operates to differ from those anticipated.

### Social and Ethics Committee (SEC)

The Board of Investec plc has delegated the duties of the Social and Ethics Committee, as set out in the South African Companies Act, to the DLC SEC.



Further details of the role, responsibilities, membership and activities of the DLC SEC are set out on pages 105 to 109 of the Investec Group's 2025 risk and governance report.

### Sustainability report



For information on our approach to social, environmental and ethical matters, please refer to the Investec Group's 2025 sustainability report which is published and made available on our website [www.investec.com](http://www.investec.com)

DIRECTORS' REPORT  
CONTINUED

## Investec plc carbon footprint

## Streamlined energy and carbon reporting (SECR)

Metric	Unit	2024/25			2023/24		
		UK and offshore <sup>1</sup>	Global (excluding UK and offshore)	Total Investec plc	UK and offshore	Global (excluding UK and offshore)	Total Investec plc
Emissions from activities for which the company own or control including combustion of fuel & operation of facilities (Scope 1)	tCO <sub>2</sub> e	213	3	216	349	1	350
Emissions from purchase of electricity (Scope 2 location based)	tCO <sub>2</sub> e	521	414	935	701	236	937
<b>Total gross Scope 1 &amp; Scope 2 emissions (location based)</b>	<b>tCO<sub>2</sub>e</b>	<b>734</b>	<b>417</b>	<b>1 151</b>	<b>1 050</b>	<b>237</b>	<b>1 287</b>
Energy consumption used to calculate above emissions <sup>2</sup>	kWh	3 549 772	745 309	4 295 081	3 841 026	533 285	4 374 311
Intensity ratio: Location based gross Scope 1 + 2 emissions per employee <sup>3</sup>	tCO <sub>2</sub> e/ Headcount	0.37	1.15	0.49	0.41	0.71	0.44
<b>Total gross Scope 3 operational emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>8 466</b>	<b>424</b>	<b>8 890</b>	<b>6 961</b>	<b>41</b>	<b>7 002</b>
<b>Total gross Scope 1, Scope 2 &amp; Scope 3 operational emissions (location based)</b>	<b>tCO<sub>2</sub>e</b>	<b>9 200</b>	<b>841</b>	<b>10 041</b>	<b>8 011</b>	<b>278</b>	<b>8 289</b>
Intensity ratio: Location based gross Scope 1, 2 + 3 operational emissions per employee <sup>3</sup>	tCO <sub>2</sub> e/ Headcount	4.67	2.32	4.31	3.10	0.83	2.82
Scope 2 market based <sup>4</sup>	tCO <sub>2</sub> e	—	—	—	—	—	—
Carbon offsets <sup>5,6</sup>	tCO <sub>2</sub> e	8 679	427	9 106	7 310	42	7 352
<b>Total annual net emissions (market based)</b>	<b>tCO<sub>2</sub>e</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

## Boundary, methodology, and exclusions

An 'operational control'<sup>7</sup> approach has been used to define the Greenhouse Gas emissions boundary.

This approach captures emissions associated with the operation of Investec plc office buildings as outlined in the Basis of Reporting coverage on our website, company travel in private vehicles, and travel on public transportation for instance. This report covers all countries where Investec plc has operational control over their emissions. This information was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, 2019. The emissions have been calculated using the latest conversion factors provided by the UK Government (2024). The reporting period is April 2024 to March 2025, as per the financial accounts. Investec plc's Scope 1 emissions refer to natural gas, LPG, CO<sub>2</sub>, refrigerants, and vehicle fleet, its Scope 2 emissions refer to electricity used in its premises, and its Scope 3 emissions refer to category 1: paper, category 5: waste, category 6: business travel, and category 7: employee commuting and working from home.

## Energy efficiency and carbon reduction initiatives

During the 2024/2025 period, Investec maintained and improved the integrated ISO 50001/14001 standards, which enables optimisation of energy-related performance and ongoing efficiency improvements.

## Disclaimer

- The UK offshore area as defined in the Companies (Directors Report) and Limited Liability Partnerships (Energy and Carbon) Regulations 2018 includes Guernsey, Jersey, and Isle of Man. However, our overseas sites in America, Europe, and Asia are not included in the offshore area. These sites are included in the global total, excluding the UK and offshore.
- Consumption data for refrigerants and CO<sub>2</sub> (scope 1) and scope 3 emissions is not available in kWh so the total energy usage has been calculated for mandatory emissions only (scope 1 (excluding refrigerants and CO<sub>2</sub>) and scope 2).
- Employee commuting has now been added to our total carbon footprint resulting in a notable increase in Scope 3 and total emissions.
- For the purposes of this report, an employee is an individual who performs services for the Company for compensation and is under the Company's control with respect to the performance of those services. This includes full-time, part-time, and temporary employees, as well as independent contractors.
- We have offset our Scope 2 emissions by purchasing 100% of our power from renewable sources through green tariffs and renewable energy certificates.
- The remaining unavoidable emissions were offset through the purchase of Verified Carbon Standards carbon credits. These carbon credits were sourced from AgriCarbon.
- An operational control approach to GHG emissions boundary is defined as: "Your organisation has operational control over an operation if it, or one of its subsidiaries, has the full authority to introduce and implement its operating policies at the operation".

## DIRECTORS' REPORT CONTINUED

### Climate-related financial disclosures report



Refer to the Investec Group's 2025 climate and nature-related financial disclosures report for our progress on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

### Nominations and Directors' Affairs Committee (Nomdac)

The Board of Investec plc has delegated the duties of the Directors' Affairs Committee to the DLC Nomdac.



Further details of the role, responsibilities, membership and activities of the DLC Nomdac are set out on pages 100 to 104 of the Investec Group's 2025 risk and governance report.

### Remuneration Committee

The Board of Investec plc has delegated the duties of the Remuneration Committee to the DLC Remuneration Committee.



Further details of the role, responsibilities, membership and activities of the DLC Remuneration Committee are set out on page 12 of the Investec Group's 2025 remuneration report.

### Audit Committee

The Audit Committee comprising independent Non-Executive Directors meets regularly with senior management, the external auditors, operational risk, internal audit, compliance and the finance division to consider the integrity of financial reporting, nature and scope of the internal and external audit reviews and the effectiveness of our risk and control systems, taking note of the key deliberations of the subsidiary Audit Committees as part of the process.



Further details on the role and responsibility of the Audit Committee are set out on pages 44 to 50.

### Independent auditor and audit information

Each director, at the date of approval of this report, confirms that, so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware and that each director has taken all steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given pursuant to Section 418 of the UK Companies Act and should be interpreted in accordance with and subject to those provisions.

Deloitte LLP have indicated their willingness to continue in office as auditors. A resolution proposing their re-appointment as auditors will be submitted to the annual general meeting.

### Major shareholders



The largest shareholders of Investec plc are shown on page 176 of the Investec Group's 2025 integrated and strategic annual report.

### Special resolutions

At the AGM held on 8 August 2024, special resolutions were passed in terms of which:

- A renewable authority was granted to Investec plc to allot its own shares and other securities in accordance with the terms of Section 551 of the UK Companies Act.
- A renewable authority was granted to Investec plc to acquire its own ordinary shares in accordance with the terms of Section 701 of the UK Companies Act
- A renewable authority was granted to Investec plc to acquire its own preference shares in accordance with the terms of Section 701 of the UK Companies Act.

**DIRECTORS' REPORT**  
CONTINUED**Diversity and inclusion**

Our diversity and inclusion framework has a sense of belonging for all our people, irrespective of difference, as its goal. We aim to make Investec a place where it is easy to be yourself. It is a responsibility we all share and is integral to our purpose and values as an organisation. We recognise that a diverse and inclusive workforce is essential to our ability to be an innovative organisation that can adapt and prosper in a fast-changing world.

Investec's approach is to recruit and develop based on aptitude and attitude, with the deliberate intention to build a diverse workforce, which represents the population of the relevant jurisdiction and reflects its clients. Our recruitment strategies actively seek difference, engaging with minority groups, females and people with disabilities. Investec is committed to being an equal opportunity employer. In accordance with our policies and practices, and relevant International Labour Organisation (ILO) conventions and legislation, we do not tolerate any form of discrimination based on gender, gender reassignment, race, ethnicity, religion, belief, age, disability, nationality, political opinion, sensitive medical conditions, pregnancy, maternity, civil partnership and sexual orientation. People with different abilities are an essential part of a diverse talent pool and every effort is made to facilitate an accessible environment for all.



Further information is provided in the Investec Group's 2025 sustainability report.

**Research and development**

In the ordinary course of business, the Group develops new products and services in each of its business divisions.

**Political donations and expenditure**

The Group did not make any political donations in the financial year ended 31 March 2025 (2024: Nil).

**Subsidiary and associated undertakings**

Details of principal subsidiary and associated companies are reflected on pages 154 to 156

**Contingent liabilities, legal matters and provisions**

The Board considered contingent liabilities, legal matters and provisions with a view to ensuring appropriate accounting treatment in the financial statements. Refer to note 50 on page 144.

**Events after the reporting date**

Refer to Note 58 of the Annual Financial statements.

Signed on behalf of the Board of Investec plc

**Philip Hourquebie**

Group Chair  
20 June 2025

**Fani Titi**

Group Chief Executive  
20 June 2025

## SCHEDULE A TO THE DIRECTORS' REPORT

### Additional information for shareholders

Set out below is a summary of certain provisions of Investec plc's current Articles of Association (the Articles) and applicable English law concerning companies (the UK Companies Act). This is a summary only and the relevant provisions of the Articles or the UK Companies Act should be consulted if further information is required.

#### Share capital

The issued share capital of Investec plc at 31 March 2025 consists of 696 082 618 ordinary shares of £0.0002 each, 2 754 587 non-redeemable, non-cumulative, non-participating preference shares of £0.01 each, 131 447 ZAR non-redeemable, non-cumulative, non-participating preference shares of R0.001 each, 295 278 453 special converting shares of £0.0002 each, the special voting share of £0.001, the UK DAN share of £0.001 and the UK DAS share of £0.001 (each class as defined in the Articles).

#### Purchase of own shares

Subject to the provisions of the Articles, the UK Companies Act, the UK Uncertificated Securities Regulations 2001 and every other statute for the time being in force concerning companies and affecting Investec plc, the approval of shareholders as provided in the Articles, and without prejudice to any relevant special rights attached to any class of shares, Investec plc may purchase, or may enter into a contract under which it will or may purchase any of its own shares of any class, including without limitation any redeemable shares, in any way and at any price (whether at par or above or below par).

#### Dividends and distributions

Subject to the provisions of the UK Companies Act, Investec plc may by ordinary resolution from time to time declare dividends not exceeding the amount recommended by the Board. The Board may pay interim dividends whenever the financial position of Investec plc, in the opinion of the Board, justifies such payment.

The Board may withhold payment of all or any part of any dividends or other monies payable in respect of Investec plc's shares from a person with a 0.25% or more interest in the nominal value of the issued shares if such a person has been served with a notice after failure to provide Investec plc with information concerning interests in those shares required to be provided under the UK Companies Act.

### Voting rights

Subject to any special rights or restrictions attaching to any class of shares, at a general meeting, every member present in person has, upon a show of hands, one vote and, on a poll, every member who is present in person or by proxy has one vote for each share. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the share. Under the UK Companies Act, members are entitled to appoint a proxy, who need not be a member of Investec plc, to exercise all or any of their rights to attend and vote on their behalf at a general meeting or class meeting.

A member may appoint more than one proxy in relation to a general meeting or class meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A member that is a corporation may appoint an individual to act on its behalf at a general meeting or class meeting as a corporate representative. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of Investec plc.

#### Restrictions on voting

No member shall be entitled to vote either in person or by proxy at any general meeting or class meeting in respect of any shares held by them if any call or other sum then payable by them in respect of that share remains unpaid. In addition, no member shall be entitled to vote if they have been served with a notice after failure to provide Investec plc with information concerning interests in those shares required to be provided under the UK Companies Act.

#### Deadlines for exercising voting rights

Votes are exercisable at a general meeting of Investec plc in respect of which the business being voted upon is being heard. Votes may be exercised in person, by proxy, or in relation to corporate members, by corporate representatives. The Articles provide a deadline for submission of proxy forms of not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting.

## SCHEDULE A TO THE DIRECTORS' REPORT CONTINUED

### Variation of rights

Subject to the UK Companies Act, the Articles specify that rights attached to any class of shares may be varied with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them. Where, under the Company's share incentive plan, participants receiving forfeitable award type are the beneficial owners of the shares, however not the registered owners. The participants are entitled to exercise their voting rights prior to the shares being released to the participants. Participants receiving conditional awards do not receive any voting rights until the release date.

### Transfer of shares

All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the directors. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. Transfers of shares which are in uncertificated form are effected by means of the CREST system.

The directors may, in the case of shares in certificated form, in their absolute discretion and without assigning any reason, refuse to register any transfer of shares (not being fully paid shares), provided that such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. The directors may also refuse to register an allotment or transfer of shares (whether fully paid or not) in favour of more than four persons jointly. The directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and, when submitted for registration, is accompanied by the relevant share certificates and such other evidence as the directors may reasonably require.

Subject to the UK Companies Act and regulations and applicable CREST rules, the directors may determine that any class of shares may be held in uncertificated form and that title to such shares may be transferred by means of the CREST system or that shares of any class should cease to be so held and transferred.

All the Company's employee share plans include restrictions on transfer of shares while the shares are subject to the plans.

### Investec plc preference shares

The following are the rights and privileges which attach to the Investec plc preference shares:

- On a return of capital, whether or not on a winding up (but not on a redemption or purchase of any shares by Investec plc) or otherwise, the plc preference shares will rank, *pari passu inter se* and with the most senior ranking preference shares of Investec plc in issue (if any) from time to time and with any other shares of Investec plc that are expressed to rank *pari passu* herewith as regards to participation in the capital, and otherwise in priority to any other class of shares of Investec plc
- Investec plc may, at its option, redeem all or any of the plc preference shares for the time being issued and outstanding on the first call date or any dividend payment date thereafter
- Holders of plc preference shares will not be entitled to attend and vote at general meetings of Investec plc. Holders will be entitled to attend and vote at a class meeting of holders of plc preference shares.

### Non-redeemable, non-cumulative, non-participating preference shares

The following are the rights and privileges which attach to the perpetual preference shares:

- Each perpetual preference share will rank as regards to dividends and a repayment of capital on the winding up of Investec plc prior to the ordinary shares, the plc special converting shares, the UK DAN share, the UK DAS share, but *pari passu* with the plc preference shares. The perpetual preference shares shall confer on the holders, on a *per* perpetual preference share and equal basis, the right to a return of capital on the winding up of Investec plc of an amount equal to the aggregate of the nominal value and premiums in respect of perpetual preference shares issued, divided by the number of perpetual preference shares in issue
- Each perpetual preference share may confer upon the holder thereof the right to receive out of the profits of Investec plc which it shall determine to distribute, in priority to the ordinary shares, the plc special converting shares, the UK DAN share and the UK DAS share, but *pari passu* with the plc preference shares, the preference dividend calculated in accordance with the Articles
- The holders of the perpetual preference shares shall be entitled to receive notice of and be present but not to vote, either in person or by proxy, at any meeting of Investec plc, by virtue of or in respect of the perpetual preference shares, unless either or both of the following circumstances prevail at the date of the meeting:
  - The preference dividend or any part thereof remains in arrears and unpaid as determined in accordance with the Articles after six months from the due date thereof; and/or
  - A resolution of Investec plc is proposed which directly affects the rights attached to the perpetual preference shares or the interests of the holders thereof, or a resolution of Investec plc is proposed to wind up or in relation to the winding up of Investec plc or for the reduction of its capital,

in which event the preference shareholders shall be entitled to vote only on such resolution.

SCHEDULE A TO THE DIRECTORS' REPORT  
CONTINUED**Rand-denominated non-redeemable, non-cumulative, non-participating perpetual preference shares (the ZAR perpetual preference shares)**

The ZAR perpetual preference shares are subject to substantially similar terms and conditions as the existing Pounds Sterling non-redeemable, non-cumulative, non-participating preference shares, as outlined above, save that they are denominated in South African Rands.

**Shares required for the DLC structure**

Investec SSC (UK) Limited, a UK trust company, specially formed for the purpose of the DLC structure, holds the plc special voting share, the plc special converting shares, the UK DAN share and the UK DAS share. These shares can only be transferred to another UK trust company, in limited circumstances.

The plc special voting shares are specially created shares so that shareholders of both Investec plc and Investec Limited effectively vote together as a single decision-making body on matters affecting shareholders of both companies in similar ways, as set out in the Articles.

Prior to a change of control, approval of termination of the sharing agreement (which regulates the DLC), liquidation or insolvency of Investec plc, the plc special converting shares have no voting rights, except in relation to a resolution proposing the:

- i. Variation of the rights attaching to the shares or
- ii. Winding up, and they have no rights to dividends. The special converting shares are held on trust for the Investec Limited ordinary shareholders. Investec plc and Investec Limited have established dividend access trust arrangements as part of the DLC.

Investec plc has issued two dividend access shares, the UK DAS share and UK DAN share which enables Investec plc to pay dividends to the shareholders of Investec Limited. This facility may be used by the Board to address imbalances in the distributable reserves of Investec plc and Investec Limited and/or to address the effects of South African exchange controls and/or if they otherwise consider it necessary or desirable.

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# Annual financial statements

## IN THIS SECTION

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Our performance is a testament to the continued execution of our strategy. This section contains Investec plc's annual financial statements.



## DIRECTORS' RESPONSIBILITIES

### Directors' responsibilities

The following statement, which should be read in conjunction with the auditor's report set out on pages 66 to 67, 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 responsible for preparing the annual report and the Group financial statements in accordance with applicable UK law and regulations.

The directors are required by the UK 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) which comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). At 31 March 2025, UK adopted IAS are identical in all material respects to current IFRS 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 Parent Company and of the profit or loss of the Group and the Parent 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 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 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 Parent Company and/or the Group will not continue in business.

## DIRECTORS' RESPONSIBILITIES

### CONTINUED

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent 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 Parent Company and the Group financial statements comply with the UK 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 Group'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' responsibility statement

The directors, whose names and functions are set out on pages 137 to 139 of Investec Group's 2025 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 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 2025 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.

### Financial results

The financial results of Investec plc are set out in the annual financial statements and accompanying notes for the year ended 31 March 2025.

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

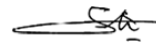
### Approval of annual financial statements

The directors' report and the annual financial statements of the Group, and the Parent Company, which appear on pages 51 to 58 and pages 38 to 184, were approved by the Board of directors on 20 June 2025.

Signed on behalf of the Board



**Philip Hourquebie**  
Group Chair  
20 June 2025



**Fani Titi**  
Group Chief Executive  
20 June 2025

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

## Report on the audit of the special purpose financial statements

### Opinion

In our opinion the special purpose financial statements of Investec plc (the 'Parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2025 are prepared, in all material respects in accordance with the accounting policies stated on pages 74 to 88.

We have audited the special purpose financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated balance sheet;
- the consolidated cash flow statement;
- the consolidated statement of changes in equity;
- the Parent company balance sheet;
- the Parent company statement of changes in shareholders' equity;
- the Group material accounting policy information and related notes 1 to 59 excluding the risk and capital management disclosures in notes 60 to 69 marked as unaudited; and
- the Parent company statement of accounting policies and the related notes a to k.

The financial reporting framework that has been applied in their preparation is the accounting policies stated on pages 74 to 88.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), including ISA (UK) 800. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the special purpose financial statements section of our report.

We are independent of the Group and the Parent company in accordance with the ethical requirements that are relevant to our audit of the special purpose financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter – basis of accounting

We draw attention to pages 74 to 88 of the special purpose financial statements, which describes the basis of accounting and is a special purpose framework. The financial statements are prepared to assist the company in complying with the financial reporting provisions of the contractual agreements as explained further on page 74. As a result, the special purpose financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### 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.

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

- obtaining an understanding of management's process to arrive at their conclusion to prepare the financial statements on a going concern basis;

- with the involvement of our regulatory specialists:
  - challenging the liquidity and capital adequacy and stress testing assumptions used by management, including consideration of regulatory enquiries and observations, management actions and whether applied stresses were reasonable in the context of the Group and Parent company's operating environment;
  - assessing emerging operational, regulatory and market risks facing entities within the Group and the Parent company, including the impact of volatility in global financial markets and management's strategic initiatives;
- evaluating the Group's business model and operations;
- assessing the key assumptions supporting the Group's and Parent company's latest budget forecasts;
- assessing the historical accuracy of forecasts prepared by management; and
- assessing the appropriateness of going concern disclosures made in the notes to the financial statements.

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 at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report, other than the special purpose financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the special purpose financial statements does not cover the other information and 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 special purpose 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 special purpose financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the special purpose financial statements in accordance with the financial reporting provisions of the contractual agreements as explained further on page 74, and for such internal control as the directors determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, the directors are responsible for assessing the Group's 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.

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

### Auditor's responsibilities for the audit of the special purpose financial statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose financial statements.

A further description of our responsibilities for the audit of the special purpose financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Group's industry and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, members of the legal, risk and compliance functions, the directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the contractual arrangements which create the Dual Listed Company structure and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included regulations and supervisory requirements of the PRA, FRC and FCA regulatory requirements.

We discussed among the audit engagement team including component audit teams and relevant internal specialists such as tax, valuations, pensions, IT, forensic and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

- Provision for expected credit losses (ECL) on loans and advances to customers: We evaluated the Group's ECL policy against IFRS 9, tested the accuracy of the underlying data, and, with specialist involvement, challenged the macroeconomic scenarios, collateral valuations, and cash flow assumptions used in the ECL calculation.

- Valuation of level 3 equity investments and associated unrealised income: We involved valuation specialists to support us in challenging management's valuations, including the methodology and data inputs. This involved obtaining an independent valuation range, comparing it to management's valuation, and recalculating unrealised gains based on our independent assessments.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house / external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, reviewing correspondence with HMRC, PRA and FCA.

### Other matter

Investec plc has prepared a separate set of combined consolidated statutory financial statements for the year ended 31 March 2025 in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board on which we issued a separate auditor's report to the shareholders of Investec plc dated 20 June 2025.

### Use of our report

This report is made solely to the company's directors, as a body, in accordance with our engagement letter dated 17 September 2024 and solely for the purpose of presenting the financial position and results of Investec plc and its subsidiaries as if the contractual arrangements which create the Dual Listed Company (DLC) structure did not exist. Our audit work has been undertaken so that we might state to the company's directors 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 company, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Tom Millar.

*Deloitte LLP*

**Deloitte LLP**

London, United Kingdom  
20 June 2025

## CONSOLIDATED INCOME STATEMENT

<b>For the year to 31 March</b>			
<b>£'000</b>	Notes	<b>2025</b>	<b>2024<sup>^</sup></b>
Interest income	2	1 960 100	1 914 473
Interest income calculated using effective interest rate method		1 868 358	1 821 079
Other interest income		91 742	93 394
Interest expense	2	(1 185 447)	(1 103 546)
<b>Net interest income</b>		<b>774 653</b>	<b>810 927</b>
Fee and commission income	3	194 743	173 213
Fee and commission expense	3	(13 911)	(16 451)
Investment income	4	52 718	14 322
Share of post-taxation profit of associates and joint venture holdings	28	40 921	33 538
Profit before amortisation and integration costs		75 220	55 793
Amortisation of acquired intangibles		(6 312)	(12 624)
Acquisition related and integration costs of associate		(27 987)	(9 631)
Trading income/(loss) arising from			
– customer flow <sup>^</sup>		85 542	103 158
– balance sheet management and other trading activities		14 236	27 099
Other operating income	5	5 764	2 150
<b>Operating income</b>		<b>1 154 666</b>	<b>1 147 956</b>
Expected credit loss impairment charges	6	(97 040)	(85 995)
<b>Operating income after expected credit loss impairment charges</b>		<b>1 057 626</b>	<b>1 061 961</b>
Operating costs	7	(631 810)	(656 599)
Amortisation of acquired intangibles	33	—	(940)
Closure and rundown of the Hong Kong direct investments business		319	(784)
Financial impact of strategic actions		(20 312)	—
<b>Profit before taxation</b>		<b>405 823</b>	<b>403 638</b>
Taxation on operating profit before acquired intangibles and strategic actions	10	(73 863)	(86 502)
Taxation on acquired intangibles and strategic actions	10	(195)	727
<b>Profit after taxation from continuing operations</b>		<b>331 765</b>	<b>317 863</b>
<b>Profit after taxation from discontinued operations</b>	34	<b>—</b>	<b>389 551</b>
<b>Profit after taxation</b>		<b>331 765</b>	<b>707 414</b>
Profit attributable to non-controlling interests		(12)	(1 204)
<b>Earnings attributable to shareholders</b>		<b>331 753</b>	<b>706 210</b>

<sup>^</sup> Restated as detailed in note 59.

\* Included within Trading income/(loss) arising from customer flow is income of £93.8 million (31 March 2024: £105.1 million) and interest expense of £8.3 million (31 March 2024: £1.9 million).

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year to 31 March £'000	Notes	2025	2024
<b>Profit after taxation from continuing operations</b>		<b>331 765</b>	<b>317 863</b>
Other comprehensive income/(loss) from continuing operations:			
<b>Items that may be reclassified to the income statement:</b>			
Fair value movements on cash flow hedges taken directly to other comprehensive income*		(11 259)	(9 971)
Gains on realisation of debt instruments at FVOCI recycled through the income statement*		(166)	(981)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income*		(6 120)	6 243
Foreign currency adjustments on translating foreign operations		(4 517)	(3 652)
<b>Items that will not be reclassified to the income statement:</b>			
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income		(24 559)	(13 396)
Share of other comprehensive income of associates and joint venture holdings		(3 803)	257
<b>Total comprehensive income from continuing operations</b>		<b>281 341</b>	<b>296 363</b>
Total comprehensive (loss)/income attributable to non-controlling interests from continuing operations		12	1 183
Total comprehensive income attributable to ordinary shareholders from continuing operations		241 192	273 083
Total comprehensive income attributable to perpetual preferred securities and Other Additional Tier 1 securities		40 137	22 097
<b>Total comprehensive income from continuing operations</b>		<b>281 341</b>	<b>296 363</b>
<b>Profit after taxation from discontinued operations</b>		<b>—</b>	<b>389 551</b>
<b>Total comprehensive income from discontinued operations</b>		<b>—</b>	<b>389 551</b>
Total comprehensive income attributable to non-controlling interests from discontinued operations		—	—
Total comprehensive income attributable to ordinary shareholders from discontinued operations		—	389 551
<b>Total comprehensive income from discontinued operations</b>		<b>—</b>	<b>389 551</b>
<b>Profit after taxation</b>		<b>331 765</b>	<b>707 414</b>
Other comprehensive income/(loss):			
<b>Items that may be reclassified to the income statement:</b>			
Fair value movements on cash flow hedges taken directly to other comprehensive income*		(11 259)	(9 971)
Gains on realisation of debt instruments at FVOCI recycled through the income statement*	10	(166)	(981)
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income*	10	(6 120)	6 243
Foreign currency adjustments on translating foreign operations		(4 517)	(3 652)
<b>Items that will not be reclassified to the income statement:</b>			
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	10	(24 559)	(13 396)
Share of other comprehensive income of associates and joint venture holdings		(3 803)	257
<b>Total comprehensive income</b>		<b>281 341</b>	<b>685 914</b>
Total comprehensive loss attributable to non-controlling interests		12	1 183
Total comprehensive income attributable to ordinary shareholders		241 192	662 634
Total comprehensive income attributable to perpetual preference securities and Other Additional Tier 1 securities		40 137	22 097
<b>Total comprehensive income</b>		<b>281 341</b>	<b>685 914</b>

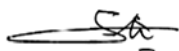
\* Net of £7.0 million tax credit (31 March 2024: £8.8 million tax charge).

## CONSOLIDATED BALANCE SHEET

At 31 March £'000	Notes	31 March 2025	31 March 2024 <sup>^</sup>	1 April 2023 <sup>^</sup>
<b>Assets</b>				
Cash and balances at central banks	17	4 191 750	5 661 623	5 400 401
Loans and advances to banks	18	860 267	676 464	893 297
Reverse repurchase agreements and cash collateral on securities borrowed	19	1 640 765	1 140 115	1 338 699
Sovereign debt securities	20	2 524 702	1 928 134	1 221 744
Bank debt securities	21	324 179	297 255	204 691
Other debt securities	22	770 722	708 285	697 275
Derivative financial instruments	23	299 281	394 816	594 465
Securities arising from trading activities	24	149 912	157 332	127 537
Loans and advances to customers	26	16 813 723	16 570 313	15 567 809
Other loans and advances	26	139 212	117 514	142 626
Other securitised assets	27	—	66 702	78 231
Investment portfolio	25	347 590	405 410	489 204
Interests in associated undertakings and joint venture holdings	28	832 141	857 247	52 320
Current taxation assets		25 382	31 200	34 324
Deferred taxation assets	29	120 918	119 730	112 347
Other assets	30	652 143	725 995	952 452
Property and equipment	31	58 940	72 947	121 014
Goodwill	32	67 520	68 669	255 267
Software	33	4 742	4 571	9 415
Other acquired intangible assets	33	—	—	40 550
		<b>29 823 889</b>	<b>30 004 322</b>	<b>28 333 668</b>
<b>Liabilities</b>				
Deposits by banks		1 477 568	2 174 305	2 172 171
Derivative financial instruments	23	274 791	409 255	645 866
Other trading liabilities	35	16 242	18 449	28 184
Repurchase agreements and cash collateral on securities lent	19	178 202	85 091	139 529
Customer accounts (deposits)	36	21 455 855	20 790 611	19 121 921
Debt securities in issue	37	1 301 802	1 273 106	1 449 545
Liabilities arising on securitisation of other assets	27	—	71 751	81 609
Current taxation liabilities		9 023	8 672	5 370
Other liabilities	38	938 959	1 032 655	1 239 024
		<b>25 652 442</b>	<b>25 863 895</b>	<b>24 883 219</b>
Subordinated liabilities	39	682 218	668 810	731 483
		<b>26 334 660</b>	<b>26 532 705</b>	<b>25 614 702</b>
<b>Equity</b>				
Ordinary share capital	40	198	202	202
Ordinary share premium	42	555 812	555 812	555 812
Treasury shares	43	(217 070)	(193 981)	(162 843)
Other reserves		7 299	53 920	75 656
Retained income		2 767 000	2 569 911	1 974 394
<b>Ordinary shareholders' equity</b>		<b>3 113 239</b>	<b>2 985 864</b>	<b>2 443 221</b>
Perpetual preference share capital and premium	41	24 794	24 794	24 794
<b>Shareholders' equity excluding non-controlling interests</b>		<b>3 138 033</b>	<b>3 010 658</b>	<b>2 468 015</b>
Other Additional Tier 1 securities in issue	45	350 000	458 108	250 000
Non-controlling interests in partially held subsidiaries	46	1 196	2 851	951
<b>Total equity</b>		<b>3 489 229</b>	<b>3 471 617</b>	<b>2 718 966</b>
<b>Total liabilities and equity</b>		<b>29 823 889</b>	<b>30 004 322</b>	<b>28 333 668</b>

<sup>^</sup> Restated as detailed in note 59.

Included in Loans and advances to banks £48 million (31 March 2024: £19 million); Sovereign debt securities £178 million (31 March 2024: £28 million); Bank debt securities £15 million (31 March 2024: £39 million); Securities arising from trading activities £9 million (31 March 2024: £19 million) and Other loans and advances £0.5 million (31 March 2024: £3 million) are assets provided as collateral where the transferee has the right to resell or repledge.



**Fani Titi**  
Group Chief Executive  
20 June 2025

## CONSOLIDATED CASH FLOW STATEMENT

<b>For the year to 31 March</b>			
<b>£'000</b>	Notes	<b>2025</b>	2024 <sup>^</sup>
Profit before taxation adjusted for non-cash items	48	600 454	533 915
Taxation paid		(58 843)	(93 266)
Increase in operating assets	48	(1 330 779)	(1 481 659)
(Decrease)/increase in operating liabilities	48	(141 860)	1 360 551
<b>Net cash(outflow)/inflow from operating activities</b>		<b>(931 028)</b>	<b>319 541</b>
Cash flow on acquisition of Group operations, net of cash acquired		—	(28 559)
Derecognition of cash on deconsolidation and disposal of subsidiaries*		—	(172 615)
Cash flow on acquisition of property, equipment, software and other intangible assets		(3 943)	(3 848)
Cash flow on disposal of property, equipment, software and other intangible assets		205	157
<b>Net cash outflow from investing activities</b>		<b>(3 738)</b>	<b>(204 865)</b>
Dividends paid to ordinary shareholders		(103 901)	(94 405)
Dividends paid to other equity holders		(44 004)	(18 230)
Proceeds on issue of Other Additional Tier 1 instruments		—	350 000
Redemption of Other Additional Tier 1 instruments		(108 108)	(140 472)
Cash flow on acquisition of treasury shares, net of related costs		(45 171)	(54 008)
Redemption of subordinated debt		—	(70 000)
Lease liabilities paid		(43 776)	(42 444)
<b>Net cash outflow from financing activities</b>		<b>(344 960)</b>	<b>(69 559)</b>
<b>Effects of exchange rates on cash and cash equivalents</b>		<b>(1 128)</b>	<b>(498)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(1 280 854)</b>	<b>44 619</b>
Cash and cash equivalents at the beginning of the year		6 332 871	6 288 252
<b>Cash and cash equivalents at the end of the year</b>		<b>5 052 017</b>	<b>6 332 871</b>
<b>Cash and cash equivalents is defined as including:</b>			
Cash and balances at central banks		4 191 750	5 661 623
On demand loans and advances to banks		860 267	671 248
<b>Cash and cash equivalents at the end of the year</b>		<b>5 052 017</b>	<b>6 332 871</b>

<sup>^</sup> Restated as detailed in note 59.

\* 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.

Cash and cash equivalents have a maturity profile of less than three months. Loans and advances to banks with a maturity profile of greater than three months are £nil (31 March 2024: £5.2 million).

Included within net cash (outflow)/inflow from operating activities is Interest received of £1 953 million (2024: £1 848 million), interest paid of £1 243 million (2024: £928 million) and dividends received of £15.7 million (2024: £13.2 million).

### Cash flow from discontinued operations

In the prior year, cash inflows from operating activities of £13.0 million, cash outflows from investing activities of £0.6 million and cash outflows from financing activities of £56.4 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.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

£'000	Ordinary share capital	Ordinary share premium	Treasury shares
<b>At 1 April 2023</b>	<b>202</b>	<b>555 812</b>	<b>(181 797)</b>
<b>Treasury shares restatement<sup>^</sup></b>	<b>—</b>	<b>—</b>	<b>18 954</b>
<b>Movement in reserves 1 April 2023 – 31 March 2024</b>			
Profit after taxation	—	—	—
Gains on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—
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	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Share of other comprehensive income of associates and joint venture holdings	—	—	—
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>
Share-based payments adjustments	—	—	—
Purchase of treasury shares	—	—	(63 554)
Vesting of share based payments/settlements	—	—	32 416
Transaction with equity holders	—	—	—
Issue of Other Additional Tier 1 security instruments	—	—	—
Redemption of Other Additional Tier 1 security instruments	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends declared to perpetual preference shareholders	—	—	—
Dividends paid to perpetual preference shareholders	—	—	—
Dividends declared to Other Additional Tier 1 security holders	—	—	—
Dividends paid to Other Additional Tier 1 security holders	—	—	—
Gain on Other Additional Tier 1 security instruments callback	—	—	—
Net equity impact of non-controlling interest movements	—	—	—
<b>At 31 March 2024</b>	<b>202</b>	<b>555 812</b>	<b>(193 981)</b>
<b>Movement in reserves 1 April 2024 – 31 March 2025</b>			
Profit after taxation	—	—	—
Gains on realisation of debt instruments at FVOCI recycled through the income statement	—	—	—
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	—	—	—
Fair value movements on equity instruments at FVOCI taken directly to other comprehensive income	—	—	—
Foreign currency adjustments on translating foreign operations	—	—	—
Share of other comprehensive income of associates and joint venture holdings	—	—	—
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>
Share-based payments adjustments	—	—	—
Purchase of treasury shares	—	—	(45 171)
Vesting of share based payments/settlements	—	—	22 082
Cancellation of special converting shares	(4)	—	—
Redemption of Other Additional Tier 1 security instruments	—	—	—
Dividends paid to ordinary shareholders	—	—	—
Dividends declared to perpetual preference shareholders	—	—	—
Dividends paid to perpetual preference shareholders	—	—	—
Dividends declared to Other Additional Tier 1 security holders	—	—	—
Dividends paid to Other Additional Tier 1 security holders	—	—	—
Net equity impact of non-controlling interest movements	—	—	—
Net equity movements in associates and joint ventures	—	—	—
<b>At 31 March 2025</b>	<b>198</b>	<b>555 812</b>	<b>(217 070)</b>

<sup>^</sup> Restated as detailed in note 59.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### CONTINUED

Other reserves					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
Capital reserve account	Fair value reserve	Cash flow hedge reserve	Foreign currency reserves	Retained income						
<b>(185 335)</b>	<b>35 254</b>	<b>27 635</b>	<b>12 767</b>	<b>2 178 683</b>	<b>2 443 221</b>	<b>24 794</b>	<b>2 468 015</b>	<b>250 000</b>	<b>951</b>	<b>2 718 966</b>
185 335	—	—	—	(204 289)	—	—	—	—	—	—
—	—	—	—	706 210	706 210	—	706 210	—	1 204	707 414
—	(981)	—	—	—	(981)	—	(981)	—	—	(981)
—	—	(9 971)	—	—	(9 971)	—	(9 971)	—	—	(9 971)
—	6 243	—	—	—	6 243	—	6 243	—	—	6 243
—	(13 396)	—	—	—	(13 396)	—	(13 396)	—	—	(13 396)
—	—	—	(3 631)	—	(3 631)	—	(3 631)	—	(21)	(3 652)
—	—	—	—	257	257	—	257	—	—	257
<b>—</b>	<b>(8 134)</b>	<b>(9 971)</b>	<b>(3 631)</b>	<b>706 467</b>	<b>684 731</b>	<b>—</b>	<b>684 731</b>	<b>—</b>	<b>1 183</b>	<b>685 914</b>
—	—	—	—	39 519	39 519	—	39 519	—	—	39 519
—	—	—	—	—	(63 554)	—	(63 554)	—	—	(63 554)
—	—	—	—	(32 416)	—	—	—	—	—	—
—	—	—	—	(2 971)	(2 971)	—	(2 971)	—	—	(2 971)
—	—	—	—	—	—	—	—	350 000	—	350 000
—	—	—	—	—	—	—	—	(141 892)	—	(141 892)
—	—	—	—	(94 405)	(94 405)	—	(94 405)	—	—	(94 405)
—	—	—	—	(1 455)	(1 455)	1 455	—	—	—	—
—	—	—	—	—	—	(1 455)	(1 455)	—	—	(1 455)
—	—	—	—	(20 642)	(20 642)	—	(20 642)	20 642	—	—
—	—	—	—	—	—	—	—	(20 642)	—	(20 642)
—	—	—	—	1 420	1 420	—	1 420	—	—	1 420
—	—	—	—	—	—	—	—	—	717	717
<b>—</b>	<b>27 120</b>	<b>17 664</b>	<b>9 136</b>	<b>2 569 911</b>	<b>2 985 864</b>	<b>24 794</b>	<b>3 010 658</b>	<b>458 108</b>	<b>2 851</b>	<b>3 471 617</b>
—	—	—	—	331 753	331 753	—	331 753	—	12	331 765
—	(166)	—	—	—	(166)	—	(166)	—	—	(166)
—	—	(11 259)	—	—	(11 259)	—	(11 259)	—	—	(11 259)
—	(6 120)	—	—	—	(6 120)	—	(6 120)	—	—	(6 120)
—	(24 559)	—	—	—	(24 559)	—	(24 559)	—	—	(24 559)
—	—	—	(4 517)	—	(4 517)	—	(4 517)	—	—	(4 517)
—	—	—	—	(3 803)	(3 803)	—	(3 803)	—	—	(3 803)
<b>—</b>	<b>(30 845)</b>	<b>(11 259)</b>	<b>(4 517)</b>	<b>327 950</b>	<b>281 329</b>	<b>—</b>	<b>281 329</b>	<b>—</b>	<b>12</b>	<b>281 341</b>
—	—	—	—	41 953	41 953	—	41 953	—	—	41 953
—	—	—	—	—	(45 171)	—	(45 171)	—	—	(45 171)
—	—	—	—	(22 082)	—	—	—	—	—	—
—	—	—	—	—	(4)	—	(4)	—	—	(4)
—	—	—	—	—	—	—	—	(108 108)	—	(108 108)
—	—	—	—	(103 901)	(103 901)	—	(103 901)	—	—	(103 901)
—	—	—	—	(1 780)	(1 780)	1 780	—	—	—	—
—	—	—	—	—	—	(1 780)	(1 780)	—	—	(1 780)
—	—	—	—	(38 357)	(38 357)	—	(38 357)	38 357	—	—
—	—	—	—	—	—	—	—	(38 357)	—	(38 357)
—	—	—	—	1 755	1 755	—	1 755	—	(1 667)	88
—	—	—	—	(8 449)	(8 449)	—	(8 449)	—	—	(8 449)
<b>—</b>	<b>(3 725)</b>	<b>6 405</b>	<b>4 619</b>	<b>2 767 000</b>	<b>3 113 239</b>	<b>24 794</b>	<b>3 138 033</b>	<b>350 000</b>	<b>1 196</b>	<b>3 489 229</b>

## ACCOUNTING POLICIES

### Basis of presentation

These annual financial statements have been prepared to present the financial position and results of Investec plc and its subsidiaries as if the contractual arrangements which create the dual listed company (DLC) structure did not exist and, with the exception of certain other remuneration and related party disclosures, which are prepared in accordance with UK adopted international accounting standards. For an understanding of the financial position, results and cash flows of the Investec DLC Group, the user is referred to Investec's integrated annual report.

Investec DLC Group consists of two separate legal entities, being Investec plc and Investec Limited, that operate under a DLC structure. 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 International Financial Reporting Standards (IFRS).

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

The Group annual financial statements have been prepared on historical cost basis, except for debt instruments at FVOCI, derivative financial instruments, financial assets and financial liabilities held at fair value through profit or loss or subject to hedge accounting.

As stated on page [53](#), 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 and those standards and amendments that became effective in the current year had no material impact on the Group.

### Presentation of information

Disclosure under IFRS 7 Financial Instruments: Disclosures and IAS 1 Presentation of Financial Statements: relating to the nature and extent of risks have been included in the notes to risk and capital management on pages 163 to [206](#).

Certain disclosures required under IAS 24 Related Party Disclosures have been included in the section marked as audited in the remuneration report which forms part of the Investec Group's integrated annual report.

### Basis of consolidation

As discussed above, these annual financial statements have been prepared to present the financial position and results of Investec plc and its subsidiaries as if the contractual arrangements which create the DLC structure did not exist.

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 interests 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.

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 held with strategic intention, 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. These are presented as Interests in associated undertakings and joint venture holdings on the balance sheet. In circumstances where interests in associated undertakings and joint venture holdings arise in which the Group has no strategic intention, these investments are held for capital appreciation and/or investment income and are classified as 'venture capital' holdings and are elected as held at fair value through profit or loss. These are presented within investment portfolio on the balance sheet.

For equity accounted associates and joint venture holdings, the 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 and therefore that an impairment test is necessary.

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. Instead, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 Impairment of Assets 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.

## ACCOUNTING POLICIES

### CONTINUED

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 an 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, 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.

### 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, measured at the acquisition date fair value and the amount of any prior non-controlling interests 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 identifies all assets and liabilities of the business and recognises these at fair value at the time of the acquisition. It also 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 at fair value through profit or loss. 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 difference between the consideration transferred and the net identifiable assets acquired and liabilities assumed less the amount recognised for non-controlling interests. If this consideration is less than Investec's share of 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.

### 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 34.

## ACCOUNTING POLICIES

### CONTINUED

### Share-based payments to employees

The Group engages in equity-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 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, and a corresponding increase is recognised in equity. 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 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

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the undiscounted 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 cash or other financial instruments 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.

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.

### Foreign currency transactions and foreign operations

The presentation currency of the Group is Pound Sterling, being the functional currency of Investec plc.

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

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

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

- Monetary items (other than monetary items that form part of the net investment in a foreign operation) are translated using closing rates, with gains or losses recognised in the income statement
- Exchange differences arising on monetary items that form part of the net investment in a foreign operation are determined using closing rates and are initially recognised through other comprehensive income 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)
- 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.

## ACCOUNTING POLICIES

### CONTINUED

### 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

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 are recognised based on the contractual rates.

#### Fee and commission income

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 investments (including properties and aircraft) and insurance income.

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

Investment income includes income, other than margin arising on securities held for the purpose of generating interest yield, dividends and capital appreciation. Dividend income is recognised when the Group's right to receive payment is established.

#### Trading income arises from customer flow and balance sheet management and other trading activities

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 income includes the profit on trading portfolios, which are marked-to-market daily.

#### Other sources of income

Included in other operating income is incidental rental income, gains on realisation of properties, operating lease income, income from interests in associated undertakings and revenue from other investments. Operating costs associated with these investments are included in operating costs in the income statement.

### 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.

## ACCOUNTING POLICIES

### CONTINUED

Financial assets are classified as at fair value through profit or loss (FVPL) if they are equity instruments or derivative instruments, while debt instruments are classified based on the business model and characteristics of related cash flows. Financial liabilities are classified as at amortised cost other than trading liabilities and derivative instruments, which are classified as 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)
- Financial liabilities may also be designated as at FVPL when doing so results in more relevant information, because either it eliminates or significantly reduces 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 financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis. In addition, where 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), the Group may designate the entire hybrid contract as a financial instrument at FVPL.

### 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 a group of investments is managed. Factors considered by the Group in determining the business model for a portfolio 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.

### Solely payments of principal and interest (SPPI)

The Group assesses whether the asset's 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 debt instruments 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

## ACCOUNTING POLICIES

### CONTINUED

disposal, the cumulative gains or losses in other comprehensive income are recognised in the income statement in investment income.

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

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 and losses on financial assets that are equity instruments are never recycled to the income statement. Dividends are recognised in the income statement within investment income when the right of the payment has been established. Equity instruments at FVOCI are not subject to an impairment assessment.

### 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 'expected credit loss impairment (charges)/release' in the income statement. Allowances in respect of financial guarantees and loan commitments are presented as other liabilities and charges recorded within the same line the income statement. 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.

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. 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.

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, will be classified as Stage 3.

Loans which are 90 days or more past due are considered to be in default.

The Group applied the effective interest rate on Stage 3 assets to 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.

## ACCOUNTING POLICIES

### CONTINUED

#### 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 written off in full against the related ECL impairment allowance when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. 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).

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 and guarantees that are integral to the instrument, the 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 using the EIR for 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 or loss (FVPL)

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, those financial assets which do not meet the criteria for amortised cost or FVOCI and derivative financial instruments.

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.

Changes in own credit risk on financial liabilities designated at fair value are recognised in other comprehensive income. Any other changes are recognised in the income statement.

## ACCOUNTING POLICIES

### CONTINUED

#### Securitisation/credit investment and trading activities exposures

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

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

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

#### Day-one profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument or based on the valuation technique whose variables include only data from observable markets, the difference between the transaction price and fair value is recognised immediately in the income statement. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the income statement when the inputs become observable, when the instrument is derecognised or over the life of the transaction only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

#### 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.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

The treatment of a renegotiation or modification of the contractual cash flows of a financial asset depends upon whether the modification is considered significant. If they are significant the old asset is derecognised and a new asset recognised.

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. Certain 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 interest rate and foreign currency risks. Both realised and unrealised profit or losses arising on derivatives are recognised in the income statement as part of trading income (other than circumstances in which cash flow hedging is applied as detailed in the hedge accounting section below).

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).

## ACCOUNTING POLICIES

### CONTINUED

#### Hedge accounting

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

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

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

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

For qualifying fair value hedges, the change in fair value of the hedging instrument is recognised in the income statement. Changes in fair value of the hedged item that are 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, 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-nil fair value at the date of recognition, 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 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 are held at acquisition cost plus related transaction 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 shareholders.

## ACCOUNTING POLICIES

### CONTINUED

### Sale and repurchase agreements (including securities borrowing and lending)

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

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

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

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

### 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 issued by the Group are not classified as insurance contracts and are initially recognised at fair value.

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:

- |  |            |
|--|------------|
| • Computer and related equipment       | 20% to 33% |
| • Motor vehicles                       | 20% to 25% |
| • Furniture and fittings               | 10% to 20% |
| • Freehold buildings                   | 2%         |
| • Right-of-use assets*                 |            |
| • Leasehold property and improvements* |            |

\* 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.

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.

Property and equipment are derecognised on disposal or when no future economic benefits are expected to be realised.

## ACCOUNTING POLICIES

### CONTINUED

### 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
- 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 remeasurements 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.

On the balance sheet, the ROU assets are included within property and equipment unless the asset is held for investment purposes, in which case the nature of the investment will determine the presentation. Finance lease receivables are ordinarily included within loans and advances to customers but are included in other assets where the Group holds a head lease and the sublease arrangement with external parties is a finance lease. Lease liabilities are included within other liabilities.

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

### Trading properties

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

### Software and intangible assets

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

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

- Client relationships 12 to 20 years
- Acquired software 3 to 7 years
- Internally generated software 5 years

## ACCOUNTING POLICIES

### CONTINUED

### 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, and in the case of cash generating units containing goodwill, annually. 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.

### 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 assets 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.

## ACCOUNTING POLICIES CONTINUED

### Key management assumptions

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

#### Key areas in which 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 14.

Details of unlisted investments can be found in note 25 with further analysis contained in the notes to risk and capital management on page 187.

- The measurement of ECL has reliance on expert credit judgement. Key judgemental areas are highlighted below and are subject to robust governance processes. Key drivers of measurement uncertainty include:
  - The assessment of 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 continue to hold an additional overlay provision in the UK of £3.7 million (31 March 2024: £3.7 million). Detail of the approach followed and management's assumptions are set out on page 181 of section 3.
- 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
  - 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 as set out in note 50.

## ACCOUNTING POLICIES

### CONTINUED

- 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:

- 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. In the current period, a change in rights in respect of Investec Capital Services (India) Pvt Ltd (ICSI) occurred and, when evaluated against these criteria, the revised rights, which included options over the shares we do not currently hold, were concluded to be protective in nature. As such ICSI was determined to be a joint venture associate. Details of subsidiaries can be found in note K of the Parent Company annual financial statements.
- 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 20 June 2026, which is a period of twelve months 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.

## NOTES TO THE FINANCIAL STATEMENTS

**1. Segmental business analysis – income statement****Wealth & Investment**

Wealth & Investment includes our 41.25% equity accounted earnings of the combined Rathbones Group, and IBSAG which houses our Swiss wealth business.

**Private Banking**

Our Private Banking business in the UK comprises lending (primarily residential mortgages), savings and transactional banking (including international payments) to HNW clients, coupled with bespoke foreign exchange and financing solutions for qualifying HNW clients.

**Corporate, Investment Banking and Other**

Our Corporate and Investment Banking businesses in comprises business activities that provide lending, advisory and risk management services to growth-orientated corporate clients in the private companies, private equity and listed companies arenas, including specialist sector-focused expertise. This segment also includes our central treasury and liability management channels.

**Group Investments**

Assets in this segment have been separated from our core banking activities in order to make a more meaningful assessment of the underlying performance and value of the franchise businesses, and at the same time provide transparency of the standalone values of the assets classified as Group Investments.

**Group Costs**

Group costs are disclosed separately and include 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.

**Adjusted operating profit**

Management's measure of operating profit, 'adjusted operating profit', is calculated based on pro-forma profit before taxation, adjusted to remove goodwill, acquired intangibles and strategic actions, including such items within equity accounted earnings, and non-controlling interests.

<b>For the year to 31 March</b>		
<b>£'000</b>	<b>2025</b>	2024
<b>Profit before taxation from continuing operations</b>	405 823	403 638
Amortisation of acquired intangibles	—	940
Closure and rundown of the Hong Kong direct investments business	(319)	784
Financial impact of strategic actions*	20 312	—
Adjustments related to equity accounted earnings	34 299	58 110
Profit before amortisation and integration costs (pro-forma adjustment)	—	35 855
Amortisation of acquired intangibles	6 312	12 624
Acquisition related and integration costs of associate	27 987	9 631
Less: profit attributable to non-controlling interests	(12)	(1 204)
<b>Adjusted operating profit for continuing operations</b>	<b>460 103</b>	<b>462 268</b>

\* Included within this line in the current year are movements in value on deferred considerations on various transactions, continuing integration costs resulting from the Rathbones deal as well as various capital costs incurred in contemplation of potential transactions. In the prior year, strategic actions largely comprised the Rathbones transaction, and thus were included in discontinued operations.

NOTES TO THE FINANCIAL STATEMENTS  
CONTINUED

## 1. Segmental business analysis – income statement (continued)

For the year to 31 March 2025 £'000	Private Client		Specialist Banking	Group Investments	Group Costs	Total Group
	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other			
Net interest income	7 381	96 639	670 633	—	—	774 653
Fee and commission income	10 424	979	183 340	—	—	194 743
Fee and commission expense	(1 054)	(19)	(12 838)	—	—	(13 911)
Investment income	1	—	41 740	10 977	—	52 718
Share of post-taxation operating profit of associates and joint venture holdings	69 147	—	6 073	—	—	75 220
Trading income/(loss) arising from						
– customer flow	1 792	3 018	80 732	—	—	85 542
– balance sheet management and other trading activities	(34)	(47)	14 317	—	—	14 236
Other operating income	—	—	5 764	—	—	5 764
<b>Operating income</b>	<b>87 657</b>	<b>100 570</b>	<b>989 761</b>	<b>10 977</b>	<b>—</b>	<b>1 188 965</b>
Expected credit loss impairment charges	(16)	(5 582)	(91 442)	—	—	(97 040)
<b>Operating income after expected credit loss impairment charges</b>	<b>87 641</b>	<b>94 988</b>	<b>898 319</b>	<b>10 977</b>	<b>—</b>	<b>1 091 925</b>
Operating costs	(15 366)	(47 860)	(535 062)	—	(33 522)	(631 810)
Profit attributable to non-controlling interests	—	—	(12)	—	—	(12)
<b>Adjusted operating profit/(loss)</b>	<b>72 275</b>	<b>47 128</b>	<b>363 245</b>	<b>10 977</b>	<b>(33 522)</b>	<b>460 103</b>
<b>Selected returns and key statistics</b>						
Cost to income ratio	17.5%	47.6%	54.1%	n/a	n/a	53.1%
Total assets (£'mn)	1 022	5 196	23 472	134	n/a	29 824
Total liabilities (£'mn)	185	26	26 115	—	9	26 335

NOTES TO THE FINANCIAL STATEMENTS  
CONTINUED

## 1. Segmental business analysis – income statement (continued)

For the year to 31 March 2024* £'000	Private Client		Specialist Banking	Group Investments	Group Costs	Total Group
	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other			
Net interest income	8 340	107 268	695 319	—	—	810 927
Fee and commission income	9 170	814	163 229	—	—	173 213
Fee and commission expense	(992)	(41)	(15 418)	—	—	(16 451)
Investment income	2	—	2 599	11 721	—	14 322
Share of post-taxation operating profit of associates and joint venture holdings	66 868	—	24 780	—	—	91 648
Trading income/(loss) arising from						
– customer flow	2 099	4 869	96 190	—	—	103 158
– balance sheet management and other trading activities	(662)	(49)	27 810	—	—	27 099
Other operating income	—	—	2 150	—	—	2 150
<b>Operating income</b>	<b>84 825</b>	<b>112 861</b>	<b>996 659</b>	<b>11 721</b>	<b>—</b>	<b>1 206 066</b>
Expected credit loss impairment charges	4	(4 260)	(81 739)	—	—	(85 995)
<b>Operating income after expected credit loss impairment charges</b>	<b>84 829</b>	<b>108 601</b>	<b>914 920</b>	<b>11 721</b>	<b>—</b>	<b>1 120 071</b>
Operating costs	(14 178)	(49 862)	(566 209)	—	(26 350)	(656 599)
Profit attributable to non-controlling interests	—	—	(1 204)	—	—	(1 204)
<b>Adjusted operating profit/(loss)</b>	<b>70 651</b>	<b>58 739</b>	<b>347 507</b>	<b>11 721</b>	<b>(26 350)</b>	<b>462 268</b>
<b>Selected returns and key statistics</b>						
Cost to income ratio	16.7%	44.2%	56.9%	n/a	n/a	54.5%
Total assets (£'mn) <sup>^</sup>	1 028	5 009	23 808	159	n/a	30 004
Total liabilities (£'mn) <sup>^</sup>	192	42	26 287	—	12	26 533

\* Comparative figures have been restated to align with the way that financial information is reported to the chief operating decision makers. In addition, following a strategic review of our Private Capital business, previously reported as part of our Private Banking segment, the business is now reported in the Corporate, Investment Banking and Other segment. The comparative period has been restated to reflect this change.

<sup>^</sup> Given the nature of the Investec Wealth & Investment Limited transaction, the Group essentially retained similar economic interest to these investments before and after the transactions. To provide information that is more comparable to the current year, the prior year has been presented on a pro-forma basis as if the transactions had been in effect from the beginning of the prior year, i.e. Investec Wealth & Investment Limited has been presented as an equity accounted investment from the start of the prior year. Accordingly, operating profit after taxation of £35.9 million has been re-allocated to share of post-taxation operating profit of associates and joint venture holdings. This aligns the presentation with the basis on which management evaluates performance.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

## 2. Net interest income

		2025			2024		
For the year to 31 March	Notes	Average balance sheet value	Interest income	Average yield	Average balance sheet value	Interest income	Average yield
£'000							
Cash, near cash and bank debt and sovereign debt securities	1	9 976 288	477 608	4.79%	8 872 354	427 558	4.82%
Loans and advances*	2	16 727 744	1 334 303	7.98%	16 247 191	1 304 525	8.03%
Private client		5 183 842	281 839	5.44%	4 955 722	233 093	4.70%
Corporate, institutional and other clients		11 543 902	1 052 464	9.12%	11 291 469	1 071 432	9.49%
Other debt securities and other loans and advances		795 811	56 535	7.10%	891 414	66 290	7.44%
Other	3	141 669	91 654	n/a	190 123	116 100	n/a
<b>Total interest-earning assets</b>		<b>27 641 512</b>	<b>1 960 100</b>	<b>7.09%</b>	<b>26 201 082</b>	<b>1 914 473</b>	<b>7.31%</b>
		2025			2024		
For the year to 31 March	Notes	Average balance sheet value	Interest expense	Average yield	Average balance sheet value	Interest expense	Average yield
£'000							
Deposits by banks and other debt-related securities <sup>†</sup>	4	3 112 165	121 022	3.89%	3 702 896	144 436	3.90%
Customer accounts (deposits) <sup>^</sup>		21 446 503	944 449	4.40%	19 743 560	825 876	4.18%
Subordinated liabilities <sup>†</sup>		690 103	42 565	6.17%	692 448	42 697	6.17%
Other	5	219 339	77 411	n/a	259 387	90 537	n/a
<b>Total interest-bearing liabilities</b>		<b>25 468 110</b>	<b>1 185 447</b>	<b>4.65%</b>	<b>24 398 291</b>	<b>1 103 546</b>	<b>4.52%</b>
<b>Net interest income</b>			<b>774 653</b>			<b>810 927</b>	
<b>Net interest margin</b>			<b>2.80%</b>			<b>3.10%</b>	

#### Notes:

- 1 Comprises (as per the balance sheet) cash and balances at central banks; loans and advances to banks; reverse repurchase agreements and cash collateral on securities borrowed; sovereign debt securities; and bank debt securities.
  - 2 Comprises (as per the balance sheet) loans and advances to customers.
  - 3 Comprises (as per the balance sheet) lease receivables (housed in other assets on the balance sheet) as well as interest income from derivative financial instruments, other assets and intergroup 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 from lease liabilities (housed in other liabilities on the balance sheet) as well as interest expense from derivative financial instruments and intergroup liabilities where there is no associated balance sheet value.
- \* Following a strategic review of our Private Capital business, previously reported as part of our Private Banking segment, the business is now reported in the Corporate, Investment Banking and Other segment. The comparative period has been restated to reflect this change.
- <sup>^</sup> Interest expense of £60.5 million due to the Bank of England incurred on TFSME was incorrectly classified as expense arising on customer accounts. This has been reclassified to arising on deposits by banks and other debt-related securities.
- <sup>†</sup> Interest expense of £9.3 million in 2024 related to the interest unwind on a £200 million Euro Medium Term Notes (EMTNs) issuance was incorrectly classified as expense arising on subordinated liabilities. This has been reclassified to arising on deposits by banks and other debt-related securities.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 3. Net fee and commission income

For the year to 31 March		
£'000	2025	2024
<b>Wealth &amp; Investment businesses net fee and commission income*</b>	<b>9 370</b>	<b>8 178</b>
Fund management fees/fees for assets under management	9 050	6 862
Private client transactional fees	1 374	2 308
Fee and commission expense	(1 054)	(992)
<b>Specialist Banking net fee and commission income</b>	<b>171 462</b>	<b>148 584</b>
Specialist Banking fee and commission income <sup>^</sup>	184 319	164 043
Specialist Banking fee and commission expense	(12 857)	(15 459)
<b>Net fee and commission income</b>	<b>180 832</b>	<b>156 762</b>
Fee and commission income	194 743	173 213
Fee and commission expense	(13 911)	(16 451)
<b>Net fee and commission income</b>	<b>180 832</b>	<b>156 762</b>
Annuity fees (net of fees payable)	35 953	18 238
Deal fees	144 879	138 524

\* Wealth & Investment businesses relates to Investec Bank (Switzerland) AG.

<sup>^</sup> Included in Specialist Banking is fee and commission income of £8.4 million (31 March 2024: £nil) for operating lease income, generated from aircraft leasing structures, which is out of the scope of IFRS 15 – Revenue from Contracts with Customers.

### 4. Investment income

For the year to 31 March								
£'000	Listed equities	Unlisted equities	Warrants and profit shares	Total investment portfolio	Debt securities (sovereign, bank and other)	Investment and trading properties	Other asset categories	Total
<b>2025</b>								
Realised	(2 001)	6 526	1 194	5 719	4 897	—	(994)	9 622
Unrealised*	2 541	37 462	(451)	39 552	(3 410)	(11 000)	702	25 844
Dividend income	11 230	4 428	—	15 658	—	—	75	15 733
Funding and other net related income	—	—	—	—	—	1 519	—	1 519
	<b>11 770</b>	<b>48 416</b>	<b>743</b>	<b>60 929</b>	<b>1 487</b>	<b>(9 481)</b>	<b>(217)</b>	<b>52 718</b>
<b>2024</b>								
Realised	(2 742)	38 647	287	36 192	831	—	(8 368)	28 655
Unrealised*	2 798	(30 381)	450	(27 133)	(253)	(12 500)	12 370	(27 516)
Dividend income	11 722	1 261	—	12 983	—	—	200	13 183
Funding and other net related income	—	—	—	—	—	—	—	—
	<b>11 778</b>	<b>9 527</b>	<b>737</b>	<b>22 042</b>	<b>578</b>	<b>(12 500)</b>	<b>4 202</b>	<b>14 322</b>

\* 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.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

### 5. Other operating income

<b>For the year to 31 March</b>		
<b>£'000</b>	<b>2025</b>	2024
Losses recognised on property and equipment	(41)	—
Unrealised (losses)/gains on other investments	(911)	(765)
Income from operating leases	2 595	1 554
Income from government grants*	4 121	1 361
	<b>5 764</b>	<b>2 150</b>

\* Government grants income includes Research and Development Expenditure Credits.

### 6. Expected credit loss impairment charges

<b>For the year to 31 March</b>		
<b>£'000</b>	<b>2025</b>	2024
Expected credit losses have arisen on the following items:		
Loans and advances to customers	97 279	90 448
Other loans and advances	6	(64)
Other balance sheet assets	859	(160)
Undrawn commitments and guarantees	(1 104)	(4 229)
	<b>97 040</b>	<b>85 995</b>

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

## 7. Operating costs

For the year to 31 March £'000	2025	2024
Staff compensation costs	423 152	436 100
Salaries and wages (including directors' remuneration)**	335 046	352 067
Share-based payment expense	23 733	22 989
Social security costs	43 615	40 891
Pensions and provident fund contributions	20 758	20 153
Training and other costs	10 017	5 924
Staff costs	433 169	442 024
Premises expenses	27 805	29 373
Premises expenses (excluding depreciation and impairments)	12 179	14 500
Premises depreciation and impairments	15 626	14 873
Equipment expenses (excluding depreciation)	48 887	52 031
Business expenses*	102 953	120 050
Marketing expenses	12 831	9 995
Depreciation, amortisation and impairment on equipment, software and intangibles <sup>^</sup>	6 165	3 126
	<b>631 810</b>	<b>656 599</b>

\* Business expenses mainly comprise insurance costs, consulting and professional fees, travel expenses and subscriptions. The prior year includes a provision relating to motor vehicle financing.

<sup>^</sup> Included within depreciation charge for the year is £4 million (31 March 2024: £nil) of depreciation expense relating to other assets.

\*\* Details of the directors' emoluments, pensions and their interests are disclosed in the Investec remuneration report 2025.

### Segmental breakdown of operating costs

For the year to 31 March 2025 £'000	Specialist Banking			Group Costs	Total Group
	Private Client				
	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other		
Staff costs	8 019	17 180	393 565	14 405	433 169
Premises expenses	579	1 397	25 214	615	27 805
Equipment expenses (excluding depreciation)	3 258	6 645	38 600	384	48 887
Business expenses	3 365	20 031	61 865	17 692	102 953
Marketing expenses	76	2 607	9 722	426	12 831
Depreciation, amortisation and impairment on equipment, software and intangibles	69	—	6 096	—	6 165
	<b>15 366</b>	<b>47 860</b>	<b>535 062</b>	<b>33 522</b>	<b>631 810</b>

For the year to 31 March 2024*	Specialist Banking			Group Costs	Total Group
	Private Client				
	Wealth & Investment	Private Banking	Corporate, Investment Banking and Other		
Staff costs	8 520	21 238	398 976	13 290	442 024
Premises expenses	512	1 244	26 804	813	29 373
Equipment expenses (excluding depreciation)	2 650	6 264	41 899	1 218	52 031
Business expenses	2 347	17 753	89 564	10 386	120 050
Marketing expenses	29	3 363	5 960	643	9 995
Depreciation, amortisation and impairment on equipment, software and intangibles	120	—	3 006	—	3 126
	<b>14 178</b>	<b>49 862</b>	<b>566 209</b>	<b>26 350</b>	<b>656 599</b>

\* Following a strategic review of our Private Capital business, previously reported as part of our Private Banking segment, the business is now reported in the Corporate, Investment Banking and Other segment. The comparative period has been restated to reflect this change.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

### 7. Operating costs (continued)

The amounts below represent the costs incurred or to be incurred by the Group in respect of the audit of the financial statements and for other audit related services for the respective financial years.

For the year to 31 March £'000	2025	2024
<b>Deloitte (2025)/Ernst &amp; Young (2024) fees<sup>^</sup></b>		
<b>Total audit fees</b>	<b>5 756</b>	<b>6 320</b>
Audit of the Group's accounts	482	468
Audit of the Group's subsidiaries	5 274	5 852
<b>Total non-audit fees</b>	<b>2 697</b>	<b>1 692</b>
Audit related assurance services <sup>1</sup>	1 066	820
Other assurance services <sup>2</sup>	564	346
Services related to corporate finance transactions <sup>3</sup>	60	75
Other non-audit services	1 007	451
<b>Total auditor's remuneration</b>	<b>8 453</b>	<b>8 012</b>

1. Audit related assurance fees consist of reviews 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. Corporate finance transaction services relate to comfort letters on debt issuances.

<sup>^</sup> In addition, audit fees of £1.6 million (2024: £1.8 million) are borne by the Company and relate to the Investec DLC Group.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

## 8. Share-based payments

The Group operates share option and long-term share incentive plans for employees, the majority of which are on an equity-settled basis. The purpose of the staff share schemes 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 business unit and Investec Group performance by allowing all staff to share in the risks and rewards of the Investec 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. Awards made under the UK share schemes are settled in Investec Plc shares (INVP).

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

### Equity-settled awards granted under Investec share plans

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

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.

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

For the year to 31 March £'000	2025	2024
<b>Share-based payment expense</b>		
Equity-settled	<b>23 733</b>	<b>22 989</b>

For the year to 31 March £'000	2025	2024
<b>Weighted average fair value of awards granted in the year</b>		
UK schemes	<b>20 992</b>	<b>19 600</b>

	UK schemes			
	2025	Weighted average exercise price £	2024	Weighted average exercise price £
<b>Details of awards outstanding during the year</b>	<b>Number of share awards</b>		<b>Number of share awards</b>	
Outstanding at the beginning of the year	27 720 761	—	28 785 417	—
Deconsolidation of subsidiaries	—	—	(748 335)	—
Granted during the year	4 561 496	—	5 525 265	—
Exercised during the year <sup>^</sup>	(7 907 686)	—	(5 182 871)	—
Awards forfeited during the year	(617 459)	—	(658 715)	—
<b>Outstanding at the end of the year</b>	<b>23 757 112</b>	<b>—</b>	<b>27 720 761</b>	<b>—</b>
<b>Exercisable at the end of the year</b>	<b>807 309</b>	<b>—</b>	<b>861 064</b>	<b>—</b>

<sup>^</sup> The weighted average share price of options exercised during the year was £5.35 (2024: £4.58).

The weighted average share price during the year was £5.50 (2024: £4.81).

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 8. Share-based payments (continued)

Additional information relating to awards:	2025	2024
<b>Long-term incentive grants with no strike price</b>		
Exercise price range	£nil	£nil
Weighted average remaining contractual life	1.61 years	1.69 years
Weighted average fair value of awards and long-term grants at measurement date	£4.60	£3.55
The fair values of awards granted were calculated at market price, adjusted for relevant terms and conditions as applicable. For awards granted during the year, the inputs into the model were as follows:		
– Share price at date of grant	£5.16–£5.77	£4.25–£5.13
– Exercise price	£nil	£nil
– Expected volatility	n/a	n/a
– Award life	0–7.01 years	2.00–7.01 years
– Expected dividend yields	n/a	n/a
– Risk-free rate	n/a	n/a

Year of vesting by share plan and award type	UK schemes			
	2025		2024	
	Number of share awards outstanding	Year of vesting	Number of share awards outstanding	Year of vesting
Investec 1 Limited Share Incentive Plan				
– Conditional awards	45 819	3,4,5	70 571	3,4,5
– Forfeitable shares	5 858 445	3,4,5	11 446 438	3,4,5
– Nil-cost options	5 000	4,5	5 000	4,5
Investec plc Executive Incentive Plan 2013				
– Executive conditional awards	4 641 586	1,2,3 & 3,4,5 & 3,4,5,6,7	6 436 810	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				
– Conditional awards	572 384	3,4,5	314 045	3,4,5
– Executive conditional awards	2 735 383	1,2,3 & 3,4,5 & 3,4,5,6,7	2 222 905	1,2,3 & 3,4,5 & 3,4,5,6,7
– Forfeitable shares	9 888 495	3,4,5	7 214 992	3,4,5
<b>Outstanding at the end of the year</b>	<b>23 757 112</b>		<b>27 720 761</b>	

NOTES TO THE FINANCIAL STATEMENTS  
CONTINUED

## 8. Share-based payments (continued)

	UK schemes			
	2025		2024	
Summary by share plan	Number of share awards outstanding	Maximum award limit per individual	Number of share awards	Maximum award limit per individual
Investec 1 Limited Share Incentive Plan	5 909 264	10 000 000	11 522 009	10 000 000
Investec plc Executive Incentive Plan 2013	4 651 586	2 500 000	6 446 810	2 500 000
Investec plc Share Incentive Plan 2021	13 196 262	15 000 000	9 751 942	15 000 000
<b>Outstanding at the end of the year</b>	<b>23 757 112</b>		<b>27 720 761</b>	
Vesting period of outstanding options by financial year			2025	2024
Year to 31 March 2024			—	861 064
Year to 31 March 2025			807 309	7 643 931
Year to 31 March 2026			8 983 351	9 201 369
Year to 31 March 2027			5 191 751	5 226 958
Year to 31 March 2028			4 973 168	3 743 032
Year to 31 March 2029			3 074 783	625 093
Year to 31 March 2030			407 529	290 162
Year to 31 March 2031			224 179	129 152
Year to 31 March 2032			95 042	—
<b>Outstanding at the end of the year</b>			<b>23 757 112</b>	<b>27 720 761</b>

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

### 9. Long-term employment benefits

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

Investec DLC has an obligation to deliver Ninety One plc shares to the holders of Investec plc 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 £7 263 000 was calculated as the fair value of the liability at the date of demerger for the portion of the awards already vested. The total value of the liability represented past service cost and as a result was accounted for in retained income. The liability was subsequently measured at fair value through profit and loss.

A further 15% of Investec DLC's shareholding in Ninety One DLC was distributed to ordinary shareholders on 30 May 2022. 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.

IAS 19 long-term employment benefit liability fair value movement recognised in the income statement for the year ended 31 March 2025 was a profit of £0.05 million (31 March 2024: loss of £0.6 million).

	2025		2024	
	Number of Ninety One awards	Weighted average exercise price £	Number of Ninety One awards	Weighted average exercise price £
<b>Details of awards outstanding during the year</b>				
Outstanding at the beginning of the year	1 615 343	—	2 735 148	—
Granted during the year <sup>^</sup>	52 173	—	103 046	—
Exercised during the year	(591 069)	—	(1 201 482)	—
Awards reinstated / (lapsed) during the year	2 046	—	(21 369)	—
<b>Outstanding at the end of the year</b>	<b>1 078 493</b>	<b>—</b>	<b>1 615 343</b>	<b>—</b>
<b>Exercisable at the end of the year</b>	<b>373 739</b>	<b>—</b>	<b>421 724</b>	<b>—</b>

<sup>^</sup> 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.

The exercise price range and weighted average remaining contractual life for market strike options and long-term awards outstanding at 31 March were as follows:

<b>Additional information relating to awards:</b>	2025	2024
Long-term awards with no strike price		
Exercise price range	£nil	£nil
Weighted average remaining contractual life	1.03 years	1.19 years

For the liability calculated, the inputs into the model were as follows:

<b>Additional information relating to awards:</b>	2025	2024
The fair value of the liability was calculated by using the Black-Scholes option pricing model.		
– Listed share price at 31 March	£1.44	£1.71
– Exercise price	£nil	£nil
– Expected volatility	32.62%–33.00%	30.96%–31.37%
– Award life	0–3.41 years	0–4.42 years
– Expected dividend yields	0%–11.61%	0%–5.54%
– Risk-free rate	3.91%–4.28%	3.78%–5.07%

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

## 10. Taxation

For the year to 31 March £'000	2025	2024
<b>Income statement taxation charge</b>		
<b>Current taxation</b>		
<b>UK</b>		
Current taxation on income for the year	68 377	84 102
Adjustments in respect of prior years	2 077	3 110
<b>Corporation tax before double tax relief</b>	<b>70 454</b>	<b>87 212</b>
Double tax relief	(402)	(566)
	<b>70 052</b>	<b>86 646</b>
Europe	8 249	7 383
Australia	106	333
Other*	458	1 337
	<b>8 813</b>	<b>9 053</b>
<b>Total current taxation</b>	<b>78 865</b>	<b>95 699</b>
<b>Deferred taxation</b>		
UK	(5 056)	(9 689)
Europe	92	(199)
Other	157	(36)
<b>Total deferred taxation</b>	<b>(4 807)</b>	<b>(9 924)</b>
<b>Total taxation charge for the year</b>	<b>74 058</b>	<b>85 775</b>
<b>Total taxation charge for the year comprises:</b>		
Taxation on operating profit before goodwill	73 863	86 502
Taxation on acquired intangibles, goodwill and disposal of subsidiaries	195	(727)
	<b>74 058</b>	<b>85 775</b>
<b>Deferred taxation comprises:</b>		
Origination and reversal of temporary differences	(2 268)	(8 560)
Changes in taxation rates	462	(616)
Adjustment in respect of prior years	(3 001)	(748)
	<b>(4 807)</b>	<b>(9 924)</b>
<b>The deferred taxation credit in the income statement arose from:</b>		
Deferred capital allowances	(10 621)	(3 125)
Income and expenditure accruals	889	25
Asset in respect of unexpired options	4 073	(6 349)
Unrealised fair value adjustment on financial instruments	203	(283)
Movement in deferred tax assets related to assessed losses	649	33
Liability/(asset) in respect of pension surplus	—	10
Deferred tax on acquired intangibles	—	(235)
	<b>(4 807)</b>	<b>(9 924)</b>
<b>The deferred taxation charge in OCI/equity arose from:</b>		
Asset in respect of unexpired options	5 291	(6 433)
Unrealised fair value adjustment on financial instruments	(1 739)	14 119
	<b>3 552</b>	<b>7 686</b>

\* Where Other largely includes India and North America.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

## 10. Taxation (continued)

For the year to 31 March £'000	2025	2024
<b>The rates of corporation tax for the relevant years are:</b>	%	%
UK	25	25
Europe (average)	10	10
Australia	30	30
<b>Profit before taxation</b>	<b>405 823</b>	<b>403 638</b>
<b>Taxation on profit before taxation</b>	<b>74 058</b>	<b>85 775</b>
<b>Effective tax rate</b>	<b>18.2%</b>	<b>21.3%</b>
The taxation charge on activities for the year is different from the standard rate as detailed below:		
Taxation on profit on ordinary activities before taxation at UK rate of 25% (2024: 25%)	101 454	100 909
Taxation adjustments relating to foreign earnings*	(6 635)	(17 282)
Taxation relating to prior years	(924)	2 362
Non-operating items	13 748	(298)
Share options accounting expense/(income)	2 207	(212)
Non-taxable income	(21 572)	(4 885)
Net other permanent differences	(7 839)	268
Bank surcharge	3 558	6 910
Capital gains – non-taxable/covered by losses	(6 481)	417
Movement in unrecognised trading losses	(3 920)	(1 798)
Change in tax rate	462	(616)
<b>Total taxation charge as per income statement</b>	<b>74 058</b>	<b>85 775</b>
<b>Other comprehensive income taxation effects</b>		
Gains on realisation of debt instruments at FVOCI recycled through the income statement	(166)	(982)
Pre-taxation	(230)	(1 131)
Taxation effect	64	149
Fair value movements on debt and equity instruments at FVOCI taken directly to other comprehensive income	(30 679)	(7 153)
Pre-taxation	(33 264)	(5 043)
Taxation effect	2 585	(2 110)
Cash flow hedges reserves	(11 259)	17 684
Pre-taxation	(15 637)	24 553
Taxation effect	4 378	(6 869)
<b>Statement of changes in equity taxation effects</b>		
Additional Tier 1 capital	(38 357)	(20 634)
Pre-taxation	(38 357)	(20 634)
Taxation effect	—	—
Share-based payment adjustment	(559)	6 984
Pre-taxation	—	—
Taxation effect	(559)	6 984

\*Includes Pillar 2 top-up tax of £4.5 million (2024: £nil).

### Global Minimum Tax

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates. The legislation is 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 and Isle of Man) where the transitional safe harbour relief does not apply and the Pillar Two effective tax rate is below 15%. The tax charge of the Group includes £4.5 million of Pillar Two income taxes relating to these jurisdictions. For the current year, this tax expense will be payable in the UK.

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 OECD and additional governments implement this tax regime.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

## 11. Dividends

For the year to 31 March £'000	2025		2024	
	Pence per share	Total	Pence per share	Total
Ordinary dividend				
Final dividend for prior year	19.0	56 073	17.5	50 252
Interim dividend for current year	16.5	47 828	15.5	44 153
<b>Total dividend attributable to ordinary shareholders</b>	<b>35.5</b>	<b>103 901</b>	<b>33.0</b>	<b>94 405</b>

The directors have proposed a final dividend in respect of the financial year ended 31 March 2025 of 20.0 pence per ordinary share (31 March 2024: 19.0 pence).

This will be paid as follows:

- For Investec plc non-South African shareholders, through a dividend paid by Investec plc of 20.0 pence per ordinary share
- For Investec plc South African shareholders, through a dividend payment on the SA DAS share of 20.0 pence per ordinary share.

The final dividend to shareholders on the register at the close of business on 15 August 2025 is subject to the approval of the members of Investec plc at the annual general meeting which is scheduled to take place on 7 August 2025 and, if approved, will be paid on 29 August 2025.

For the year to 31 March £'000	2025			2024		
	Pence per share	Cents per share	Total	Pence per share	Cents per share	Total
Perpetual preference dividend						
Final dividend for prior year	31.34	559.65	896	21.59	490.94	623
Interim dividend for current year	30.92	558.87	884	29.09	552.50	832
<b>Total dividend attributable to perpetual preference shareholders recognised in current financial year</b>	<b>62.26</b>	<b>1 118.52</b>	<b>1 780</b>	<b>50.68</b>	<b>1 043.44</b>	<b>1 455</b>

The directors have declared a final dividend in respect of the financial year ended 31 March 2025 of 28.55478 pence (Investec plc shares traded on the JSE Limited) and 28.55478 pence (Investec plc shares traded on the Channel Island Stock Exchange), and 532.26027 cents per Rand-denominated perpetual preference share. The final Sterling dividend will be payable on 27 June 2025 to shareholders on the register at the close of business on 13 June 2025. The final Rand dividend will be payable on 20 June 2025 to shareholders on the register at the close of business on 13 June 2025.

For the year to 31 March £'000	2025	2024
<b>Dividend attributable to Other Additional Tier 1 securities</b>	<b>38 357</b>	<b>20 642</b>

The £250 000 000 Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities, issued on 5 October 2017, paid a distribution rate of 6.75% per annum quarterly.

£141 892 000 of these securities were bought back on 1 March 2024 and the remaining £108 108 000 were bought back on 5 December 2024.

On 28 February 2024, £350 000 000 Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities were issued paying a distribution rate of 10.5% per annum semi-annually.

The dividend is shown gross of UK corporation tax.

NOTES TO THE FINANCIAL STATEMENTS  
CONTINUED

## 12. Analysis of income and impairments by category of financial instrument

	At fair value through profit or loss		
	IFRS 9 mandatory		
<b>For the year to 31 March</b>			
<b>£'000</b>	Trading**	Non-trading**	Designated at inception
<b>2025</b>			
Interest income	68 841	75 189	—
Interest expense	(67 699)	—	—
Fee and commission income	17 168	1 453	—
Fee and commission expense	—	—	—
Investment income	8 518	40 828	(60)
Share of post-taxation profit of associates and joint venture holdings	—	—	—
Trading income/(loss) arising from			
– customer flow	93 781	78	—
– balance sheet management and other trading activities	279	15 286	—
Other operating income	—	—	—
<b>Total operating income/(expense) before expected credit loss</b>	<b>120 888</b>	<b>132 834</b>	<b>(60)</b>
Expected credit loss impairments charges	—	—	—
<b>Operating income/(expense)</b>	<b>120 888</b>	<b>132 834</b>	<b>(60)</b>

	At fair value through profit or loss		
	IFRS 9 mandatory		
<b>For the year to 31 March</b>			
<b>£'000</b>	Trading**	Non-trading**	Designated at inception
<b>2024</b>			
Interest income <sup>^</sup>	87 342	81 632	—
Interest expense <sup>^</sup>	(78 865)	—	—
Fee and commission income	13 685	1 054	—
Fee and commission expense	—	—	—
Investment income	(1 365)	16 365	(3 550)
Share of post-taxation profit of associates and joint venture holdings <sup>#</sup>	—	—	—
Trading income/(loss) arising from			
– customer flow	105 349	(736)	451
– balance sheet management and other trading activities	372	27 100	—
Other operating income	—	—	—
<b>Total operating income/(expense) before expected credit loss</b>	<b>126 518</b>	<b>125 415</b>	<b>(3 099)</b>
Expected credit loss impairments charges <sup>^^</sup>	—	—	—
<b>Operating income/(expense)</b>	<b>126 518</b>	<b>125 415</b>	<b>(3 099)</b>

\* Includes off-balance sheet items.

\*\* Fair value through profit and loss items have been split as trading and non-trading, as defined by regulatory rules for the trading book and banking book requirements, respectively, other than derivatives, which are all classified as trading. 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.

<sup>^</sup> In the current year, net interest income and expense have been disaggregated into interest income and interest expense, the prior period has been re-presented on the same basis.

<sup>^^</sup> Expected credit loss impairment charges have also been disaggregated to align with the balance sheet IFRS 9 classification of the underlying assets and off-balance sheet items and the prior year has been re-presented.

<sup>#</sup> Restated as detailed in note 59.

NOTES TO THE 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
235 290	—	1 577 107	3 673	—	1 960 100
—	—	(1 108 039)	(9 709)	—	(1 185 447)
—	—	80 870	—	95 252	194 743
—	—	(2 953)	—	(10 958)	(13 911)
228	10 962	1 022	(8 780)	—	52 718
—	—	—	40 921	—	40 921
—	—	(8 317)	—	—	85 542
—	—	(1 329)	—	—	14 236
—	—	2 595	(41)	3 210	5 764
<b>235 518</b>	<b>10 962</b>	<b>540 956</b>	<b>26 064</b>	<b>87 504</b>	<b>1 154 666</b>
(9 886)	—	(88 258)	—	1 104	(97 040)
<b>225 632</b>	<b>10 962</b>	<b>452 698</b>	<b>26 064</b>	<b>88 608</b>	<b>1 057 626</b>

Debt instruments with a dual business model	Equity instruments	Amortised cost	Non-financial instruments	Other fee income and expenses*	Total
175 370	—	1 559 423	10 706	—	1 914 473
—	—	(1 013 513)	(11 168)	—	(1 103 546)
—	—	69 720	—	88 754	173 213
—	—	(2 736)	—	(13 715)	(16 451)
1 131	11 721	700	(10 680)	—	14 322
—	—	—	33 538	—	33 538
—	—	(1 906)	—	—	103 158
—	—	(373)	—	—	27 099
—	—	1 553	—	597	2 150
<b>176 501</b>	<b>11 721</b>	<b>612 868</b>	<b>22 396</b>	<b>75 636</b>	<b>1 147 956</b>
(8 209)	—	(82 015)	—	4 229	(85 995)
<b>168 292</b>	<b>11 721</b>	<b>530 853</b>	<b>22 396</b>	<b>79 865</b>	<b>1 061 961</b>

NOTES TO THE FINANCIAL STATEMENTS  
CONTINUED

### 13. Analysis of financial assets and liabilities by category of financial instruments

At 31 March 2025 £'000	At fair value through profit or loss		
	IFRS 9 mandatory		Designated at initial recognition
	Trading*	Non-trading*	
<b>Assets</b>			
Cash and balances at central banks	—	—	—
Loans and advances to banks	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	—	56 413	—
Sovereign debt securities	—	—	—
Bank debt securities	—	—	—
Other debt securities	—	49 736	—
Derivative financial instruments	299 281	—	—
Securities arising from trading activities	149 912	—	—
Loans and advances to customers	—	571 929	—
Other loans and advances	—	—	—
Investment portfolio	—	213 260	—
Interests in associated undertakings and joint venture holdings	—	—	—
Current taxation assets	—	—	—
Deferred taxation assets	—	—	—
Other assets	1 228	3 108	—
Property and equipment	—	—	—
Goodwill	—	—	—
Software	—	—	—
	<b>450 421</b>	<b>894 446</b>	<b>—</b>
<b>Liabilities</b>			
Deposits by banks	—	—	—
Derivative financial instruments	274 791	—	—
Other trading liabilities	16 242	—	—
Repurchase agreements and cash collateral on securities lent	—	—	—
Customer accounts (deposits)	—	—	—
Debt securities in issue	—	—	—
Current taxation liabilities	—	—	—
Other liabilities	—	—	—
	<b>291 033</b>	<b>—</b>	<b>—</b>
Subordinated liabilities	—	—	—
	<b>291 033</b>	<b>—</b>	<b>—</b>

\* Fair value through profit and loss positions have been split as trading and non-trading, as defined by regulatory rules for the trading book and banking book requirements, respectively, other than derivatives, which are all classified as trading. Trading consists of positions held for trading intent or hedge elements of the trading book.

For more information on hedges, please refer to note 52 on pages 148 to [151](#).

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At fair value through comprehensive income					
Debt instrument with dual business model	Equity instruments	Total instruments at fair value	Amortised cost	Non-financial instruments or scoped out of IFRS 9	Total
—	—	—	4 191 750	—	4 191 750
—	—	—	860 267	—	860 267
—	—	56 413	1 584 352	—	1 640 765
1 335 652	—	1 335 652	1 189 050	—	2 524 702
324 179	—	324 179	—	—	324 179
8 777	—	58 513	712 209	—	770 722
—	—	299 281	—	—	299 281
—	—	149 912	—	—	149 912
2 005 308	—	2 577 237	14 236 486	—	16 813 723
—	—	—	139 212	—	139 212
—	134 330	347 590	—	—	347 590
—	—	—	—	832 141	832 141
—	—	—	—	25 382	25 382
—	—	—	—	120 918	120 918
—	—	4 336	349 568	298 239	652 143
—	—	—	—	58 940	58 940
—	—	—	—	67 520	67 520
—	—	—	—	4 742	4 742
<b>3 673 916</b>	<b>134 330</b>	<b>5 153 113</b>	<b>23 262 894</b>	<b>1 407 882</b>	<b>29 823 889</b>
—	—	—	1 477 568	—	1 477 568
—	—	274 791	—	—	274 791
—	—	16 242	—	—	16 242
—	—	—	178 202	—	178 202
—	—	—	21 455 855	—	21 455 855
—	—	—	1 301 802	—	1 301 802
—	—	—	—	9 023	9 023
—	—	—	548 617	390 342	938 959
—	—	<b>291 033</b>	<b>24 962 044</b>	<b>399 365</b>	<b>25 652 442</b>
—	—	—	682 218	—	682 218
—	—	<b>291 033</b>	<b>25 644 262</b>	<b>399 365</b>	<b>26 334 660</b>

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### 13. Analysis of financial assets and liabilities by category of financial instruments (continued)

	At fair value through profit or loss		
	IFRS 9 mandatory		Designated at initial recognition
At 31 March 2024 <sup>^</sup> £'000	Trading*	Non-trading*	
<b>Assets</b>			
Cash and balances at central banks	—	—	—
Loans and advances to banks	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	—	164 319	—
Sovereign debt securities	—	—	—
Bank debt securities	—	—	—
Other debt securities	—	59 678	—
Derivative financial instruments	394 816	—	—
Securities arising from trading activities	145 200	1 433	10 699
Loans and advances to customers	—	641 197	—
Other loans and advances	—	—	—
Other securitised assets	—	—	66 702
Investment portfolio	—	246 521	—
Interests in associated undertakings and joint venture holdings	—	—	—
Current taxation assets	—	—	—
Deferred taxation assets	—	—	—
Other assets	4 732	5 153	—
Property and equipment	—	—	—
Goodwill	—	—	—
Software	—	—	—
	<b>544 748</b>	<b>1 118 301</b>	<b>77 401</b>
<b>Liabilities</b>			
Deposits by banks	—	—	—
Derivative financial instruments	409 255	—	—
Other trading liabilities	18 449	—	—
Repurchase agreements and cash collateral on securities lent	—	—	—
Customer accounts (deposits)	—	—	—
Debt securities in issue	—	—	9 823
Liabilities arising on securitisation of other assets	—	—	71 751
Current taxation liabilities	—	—	—
Other liabilities	—	—	—
	<b>427 704</b>	<b>—</b>	<b>81 574</b>
Subordinated liabilities	—	—	—
	<b>427 704</b>	<b>—</b>	<b>81 574</b>

\* Fair value through profit and loss positions have been split as trading and non-trading, as defined by regulatory rules for the trading book and banking book requirements, respectively, other than derivatives, which are all classified as trading. Trading consists of positions held for trading intent or hedge elements of the trading book.

<sup>^</sup> Restated as detailed in note 59.

For more information on hedges, please refer to note 52 on pages 148 to [151](#).

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At fair value through comprehensive income					
Debt instrument with dual business model	Equity instruments	Total instruments at fair value	Amortised cost	Non-financial instruments or scoped out of IFRS 9	Total
—	—	—	5 661 623	—	5 661 623
—	—	—	676 464	—	676 464
—	—	164 319	975 796	—	1 140 115
993 289	—	993 289	934 845	—	1 928 134
247 263	—	247 263	49 992	—	297 255
8 552	—	68 230	640 055	—	708 285
—	—	394 816	—	—	394 816
—	—	157 332	—	—	157 332
1 471 371	—	2 112 568	14 457 745	—	16 570 313
—	—	—	117 514	—	117 514
—	—	66 702	—	—	66 702
—	158 889	405 410	—	—	405 410
—	—	—	—	857 247	857 247
—	—	—	—	31 200	31 200
—	—	—	—	119 730	119 730
—	—	9 885	417 758	298 352	725 995
—	—	—	—	72 947	72 947
—	—	—	—	68 669	68 669
—	—	—	—	4 571	4 571
<b>2 720 475</b>	<b>158 889</b>	<b>4 619 814</b>	<b>23 931 792</b>	<b>1 452 716</b>	<b>30 004 322</b>
—	—	—	2 174 305	—	2 174 305
—	—	409 255	—	—	409 255
—	—	18 449	—	—	18 449
—	—	—	85 091	—	85 091
—	—	—	20 790 611	—	20 790 611
—	—	9 823	1 263 283	—	1 273 106
—	—	71 751	—	—	71 751
—	—	—	—	8 672	8 672
—	—	—	594 305	438 350	1 032 655
—	—	<b>509 278</b>	<b>24 907 595</b>	<b>447 022</b>	<b>25 863 895</b>
—	—	—	668 810	—	668 810
—	—	<b>509 278</b>	<b>25 576 405</b>	<b>447 022</b>	<b>26 532 705</b>

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

### 14. Fair value hierarchy

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

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

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

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

At 31 March 2025 £'000	Total instruments at fair value	Fair value category		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Reverse repurchase agreements and cash collateral on securities borrowed	56 413	—	56 413	—
Sovereign debt securities	1 335 652	1 335 652	—	—
Bank debt securities	324 179	324 179	—	—
Other debt securities	58 513	8 777	2 050	47 686
Derivative financial instruments	299 281	—	292 929	6 352
Securities arising from trading activities	149 912	149 912	—	—
Loans and advances to customers*	2 577 237	—	45 099	2 532 138
Investment portfolio	347 590	135 264	962	211 364
Other assets	4 336	4 336	—	—
	<b>5 153 113</b>	<b>1 958 120</b>	<b>397 453</b>	<b>2 797 540</b>
<b>Liabilities</b>				
Derivative financial instruments	274 791	—	273 964	827
Other trading liabilities	16 242	16 242	—	—
	<b>291 033</b>	<b>16 242</b>	<b>273 964</b>	<b>827</b>
<b>Net assets at fair value</b>	<b>4 862 080</b>	<b>1 941 878</b>	<b>123 489</b>	<b>2 796 713</b>

\* 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.

#### Transfers between level 1 and level 2

During the current and prior year there were no transfers between level 1 and level 2.

NOTES TO THE FINANCIAL STATEMENTS  
CONTINUED

## 14. Fair value hierarchy (continued)

At 31 March 2024 <sup>^</sup> £'000	Total instruments at fair value	Fair value category		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Reverse repurchase agreements and cash collateral on securities borrowed	164 319	—	164 319	—
Sovereign debt securities	993 289	993 289	—	—
Bank debt securities	247 263	247 263	—	—
Other debt securities	68 230	8 552	65	59 613
Derivative financial instruments	394 816	—	384 245	10 571
Securities arising from trading activities	157 332	157 332	—	—
Loans and advances to customers*	2 112 568	—	70 418	2 042 150
Other securitised assets	66 702	—	—	66 702
Investment portfolio	405 410	159 681	754	244 975
Other assets	9 885	9 885	—	—
	<b>4 619 814</b>	<b>1 576 002</b>	<b>619 801</b>	<b>2 424 011</b>
<b>Liabilities</b>				
Derivative financial instruments	409 255	—	408 321	934
Other trading liabilities	18 449	18 449	—	—
Debt securities in issue	9 823	—	9 823	—
Liabilities arising on securitisation of other assets	71 751	—	—	71 751
	<b>509 278</b>	<b>18 449</b>	<b>418 144</b>	<b>72 685</b>
<b>Net assets at fair value</b>	<b>4 110 536</b>	<b>1 557 553</b>	<b>201 657</b>	<b>2 351 326</b>

\* 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.

<sup>^</sup> Restated as detailed in note 59.

### Transfers between level 1 and level 2

During the current and prior year there were no transfers between level 1 and level 2.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

## 14. Fair value hierarchy (continued)

### Level 3 instruments

The following table is a reconciliation of the opening balances to the closing balances for the fair value measurements in level 3 of the fair value hierarchy:

For the year to £'000	Investment portfolio	Loans and advances to customers	Other securitised assets	Other balance sheet assets <sup>1</sup>	Total
<b>Assets</b>					
<b>Balance as at 1 April 2023</b>	<b>314 368</b>	<b>1 303 646</b>	<b>78 231</b>	<b>111 460</b>	<b>1 807 705</b>
Total gains or (losses)	1 149	175 394	(1 495)	1 651	176 699
In the income statement	1 149	177 180	(1 495)	1 651	178 485
In the statement of comprehensive income	—	(1 786)	—	—	(1 786)
Purchases	31 704	2 551 558	—	39 709	2 622 971
Sales	(80 268)	(1 058 680)	—	(14 481)	(1 153 429)
Settlements	(18 352)	(898 422)	(10 034)	(74 870)	(1 001 678)
Foreign exchange adjustments	(3 626)	(31 346)	—	6 715	(28 257)
<b>Balance as at 31 March 2024</b>	<b>244 975</b>	<b>2 042 150</b>	<b>66 702</b>	<b>70 184</b>	<b>2 424 011</b>
Total gains or (losses)	23 975	228 672	724	2 132	255 503
In the income statement	23 975	209 554	724	2 132	236 385
In the statement of comprehensive income	—	19 118	—	—	19 118
Purchases	20 506	3 201 706	—	5 478	3 227 690
Sales	(9 876)	(1 166 693)	—	(421)	(1 176 990)
Transfer to associated undertakings and joint venture holdings	(34 497)	—	—	—	(34 497)
Settlements	(30 111)	(1 730 700)	(8 403)	(16 306)	(1 785 520)
Deconsolidation of subsidiaries	—	—	(59 023)	(1 998)	(61 021)
Transfers out of level 3	—	(1 825)	—	—	(1 825)
Foreign exchange adjustments	(3 608)	(41 172)	—	(5 031)	(49 811)
<b>Balance as at 31 March 2025</b>	<b>211 364</b>	<b>2 532 138</b>	<b>—</b>	<b>54 038</b>	<b>2 797 540</b>

1. Comprises of other debt securities, derivative financial instruments and securities arising from trading.

<sup>^</sup> Restated as detailed in note 59.

The Group transfers between levels within the fair value hierarchy when the observability of 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 to 31 March 2025, loans and advances to customers of £1.8 million were transferred from level 3 to level 2. In the prior year, there were no transfers into or from level 3. The valuation methodologies were reviewed and broker inputs were used to determine the fair value.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 14. Fair value hierarchy (continued)

For the year to £'000	Liabilities arising on securitisation of other assets	Other balance sheet liabilities <sup>2*</sup>	Total
<b>Liabilities</b>			
<b>Balance as at 1 April 2023</b>	<b>81 609</b>	<b>6 832</b>	<b>88 441</b>
Total losses	1 190	425	1 615
In the income statement	1 190	425	1 615
Deconsolidation of subsidiaries	—	(3 933)	(3 933)
Settlements	(11 048)	(2 391)	(13 439)
Foreign exchange adjustments	—	1	1
<b>Balance as at 31 March 2024</b>	<b>71 751</b>	<b>934</b>	<b>72 685</b>
Total losses	311	29	340
In the income statement	311	29	340
Settlements	(7 638)	—	(7 638)
Deconsolidation of subsidiaries	(64 424)	(136)	(64 560)
<b>Balance as at 31 March 2025</b>	<b>—</b>	<b>827</b>	<b>827</b>

2. Comprises level 3 derivative financial instruments and other liabilities.

^ Restated as detailed in note 59.

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

For the year to 31 March £'000	Total	Realised	Unrealised
<b>2025</b>			
<b>Total gains or (losses) included in the income statement for the year</b>			
Net interest income*	213 436	187 033	26 403
Investment income**	23 351	(10 284)	33 635
Trading income arising from customer flow	(742)	—	(742)
	<b>236 045</b>	<b>176 749</b>	<b>59 296</b>
<b>Total gains or (losses) included in other comprehensive income for the year</b>			
Gains on realisation on debt instruments at FVOCI recycled through the income statement	268	268	—
Fair value movements on debt instruments at FVOCI taken directly to other comprehensive income	19 118	—	19 118
	<b>19 386</b>	<b>268</b>	<b>19 118</b>
<b>2024<sup>^</sup></b>			
<b>Total gains or (losses) included in the income statement for the year</b>			
Net interest income*	174 393	156 766	17 627
Investment income**	4 622	33 266	(28 644)
Trading loss arising from customer flow	(2 145)	—	(2 145)
	<b>176 870</b>	<b>190 032</b>	<b>(13 162)</b>
<b>Total gains or (losses) included in other comprehensive income for the year</b>			
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)
	<b>(1 252)</b>	<b>534</b>	<b>(1 786)</b>

<sup>^</sup> Restated as detailed in note 59.

\* Of the above gains, £210 million (2024: £172 million) relates to 'loans and advances to customers' and the remainder relates to 'other debt securities'.

\*\* Of the above gains, £24 million (2024: £3.6 million) relates to 'investment portfolio' and the remainder relates to other asset and liability categories.

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## 14. Fair value hierarchy (continued)

### Level 2 financial assets and financial liabilities

The following table sets out the Group's principal valuation techniques as at 31 March 2025 used in determining the fair value of its financial assets and financial liabilities that are classified within level 2 of the fair value hierarchy:

	VALUATION BASIS/TECHNIQUES	MAIN INPUTS
<b>Assets</b>		
Reverse repurchase agreements and cash collateral on securities borrowed	Discounted cash flow model	Discount rates
Other debt securities	Discounted cash flow model	Discount rates, swap curves and negotiable certificate of deposit curves, external prices and broker
Derivative financial instruments	Discounted cash flow model, Hermite interpolation and industry standard derivative pricing models including Black-Scholes and Local Volatility	Discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Investment portfolio	Discounted cash flow model and net asset value model	Discount rate and net assets
	Comparable quoted inputs	Discount rate and fund unit price
Loans and advances to customers	Discounted cash flow model	Yield curves
	Broker inputs	Broker quotes
<b>Liabilities</b>		
Derivative financial instruments	Discounted cash flow model, Hermite interpolation and industry standard derivative pricing models including Black-Scholes and Local Volatility	Discount rate, risk-free rate, volatilities, forex forward points and spot rates, interest rate swap curves and credit curves
Debt securities in issue	Discounted cash flow model, Hermite interpolation and 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

## NOTES TO THE FINANCIAL STATEMENTS

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## 14. Fair value hierarchy (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 table below shows the sensitivity of these fair values to reasonably possible alternative assumptions, determined at a transactional level: Reasonable possible changes are determined depending on the nature of the instrument, for example, for credit related inputs, this is a one rating grade movement up or down. In other instances, the extent of a reasonable change is based on market experience.

At 31 March 2025	Balance sheet value £'000	Valuation technique	Significant unobservable input	Range of unobservable input used	Favourable changes £'000	Unfavourable changes £'000
<b>Assets</b>						
Other debt securities	47 686		Potential impact on income statement		1 918	(3 213)
		Discounted cash flows	Credit spreads	0.36%–1.5%	57	(105)
		Discounted cash flows	Cash flow adjustments	CPR 13.94%	256	(164)
		Underlying asset value	Underlying asset value	^^	1 361	(2 700)
		Other	Other	^	244	(244)
Derivative financial instruments	6 352		Potential impact on income statement		1 058	(702)
		Option pricing model	Volatilities	7.5%–16.95%	—	(1)
		Underlying asset value	Underlying asset value	^^	1	(3)
		Other	Other	^	1 057	(698)
Investment portfolio	211 364		Potential impact on income statement		25 512	(50 819)
		Price earnings	Price earnings multiple	1.6x–7.5x	5 662	(10 660)
		Price earnings	Change in EBITDA	3.3x–7.8x	2 768	(5 502)
		Discounted cash flows	Discount rate	10%–15%	4 446	(8 314)
		Underlying asset value	Underlying asset value	^^	9 320	(18 487)
		Other	Other	^	3 316	(7 856)
Loans and advances to customers	2 532 138		Potential impact on income statement		10 221	(18 713)
		Discounted cash flows	Credit spreads	0.14%–4.65%	6 263	(14 212)
		Discounted cash flows	Credit spreads	37.3%	1 557	(1 557)
		Price earnings	Price earnings multiple	4.5x	675	(1 101)
		Underlying asset value	Underlying asset value	^^	1 726	(1 843)
			Potential impact on other comprehensive income		17 712	(32 737)
		Discounted cash flows	Credit spreads	0.16%–5.72%	17 712	(32 737)
<b>Total level 3 assets</b>	<b>2 797 540</b>				<b>56 421</b>	<b>(106 184)</b>
<b>Liabilities</b>						
Derivative financial instruments	827		Potential impact on income statement		(12)	—
		Other	Other	^	(12)	—
<b>Total level 3 liabilities</b>	<b>827</b>				<b>(12)</b>	<b>—</b>
<b>Net level 3 assets</b>	<b>2 796 713</b>					

^ Other – The valuation sensitivity has been assessed by adjusting various inputs such as net asset value and probability of recovery 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.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

### 14. Fair value hierarchy (continued)

At 31 March 2024	Balance sheet value £'000	Principle valuation technique	Significant unobservable input	Range of unobservable input used	Favourable changes £'000	Unfavourable changes £'000
<b>Assets</b>						
Other debt securities	59 613		Potential impact on income statement		2 192	(3 713)
		Discounted cash flows	Credit spreads	0.75%–0.86%	40	(68)
		Discounted cash flows	Cash flow adjustments	CPR 7.62%–11.08%	214	(160)
		Other	Other	^	1 938	(3 485)
Derivative financial instruments <sup>#</sup>	10 571		Potential impact on income statement		801	(894)
		Option pricing model	Volatilities	7.5%–19.1%	1	(3)
		Discounted cash flows	Cash flow adjustments	CPR 7.62%–11.08%	2	(2)
		Underlying asset value	Underlying asset value	^^	46	(93)
		Other	Other	^	752	(796)
Investment portfolio	244 975		Potential impact on income statement		24 877	(48 953)
		Price earnings	Price earnings multiple	3.8x–9x	6 485	(13 200)
		Discounted cash flows	Cash flow adjustments	10.0%	225	(449)
		Underlying asset value*	Underlying asset value	^^	4 545	(8 120)
		Other*	Other	^	13 622	(27 184)
Loans and advances to customers	2 042 150		Potential impact on income statement		16 027	(35 018)
		Discounted cash flows	Credit spreads	0.16%–37.8%	10 840	(24 697)
		Price earnings	Price earnings multiple	3.8x	2 762	(6 893)
		Underlying asset value	Underlying asset value	^^	1 435	(1 631)
		Other	Other	^	990	(1 797)
			Potential impact on other comprehensive income			
		Discounted cash flows	Credit spreads	0.14%–5.0%	12 783	(24 177)
Other securitised assets	66 702		Potential impact on income statement			
		Discounted cash flows	Cash flow adjustments	CPR 7.62%	770	(1 291)
<b>Total level 3 assets</b>	<b>2 424 011</b>				<b>57 450</b>	<b>(114 045)</b>
<b>Liabilities</b>						
Derivative financial instruments <sup>#</sup>	934		Potential impact on income statement		(2)	2
		Option pricing model	Volatilities	9%–22.3%	(1)	2
		Other	Other	^	(1)	—
Liabilities arising on securitisation of other assets	71 751	Discounted cash flows	Potential impact on income statement			
			Cash flow adjustments	CPR 7.62%	(805)	440
<b>Total level 3 liabilities</b>	<b>72 685</b>				<b>(807)</b>	<b>442</b>
<b>Net level 3 assets</b>	<b>2 351 326</b>					

<sup>#</sup> Restated as detailed in note 59.

\* Due to the addition of valuation techniques into this disclosure, these lines have been disaggregated.

^ Other – The valuation sensitivity has been assessed by adjusting various inputs such as net asset value and probability of recovery 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.

## NOTES TO THE FINANCIAL STATEMENTS

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#### 14. Fair value hierarchy (continued)

In determining the value of level 3 financial instruments, the following are the principal inputs 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. It is an unobservable input into a discounted cash flow valuation.

##### **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 that can be expected from the instrument and requires judgement. Cash flows are input into a discounted cash flow valuation.

##### **Price earnings multiple**

The price-to-earnings ratio is an equity valuation multiple used in the adjustment of underlying market prices. It is a key driver in the valuation of unlisted 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 FINANCIAL STATEMENTS  
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## 15. Fair value of financial instruments at amortised cost

At 31 March 2025 £'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 within the fair value hierarchy		
					Level 1	Level 2	Level 3
<b>Assets</b>							
Cash and balances at central banks	4 191 750	4 191 750	—	—	—	—	—
Loans and advances to banks	860 267	860 267	—	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	1 584 352	1 318 407	265 945	266 404	—	266 404	—
Sovereign debt securities	1 189 050	421 866	767 184	767 504	767 504	—	—
Other debt securities	712 209	75 979	636 230	629 936	—	629 936	—
Loans and advances to customers	14 236 486	564 094	13 672 392	13 643 949	—	1 006 893	12 637 056
Other loans and advances	139 212	91 024	48 188	48 164	—	48 164	—
Other assets	349 568	349 568	—	—	—	—	—
	<b>23 262 894</b>	<b>7 872 955</b>	<b>15 389 939</b>	<b>15 355 957</b>			
<b>Liabilities</b>							
Deposits by banks	1 477 568	201 160	1 276 408	1 282 354	—	1 282 354	—
Repurchase agreements and cash collateral on securities lent	178 202	178 202	—	—	—	—	—
Customer accounts (deposits)	21 455 855	13 473 780	7 982 075	7 949 847	—	7 949 847	—
Debt securities in issue	1 301 802	1 194	1 300 608	1 308 371	1 176 693	131 678	—
Other liabilities	548 617	547 935	682	189	—	—	189
Subordinated liabilities	682 218	—	682 218	712 548	712 548	—	—
	<b>25 644 262</b>	<b>14 402 271</b>	<b>11 241 991</b>	<b>11 253 309</b>			

For the year ended 31 March 2025, there were insignificant disposals of financial instruments measured 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.

NOTES TO THE FINANCIAL STATEMENTS  
CONTINUED

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

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 within the fair value hierarchy		
					Level 1	Level 2	Level 3
<b>Assets</b>							
Cash and balances at central banks	5 661 623	5 661 623	—	—	—	—	—
Loans and advances to banks	676 464	676 464	—	—	—	—	—
Reverse repurchase agreements and cash collateral on securities borrowed	975 796	904 973	70 823	70 775	—	70 775	—
Sovereign debt securities	934 845	4 253	930 592	930 937	930 937	—	—
Bank debt securities	49 992	—	49 992	50 432	50 432	—	—
Other debt securities	640 055	26 958	613 097	614 800	—	614 800	—
Loans and advances to customers	14 457 745	542 986	13 914 759	13 715 487	—	982 824	12 732 663
Other loans and advances	117 514	71 467	46 047	46 167	—	46 167	—
Other assets	417 758	417 758	—	—	—	—	—
	<b>23 931 792</b>	<b>8 306 482</b>	<b>15 625 310</b>	<b>15 428 598</b>			
<b>Liabilities</b>							
Deposits by banks	2 174 305	271 520	1 902 785	1 917 265	—	1 917 265	—
Repurchase agreements and cash collateral on securities lent	85 091	85 091	—	—	—	—	—
Customer accounts (deposits)	20 790 611	9 957 937	10 832 674	10 810 561	—	10 810 561	—
Debt securities in issue	1 263 283	1 194	1 262 089	1 261 504	975 292	286 212	—
Other liabilities	594 305	592 679	1 626	536	—	—	536
Subordinated liabilities	668 810	—	668 810	661 143	661 143	—	—
	<b>25 576 405</b>	<b>10 908 421</b>	<b>14 667 984</b>	<b>14 651 009</b>			

For the year ended 31 March 2024, there were insignificant disposals of financial instruments measured at amortised cost.

## NOTES TO THE FINANCIAL STATEMENTS

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

### Fixed rate financial 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.

Certain financial instruments that would normally be carried at fair value continue to be recognised at transaction price. This occurs when the fair value would normally be determined using valuation techniques which cannot be relied on due to insufficient external inputs. This results in gains or losses which have not been recognised on-balance sheet.

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

<b>Other debt securities</b>	Priced with reference to similar trades in an observable market.
<b>Reverse repurchase agreements and cash collateral on securities borrowed</b>	Calculation of the present value of future cash flows, discounted as appropriate.
<b>Loans and advances to customers</b>	Calculation of the present value of future cash flows, discounted as appropriate.
<b>Other loans and advances</b>	Calculation of the present value of future cash flows, discounted as appropriate.
<b>Other assets</b>	Calculation of the present value of future cash flows, discounted as appropriate.
<b>Deposits by banks</b>	Calculation of fair value using appropriate funding rates.
<b>Customer accounts (deposits)</b>	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.
<b>Debt securities in issue</b>	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.
<b>Other liabilities</b>	Where the other liabilities are short-term in nature, carrying amounts are assumed to approximate fair value.

NOTES TO THE FINANCIAL STATEMENTS  
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## 16. Designated at fair value

At 31 March £'000	Carrying value	Fair value adjustment		Change in fair value attributable to credit risk*		Maximum exposure to credit risk
		Current	Cumulative	Current	Cumulative	
<b>Assets</b>						
<b>2024</b>						
Securities arising from trading activities <sup>#</sup>	10 699	529	1 753	(98)	(161)	10 699
Other securitised assets <sup>^</sup>	66 702	(2 747)	(12 648)	(2 747)	(12 648)	66 702
	<b>77 401</b>	<b>(2 218)</b>	<b>(10 895)</b>	<b>(2 845)</b>	<b>(12 809)</b>	<b>77 401</b>

At 31 March £'000	Carrying value	Remaining contractual amount to be repaid at maturity	Fair value adjustment		Change in fair value attributable to credit risk*	
			Current	Cumulative	Current	Cumulative
<b>Liabilities</b>						
<b>2024</b>						
Debt securities in issue <sup>#</sup>	9 823	9 969	79	2 217	(106)	(160)
Liabilities arising on securitisation of other assets <sup>^</sup>	71 751	77 152	567	(4 350)	567	(4 350)
	<b>81 574</b>	<b>87 121</b>	<b>646</b>	<b>(2 133)</b>	<b>461</b>	<b>(4 510)</b>

\* 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.

<sup>^</sup> During the year, the Group sold a residual tranche holding in Landmark Mortgage Securities No. 2 plc structured entity which subsequently resulted in the deconsolidation of the SPV and its related assets and liabilities.

<sup>#</sup> During the year, all of the debt securities designated at fair value in the Financial Product's collateralised note issuance programme matured and the corresponding bond positions were sold and hence the balances for 2025 are £nil.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

### 17. Cash and balances at central banks

At 31 March		
£'000	2025	2024
Gross cash and balances at central banks	4 191 750	5 661 623
Expected credit loss	—	—
<b>Net cash and balances at central banks</b>	<b>4 191 750</b>	<b>5 661 623</b>
The country risk of cash and bank balances at central banks lies in the following geographies:		
United Kingdom	4 175 093	5 650 258
Europe (excluding UK)	16 657	11 365
	<b>4 191 750</b>	<b>5 661 623</b>

### 18. Loans and advances to banks

At 31 March		
£'000	2025	2024
Gross loans and advances to banks	860 297	676 487
Expected credit loss	(30)	(23)
<b>Net loans and advances to banks</b>	<b>860 267</b>	<b>676 464</b>
The country risk of loans and advances to banks lies in the following geographies:		
South Africa	2 671	2 534
United Kingdom	327 036	309 774
Europe (excluding UK)	408 603	266 418
Australia	17 548	9 617
North America	95 462	77 740
Asia	8 474	10 108
Other	473	273
	<b>860 267</b>	<b>676 464</b>

### 19. Reverse repurchase agreements and cash collateral on securities borrowed and repurchase agreements and cash collateral on securities lent

At 31 March		
£'000	2025	2024
<b>Assets</b>		
Gross reverse repurchase agreements and cash collateral on securities borrowed	1 640 780	1 140 129
Expected credit loss	(15)	(14)
<b>Net reverse repurchase agreements and cash collateral on securities borrowed</b>	<b>1 640 765</b>	<b>1 140 115</b>
Reverse repurchase agreements	1 630 578	1 131 175
Cash collateral on securities borrowed	10 187	8 940
	<b>1 640 765</b>	<b>1 140 115</b>
As part of the reverse repurchase and securities borrowing agreements, the Group has received securities that it is allowed to sell or re-pledge. £10 million (2024: £59 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.		
<b>Liabilities</b>		
Repurchase agreements	169 708	67 520
Cash collateral on securities lent	8 494	17 571
	<b>178 202</b>	<b>85 091</b>

The assets transferred and not derecognised in the above repurchase agreements are fair valued at £207 million (2024: £86 million). They are pledged as security for the term of the underlying repurchase agreement.

## NOTES TO THE FINANCIAL STATEMENTS

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## 20. Sovereign debt securities

At 31 March £'000	2025	2024
Gross sovereign debt securities	2 524 702	1 928 134
Expected credit loss	—	—
<b>Net sovereign debt securities</b>	<b>2 524 702</b>	<b>1 928 134</b>
The country risk of sovereign debt securities lies in the following geographies:		
United Kingdom	1 377 860	1 108 907
Europe (excluding UK)*	239 778	136 269
North America	907 064	682 958
	<b>2 524 702</b>	<b>1 928 134</b>

\* Where Europe (excluding UK) largely includes securities held in Germany and Switzerland.

## 21. Bank debt securities

At 31 March £'000	2025	2024
Gross bank debt securities	324 179	297 257
Expected credit loss	—	(2)
<b>Net bank debt securities</b>	<b>324 179</b>	<b>297 255</b>
Bonds	324 179	297 255
	<b>324 179</b>	<b>297 255</b>
The country risk of bank debt securities lies in the following geographies:		
United Kingdom	257 401	188 179
Europe (excluding UK)	—	43 935
Australia	51 663	33 476
North America	15 115	31 665
	<b>324 179</b>	<b>297 255</b>

## 22. Other debt securities

At 31 March £'000	2025	2024
Gross other debt securities	771 481	708 689
Expected credit loss	(759)	(404)
<b>Net other debt securities</b>	<b>770 722</b>	<b>708 285</b>
Bonds	69 830	88 189
Asset-backed securities	700 892	620 096
	<b>770 722</b>	<b>708 285</b>
The country risk of other debt securities lies in the following geographies:		
United Kingdom	60 111	73 161
Europe (excluding UK)	91 867	95 957
North America	600 762	515 335
Asia	17 982	23 832
	<b>770 722</b>	<b>708 285</b>

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

### 23. Derivative financial instruments

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

In the tables that follow, notional principal amounts indicate the volume of business outstanding at the balance sheet date and do not represent amounts at risk. The fair value of a derivative financial instrument represents the 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 the balance sheet date.

At 31 March £'000	2025			2024 <sup>^</sup>		
	Notional principal amounts	Positive fair value	Negative fair value	Notional principal amounts	Positive fair value	Negative fair value
<b>Foreign exchange derivatives</b>						
Forward foreign exchange contracts	18 555 720	165 285	102 646	17 274 128	121 509	76 185
Currency swaps	1 072 690	19 525	4 873	536 757	5 497	4 685
OTC options bought and sold	2 412 722	12 381	15 207	1 931 247	9 710	10 794
	<b>22 041 132</b>	<b>197 191</b>	<b>122 726</b>	<b>19 742 132</b>	<b>136 716</b>	<b>91 664</b>
<b>Interest rate derivatives</b>						
Caps and floors	8 559 624	28 420	25 442	11 881 599	99 163	95 676
Swaps	34 140 306	37 853	80 963	40 087 486	43 321	126 493
OTC options bought and sold	54 600	—	447	31 723	—	505
<b>OTC derivatives</b>	<b>42 754 530</b>	<b>66 273</b>	<b>106 852</b>	<b>52 000 808</b>	<b>142 484</b>	<b>222 674</b>
Exchange traded futures	—	—	—	—	—	—
	<b>42 754 530</b>	<b>66 273</b>	<b>106 852</b>	<b>52 000 808</b>	<b>142 484</b>	<b>222 674</b>
<b>Equity and stock index derivatives</b>						
OTC options bought and sold	227 044	6 032	33 337	711 169	39 170	69 483
Equity swaps and forwards	—	—	—	—	—	—
<b>OTC derivatives</b>	<b>227 044</b>	<b>6 032</b>	<b>33 337</b>	<b>711 169</b>	<b>39 170</b>	<b>69 483</b>
Exchange traded futures	46 288	—	—	109 117	—	—
Exchange traded options	1 224 926	5 964	—	4 319 032	53 073	79
	<b>1 498 258</b>	<b>11 996</b>	<b>33 337</b>	<b>5 139 318</b>	<b>92 243</b>	<b>69 562</b>
<b>Commodity derivatives</b>						
OTC options bought and sold	319 445	1 113	1 136	112 685	65	29
Commodity swaps and forwards	456 077	17 464	9 200	497 975	17 071	23 424
	<b>775 522</b>	<b>18 577</b>	<b>10 336</b>	<b>610 660</b>	<b>17 136</b>	<b>23 453</b>
Exchange traded futures	141 479	5	—	171 727	—	—
	<b>917 001</b>	<b>18 582</b>	<b>10 336</b>	<b>782 387</b>	<b>17 136</b>	<b>23 453</b>
<b>Credit derivatives</b>	<b>361 034</b>	<b>1 737</b>	<b>1 540</b>	<b>67 756</b>	<b>1 796</b>	<b>1 902</b>
<b>Other derivatives</b>		<b>3 502</b>			<b>4 441</b>	
<b>Derivatives per balance sheet</b>		<b>299 281</b>	<b>274 791</b>		<b>394 816</b>	<b>409 255</b>

<sup>^</sup> Restated as detailed in note 59.

## NOTES TO THE FINANCIAL STATEMENTS

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## 24. Securities arising from trading activities

At 31 March £'000	2025	2024
Bonds	—	12 050
Government securities	—	171
Listed equities	149 912	145 111
	<b>149 912</b>	<b>157 332</b>

## 25. Investment portfolio

At 31 March £'000	2025	2024
Listed equities	135 196	159 678
Unlisted equities*	212 394	245 732
	<b>347 590</b>	<b>405 410</b>

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

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

At 31 March £'000	2025	2024
<b>Ninety One plc shares</b>		
Carrying value	134 330	158 889
Dividends recognised	10 977	11 721

## 26. Loans and advances to customers and other loans and advances

At 31 March £'000	2025	2024
Gross loans and advances to customers at amortised cost	14 378 669	14 631 845
Gross loans and advances to customers at FVOCI <sup>^</sup>	2 005 308	1 471 371
Suspended interest	11 607	5 066
<b>Gross loans and advances to customers subject to expected credit losses</b>	<b>16 395 584</b>	<b>16 108 282</b>
Expected credit losses on loans and advances to customers at amortised cost	(142 183)	(174 100)
Suspended interest	(11 607)	(5 066)
<b>Net loans and advances to customers at amortised cost and FVOCI<sup>^</sup></b>	<b>16 241 794</b>	<b>15 929 116</b>
Loans and advances to customers at fair value through profit and loss	571 929	641 197
<b>Net loans and advances to customers</b>	<b>16 813 723</b>	<b>16 570 313</b>
Gross other loans and advances	139 221	117 526
Expected credit losses on other loans and advances	(9)	(12)
<b>Net other loans and advances</b>	<b>139 212</b>	<b>117 514</b>

<sup>^</sup> Expected credit losses above do not include £22.6 million (31 March 2024: £13.3 million) ECL held against financial assets held at FVOCI.

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 Stage 3. Suspended interest relates to interest not recognised relating to the ECL on these loans and advances. Interest is suspended from the time an asset transfers into Stage 3.

**For further analysis on loans and advances for the Group, refer to pages 175 to 179 in the notes to risk and capital management.**

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## 26. Loans and advances to customers and other loans and advances (continued)

At 31 March  
£'000

### Expected credit losses on loans and advances to customers at amortised cost<sup>^</sup>

<b>Balance as at 1 April 2023</b>	<b>140 725</b>
Charge to the income statement	82 358
Reversals and recoveries recognised in the income statement	(83)
Write-offs	(48 018)
Exchange adjustments	(882)
<b>Balance as at 31 March 2024</b>	<b>174 100</b>
Charge to the income statement	87 414
Reversals and recoveries recognised in the income statement	(7)
Write-offs	(118 207)
Exchange adjustments	(1 117)
<b>Balance as at 31 March 2025</b>	<b>142 183</b>
<b>Expected credit loss on other loans and advances</b>	
<b>Balance as at 1 April 2023</b>	<b>76</b>
Release to the income statement	(64)
<b>Balance as at 31 March 2024</b>	<b>12</b>
Charge to the income statement	6
Exchange adjustments	(9)
<b>Balance as at 31 March 2025</b>	<b>9</b>

<sup>^</sup> Expected credit losses above do not include £22.6 million (31 March 2024: £13.3 million) ECL held against financial assets held at FVOCI.

Of the amounts written off in the current period within the Group, £6.8 million are subject to enforcement activity at the year end (31 March 2024: £nil).

## 27. Other securitised assets and liabilities arising on securitisation

At 31 March  
£'000

Other securitised assets are made up of the following categories of assets:	2024
Loans and advances to customers	66 233
Other debt securities	469
<b>Total other securitised assets</b>	<b>66 702</b>
The associated liabilities are recorded on-balance sheet in the following line items:	
<b>Liabilities arising on securitisation of other assets</b>	<b>71 751</b>

During the year, the Group sold a residual tranche holding in Landmark Mortgage Securities No. 2 plc structured entity which subsequently resulted in the deconsolidation of the SPV and its related assets and liabilities.

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## 28. Interests in associated undertakings and joint venture holdings

At 31 March £'000	2025	2024
Interests in associated undertakings and joint venture holdings consist of:		
Net asset value	225 068	202 735
Goodwill and intangibles within the carrying value	607 073	654 512
<b>Investment in associated undertakings and joint venture holdings</b>	<b>832 141</b>	<b>857 247</b>
Associated undertakings and joint venture holdings comprise listed and unlisted investments		
<b>Analysis of the movement in our share of net assets:</b>		
At the beginning of the year	202 735	46 480
Exchange adjustments	(864)	(98)
Rathbones measurement period finalisation <sup>^^</sup>	53 369	—
Acquisitions*	—	119 230
Derecognition from stepped acquisition/disposals	—	(2 123)
Transfer from investment portfolio <sup>^</sup>	27 835	—
Share of post-taxation profits of associates and joint venture holdings	47 233	39 217
Share of other comprehensive income and equity of associates and joint venture holdings	(12 252)	257
Dividends received	(92 988)	(228)
<b>At the end of the year</b>	<b>225 068</b>	<b>202 735</b>
<b>Analysis of the movement in goodwill and intangibles:</b>		
At the beginning of the year	654 512	5 840
Exchange adjustments	(188)	(126)
Rathbones measurement period finalisation <sup>^^</sup>	(47 601)	—
Acquisitions*	—	660 191
Derecognition from stepped acquisition	—	(5 714)
Transfer from investment portfolio <sup>^</sup>	6 662	—
Amortisation of acquired intangibles of associates	(6 312)	(5 679)
<b>At the end of the year</b>	<b>607 073</b>	<b>654 512</b>

\* Refer to note 34 for more details.

<sup>^</sup> Historically, Investec Capital Services (India) Pvt Ltd (ICSI) has been a joint venture, accounted for at fair value and presented within the investment portfolio. During the year, certain of Investec's co-joint venturer's rights lapsed, and as a result, it is no longer appropriate to apply fair value accounting and will be equity accounted going forward from the date of this change.

<sup>^^</sup> Following the acquisition of Rathbones, the Group has finalised the purchase price allocation. The acquisition date fair values of identifiable assets, liabilities, and contingent liabilities have been assessed and allocated appropriately to intangible assets and the residual value has been recognised as goodwill. This process resulted in an increase in net assets of £53.4 million and a decrease in goodwill and intangibles of £47.6 million. As the impact on the financial statements was immaterial, these were adjusted for prospectively in the current year.

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

	Rathbones Group plc	
	2025	2024
<b>Details of material associated undertakings</b>		
<b>Summarised financial information (£'000):</b>		
Operating income*	895 875	436 272
Profit after taxation*	65 398	35 000
Other comprehensive income*	(7 967)	
Total comprehensive income after non-controlling interests*	57 431	
<hr/>		
Total assets	4 290 034	4 853 534
Total liabilities	2 930 672	3 472 425
<b>Net asset value</b>	<b>1 359 362</b>	<b>1 381 109</b>
Effective interest in issued share capital	41.25%	41.25%
Net asset value at 41.25%	560 737	569 707
Less: Goodwill and intangibles net of deferred tax per Rathbones	(368 604)	
Add: Goodwill and Investec's share of intangible assets net of deferred tax	600 599	
Carrying value of interest – equity method <sup>^</sup>	792 732	788 437
<b>Fair value of 41.25% interest in Rathbones Group</b>	<b>692 126</b>	<b>779 421</b>

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

<sup>^</sup> The difference between the carrying value of Rathbones and the net asset value relates to intangible assets, and goodwill that was recognised in the carrying value as a direct result of the fair value exceeding the fair value of the identifiable assets at 21 September 2023.

Rathbones has a statutory year end of 31 December and the Group now recognises its share of earnings on a three months in arrears basis. The financial information presented above aligns with this reporting date. In the prior year this was not the case and therefore the information on other comprehensive income was not available.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

## 29. Deferred taxation

At 31 March £'000	2025	2024
Deferred taxation assets	120 918	119 730
Deferred taxation liabilities	—	—
<b>Net deferred taxation assets</b>	<b>120 918</b>	<b>119 730</b>
The net deferred taxation assets arise from:		
Deferred capital allowances	72 665	62 042
Income and expenditure accruals	138	1 096
Asset in respect of unexpired options	33 072	42 436
Unrealised fair value adjustments on financial instruments	13 284	11 748
Losses carried forward	1 397	2 046
Asset in respect of pension deficit	362	362
<b>Net deferred taxation assets</b>	<b>120 918</b>	<b>119 730</b>
Reconciliation of net deferred taxation assets		
<b>At the beginning of the year</b>	<b>119 730</b>	<b>112 347</b>
Release to income statement	4 807	9 924
Movement directly in other comprehensive income and equity	(3 552)	(7 686)
Arising on acquisitions/disposals	—	5 201
Exchange adjustments	(67)	(56)
<b>At the end of the year</b>	<b>120 918</b>	<b>119 730</b>

Deferred tax assets are recognised to the extent it is likely that profits will arise 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 £82.7 million (2024: £89.9 million), capital losses carried forward of £186.3 million (2024: £190 million) and excess management expenses of £2.5 million (2024: £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 £82.7 million trading losses, £1 million will expire in the next four years (2024: £8.5 million).

## 30. Other assets

At 31 March £'000	2025	2024 <sup>^</sup>
Gross other assets	652 143	725 995
Expected credit loss	—	—
<b>Net other assets</b>	<b>652 143</b>	<b>725 995</b>
<b>Financial assets</b>		
Settlement debtors	291 083	336 901
Trading initial margin	1 228	4 732
Prepayments and accruals	2 543	5 017
Other	59 050	80 993
	<b>353 904</b>	<b>427 643</b>
<b>Scoped out of IFRS 9</b>		
Trading properties	84 704	62 500
Prepayments and accruals	27 612	23 051
Finance lease receivables	3 584	160 628
Indirect taxation assets receivable	773	80
Aircraft and aircraft related structures*	135 783	—
Other	45 783	52 093
	<b>298 239</b>	<b>298 352</b>
	<b>652 143</b>	<b>725 995</b>

<sup>^</sup> Restated as detailed in note 59.

\* During the year, a modification in the terms of a finance lease, resulted in a subsequent change of classification to an operating lease and an asset of £136 million being recognised in other assets. The future minimum lease payments of £21 million (2024: £nil) are due within one year.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

### 31. Property and equipment

At 31 March £'000	Freehold properties	Right-of-use assets <sup>^</sup>	Leasehold improvements	Furniture and vehicles	Equipment	Operating leases*	Total
<b>2025</b>							
<b>Cost</b>							
At the beginning of the year	36	96 930	47 099	7 818	8 465	1 296	161 644
Exchange adjustments	—	(504)	(93)	(14)	(74)	—	(685)
Additions	—	913	981	706	1 010	—	3 610
Disposals	(36)	(411)	(1 204)	(293)	(397)	(224)	(2 565)
<b>At the end of the year</b>	<b>—</b>	<b>96 928</b>	<b>46 783</b>	<b>8 217</b>	<b>9 004</b>	<b>1 072</b>	<b>162 004</b>
<b>Accumulated depreciation</b>							
At the beginning of the year	(36)	(47 421)	(27 664)	(5 004)	(7 433)	(1 139)	(88 697)
Exchange adjustments	—	199	38	4	25	—	266
Disposals	36	180	1 138	281	294	200	2 129
Depreciation and impairment charge for the year	—	(10 547)	(5 079)	(661)	(458)	(17)	(16 762)
<b>At the end of the year</b>	<b>—</b>	<b>(57 589)</b>	<b>(31 567)</b>	<b>(5 380)</b>	<b>(7 572)</b>	<b>(956)</b>	<b>(103 064)</b>
<b>Net carrying value</b>	<b>—</b>	<b>39 339</b>	<b>15 216</b>	<b>2 837</b>	<b>1 432</b>	<b>116</b>	<b>58 940</b>
<b>2024</b>							
<b>Cost</b>							
At the beginning of the year	36	141 830	58 368	7 156	26 791	1 431	235 612
Exchange adjustments	—	(268)	(41)	45	(22)	—	(286)
Acquisition of subsidiaries	—	—	—	506	—	—	506
Additions	—	8 063	892	221	1 972	53	11 201
Disposals	—	(292)	(2)	(110)	(86)	(188)	(678)
Deconsolidation of subsidiaries	—	(52 403)	(12 118)	—	(14 262)	—	(78 783)
Write-off	—	—	—	—	(5 928)	—	(5 928)
<b>At the end of the year</b>	<b>36</b>	<b>96 930</b>	<b>47 099</b>	<b>7 818</b>	<b>8 465</b>	<b>1 296</b>	<b>161 644</b>
<b>Accumulated depreciation</b>							
At the beginning of the year	(36)	(55 861)	(32 164)	(4 197)	(21 055)	(1 285)	(114 598)
Exchange adjustments	—	134	25	42	19	—	220
Acquisition of subsidiaries	—	—	—	(256)	—	—	(256)
Disposals	—	242	2	110	84	174	612
Deconsolidation of subsidiaries	—	20 568	9 684	—	11 662	—	41 914
Depreciation and impairment charge for the year**	—	(12 504)	(5 211)	(703)	(1 872)	(28)	(20 318)
Write-off	—	—	—	—	3 729	—	3 729
<b>At the end of the year</b>	<b>(36)</b>	<b>(47 421)</b>	<b>(27 664)</b>	<b>(5 004)</b>	<b>(7 433)</b>	<b>(1 139)</b>	<b>(88 697)</b>
<b>Net carrying value</b>	<b>—</b>	<b>49 509</b>	<b>19 435</b>	<b>2 814</b>	<b>1 032</b>	<b>157</b>	<b>72 947</b>

\* These are assets held by the Group, in circumstances where the Group is lessor.

\*\* In the prior year, included within the depreciation and impairment charge for the year above is £4 million of depreciation expense relating to discontinued operations, which is presented as part of the profit after taxation from discontinued operations in the income statement.

<sup>^</sup> Right-of-use assets primarily comprise property leases under IFRS 16.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

### 32. Goodwill

At 31 March £'000	2025	2024
<b>Cost</b>		
At the beginning of the year	99 832	286 430
Acquisition of subsidiaries	—	56 268
Adjustment to goodwill on acquisition within the measurement period	—	(200)
Deconsolidation of subsidiaries	—	(242 355)
Exchange adjustments	(1 149)	(311)
<b>At the end of the year</b>	<b>98 683</b>	<b>99 832</b>
<b>Accumulated impairments</b>		
At the beginning of the year	(31 163)	(31 163)
<b>At the end of the year</b>	<b>(31 163)</b>	<b>(31 163)</b>
<b>Net carrying value</b>	<b>67 520</b>	<b>68 669</b>
<b>Analysis of goodwill by line of business:</b>		
Specialist Banking	67 520	68 669
<b>Total Group</b>	<b>67 520</b>	<b>68 669</b>

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.

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 most significant cash-generating unit giving rise to goodwill is Investec Continental Europe Advisory (previously Capitalmind), with goodwill of £54.8 million. The goodwill has been tested for impairment on the basis of the cash flow projections for the next three years, discounted at 12.77% (2024: 11.62%) which incorporates an expected revenue growth rate of nil in perpetuity (2024: 2%). The valuation is based on value in use of the business.

#### Movement in goodwill

There have been no significant movements in goodwill for the current year.

During the prior year, goodwill decreased by £242.4 million as a result of the deconsolidation of Investec Wealth & Investment following the all-share combination with Rathbones Group. For more details refer to note 34.

During the prior year, the increase of £56.3 million is due to the acquisition of Investec Continental Europe Advisory in a stepped acquisition.

NOTES TO THE FINANCIAL STATEMENTS  
CONTINUED

### 33. Software and other acquired intangible assets

At 31 March £'000	Software			Other acquired intangible assets		Total
	Acquired software	Internally generated software	Total	Client relationships**^	Total	
<b>2025</b>						
<b>Cost</b>						
At the beginning of the year	25 367	—	25 367	5 239	5 239	30 606
Exchange adjustments	(18)	—	(18)	(19)	(19)	(37)
Additions	1 190	—	1 190	—	—	1 190
Disposals and derecognitions	(1 134)	—	(1 134)	(883)	(883)	(2 017)
<b>At the end of the year</b>	<b>25 405</b>	<b>—</b>	<b>25 405</b>	<b>4 337</b>	<b>4 337</b>	<b>29 742</b>
<b>Accumulated amortisation and impairments</b>						
At the beginning of the year	(20 796)	—	(20 796)	(5 239)	(5 239)	(26 035)
Exchange adjustments	18	—	18	19	19	37
Disposals and derecognitions	1 134	—	1 134	883	883	2 017
Amortisation	(1 019)	—	(1 019)	—	—	(1 019)
<b>At the end of the year</b>	<b>(20 663)</b>	<b>—</b>	<b>(20 663)</b>	<b>(4 337)</b>	<b>(4 337)</b>	<b>(25 000)</b>
<b>Net carrying value</b>	<b>4 742</b>	<b>—</b>	<b>4 742</b>	<b>—</b>	<b>—</b>	<b>4 742</b>
<b>2024</b>						
<b>Cost</b>						
At the beginning of the year	33 671	3 298	36 969	199 070	199 070	236 039
Exchange adjustments	(42)	—	(42)	(5)	(5)	(47)
Acquisition of subsidiaries	—	—	—	945	945	945
Additions	710	—	710	—	—	710
Disposals	(381)	—	(381)	—	—	(381)
Deconsolidation of subsidiaries	(8 591)	(3 298)	(11 889)	(194 771)	(194 771)	(206 660)
<b>At the end of the year</b>	<b>25 367</b>	<b>—</b>	<b>25 367</b>	<b>5 239</b>	<b>5 239</b>	<b>30 606</b>
<b>Accumulated amortisation and impairments</b>						
At the beginning of the year	(26 300)	(1 254)	(27 554)	(158 520)	(158 520)	(186 074)
Exchange adjustments	39	—	39	—	—	39
Disposals	240	—	240	—	—	240
Deconsolidation of subsidiaries	6 542	1 643	8 185	160 646	160 646	168 831
Amortisation**	(1 317)	(389)	(1 706)	(7 365)	(7 365)	(9 071)
<b>At the end of the year</b>	<b>(20 796)</b>	<b>—</b>	<b>(20 796)</b>	<b>(5 239)</b>	<b>(5 239)</b>	<b>(26 035)</b>
<b>Net carrying value</b>	<b>4 571</b>	<b>—</b>	<b>4 571</b>	<b>—</b>	<b>—</b>	<b>4 571</b>

\* Client relationships are acquired intangibles.

\*\* In the prior year, included within the amortisation charge above is £7 million of amortisation expense relating to discontinued operations, which is presented as part of the profit after taxation from discontinued operations in the income statement.

^ In the current year fully amortised historic balances of £0.8 million relating to client relationships were derecognised.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

### 34. Acquisitions and disposals

There were no significant acquisitions or disposals of subsidiaries in the current year.

During the prior year, the Group completed a stepped acquisition increasing its shareholding in the Investec Continental Europe Advisory 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 had consolidated these entities as subsidiaries. The non-controlling interest was 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 were 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:**

<b>£'000</b>	
Consideration*	29 352
Fair value of previously held 30% holding <sup>^</sup>	27 505
	<b>56 857</b>
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)
	<b>589</b>
<b>Goodwill</b>	<b>56 268</b>

\* 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.

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

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

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 prior reporting period.

In the prior year, as a result of the all-share combination of Investec Wealth & Investment Limited and Rathbones Group Plc, as detailed below, Investec Wealth and Investment Limited ceased to be a subsidiary.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

### 34. Acquisitions and disposals (continued)

#### Discontinued operations

##### Investec Wealth & Investment Limited

In the prior year, 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.

#### Income statement of discontinued operations

<b>For the year to 31 March</b>	2024
<b>£'000</b>	
Interest income	17 755
Interest expense	(431)
<b>Net interest income</b>	<b>17 324</b>
Fee and commission income	161 610
Fee and commission expense	—
Investment income	—
Trading income arising from	
– customer flow	—
– balance sheet management and other trading activities	—
Other operating income	—
<b>Operating income</b>	<b>178 934</b>
Expected credit loss impairment charges	—
<b>Operating income after expected credit loss impairment charges</b>	<b>178 934</b>
Operating costs	(131 106)
<b>Adjusted operating profit</b>	<b>47 828</b>
Amortisation of acquired intangibles	(6 424)
Gain on all-share combination net of implementation costs	359 339
<b>Profit before taxation</b>	<b>400 743</b>
Taxation on operating profit before acquired intangibles and strategic actions	(11 973)
Taxation on acquired intangibles and strategic actions	781
<b>Profit after taxation</b>	<b>389 551</b>
Profit attributable to non-controlling interests of discontinued operations	—
<b>Earnings attributable to shareholders</b>	<b>389 551</b>

#### Gain on loss of control of Investec Wealth & Investment Limited

The gain was calculated as follows:

<b>£'000</b>	
Fair value of 41.25% interest in Rathbones Group Plc	779 421
Net asset value of Investec Wealth & Investment previously consolidated (including goodwill)	(405 755)
<b>Gain on the combination of Rathbones Group (before tax)</b>	<b>373 666</b>
Implementation costs	(14 327)
<b>Gain on combination of Rathbones Group (before tax)</b>	<b>359 339</b>
Taxation on gain	(834)
<b>Gain on combination of Rathbones Group net of taxation and implementation costs</b>	<b>358 505</b>

#### Major classes of assets and liabilities

<b>£'000</b>	
Loans and advances to banks	172 595
Goodwill	242 355
Other assets	360 378
Other liabilities	(369 573)
	<b>405 755</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 35. Other trading liabilities

At 31 March £'000	2025	2024
Short positions		
– Equities	16 242	18 449
	<b>16 242</b>	<b>18 449</b>

### 36. Customer accounts (deposits)

At 31 March £'000	2025	2024
Demand	6 697 915	5 583 899
Transactional	437 022	484 625
Fixed	6 745 977	9 447 201
Notice	7 574 941	5 274 886
	<b>21 455 855</b>	<b>20 790 611</b>

### 37. Debt securities in issue

At 31 March £'000	2025	2024
<b>Repayable in:</b>		
Less than three months	10 861	16 660
Three months to one year	98 562	96 842
One to five years	776 251	1 148 929
Greater than five years	416 128	10 675
	<b>1 301 802</b>	<b>1 273 106</b>
<b>Debt securities in issue shown above comprise:</b>		
Senior unsecured notes	1 168 528	976 336
Structured notes	132 080	295 576
Redeemable preference shares	1 194	1 194
	<b>1 301 802</b>	<b>1 273 106</b>

### 38. Other liabilities

At 31 March £'000	2025	2024 <sup>^</sup>
<b>Financial liabilities</b>		
Settlement liabilities	279 613	310 134
Other creditors and accruals	142 761	165 112
Other non-interest bearing liabilities	116 266	107 801
Expected credit losses on undrawn commitments and guarantees	9 977	11 258
	<b>548 617</b>	<b>594 305</b>
<b>Scoped out of IFRS 9</b>		
Other creditors and accruals <sup>*</sup>	185 873	175 216
Lease liabilities	196 979	243 951
Other non-interest bearing liabilities	7 252	17 450
Indirect taxation liabilities payable	238	1 733
	<b>390 342</b>	<b>438 350</b>
	<b>938 959</b>	<b>1 032 655</b>

\* Included in Other creditors and accruals is a provision relating to motor vehicle financing. Refer to note 50 for more details.

<sup>^</sup> Restated as detailed in note 59.

NOTES TO THE FINANCIAL STATEMENTS  
CONTINUED

### 38. Other liabilities (continued)

The maturity analysis of the lease liabilities is shown below:

At 31 March £'000	2025		2024	
	Undiscounted lease payments	Present value	Undiscounted lease payments	Present value
<b>Lease liabilities included in other liabilities</b>				
Lease liabilities payable in:				
Less than one year	161 097	156 024	55 810	53 152
One to two years	14 921	14 210	164 646	151 874
Two to three years	14 837	13 780	14 981	14 104
Three to four years	8 337	7 426	14 369	13 847
Four to five years	2 478	2 358	5 319	5 114
Later than five years	3 688	3 181	6 099	5 860
	<b>205 358</b>	<b>196 979</b>	<b>261 224</b>	<b>243 951</b>

#### Reconciliation from opening balance to closing balance

At 31 March £'000	
<b>Balance as at 1 April 2023</b>	<b>322 767</b>
Interest on lease liabilities	11 576
New leases	7 973
Deconsolidation of subsidiaries	(39 752)
Repayment of lease liabilities	(54 020)
Capital repayment	(42 444)
Interest repayment	(11 576)
Exchange adjustments	(4 593)
<b>Balance as at 31 March 2024</b>	<b>243 951</b>
Interest on lease liabilities	9 708
New leases	805
Repayment of lease liabilities	(53 484)
Capital repayment	(43 776)
Interest repayment	(9 708)
Remeasurement of lease liabilities	(294)
Exchange adjustments	(3 707)
<b>Balance as at 31 March 2025</b>	<b>196 979</b>

Renewal options are taken into account when determining the term of the lease.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

### 39. Subordinated liabilities

At 31 March £'000	2025	2024
<b>Issued by Investec plc</b>		
Subordinated fixed rate reset callable medium-term notes	682 218	668 810
	<b>682 218</b>	<b>668 810</b>
Remaining maturities:		
In one year or less, or on demand	—	—
In more than one year, but not more than two years	—	—
In more than two years, but not more than five years	—	—
In more than five years	682 218	668 810
	<b>682 218</b>	<b>668 810</b>
<b>Reconciliation from opening balance to closing balance</b>		
<b>At the beginning of the year</b>	<b>668 810</b>	<b>731 483</b>
Redemption	—	(70 000)
Accrual of interest	41 112	42 067
Repayment of interest	(41 125)	(44 100)
Hedge accounting/amortisation of discount	13 421	9 360
<b>At the end of the year</b>	<b>682 218</b>	<b>668 810</b>

The only potential 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 would be 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.

#### Medium-term notes

##### Subordinated fixed rate reset callable medium-term notes (denominated in Pound Sterling)

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 are redeemable at par on 24 July 2028, with a one-time redemption option on the early redemption date 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 99.446 pence plus an accrued interest payment. The total value of the debt redeemed was £353 605 000 (excluding interest £347 926 000).

On 24 July 2023, Investec Bank plc exercised the one-time option to early redeem the remaining £70 000 000 aggregate nominal amount of the notes at par plus an accrued interest payment. Including the interest, the total value of the debt redeemed was £72 975 000.

##### Subordinated callable fixed rate resettable medium-term notes (denominated in Pound Sterling)

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. If the option to redeem is not exercised, the notes will be redeemed at par on the maturity date of 4 January 2032.

##### Subordinated callable fixed rate resettable medium-term notes (denominated in Pounds Sterling)

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 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. If the option to redeem is not exercised, the notes will be redeemed at par on the maturity date of 6 March 2033.

NOTES TO THE FINANCIAL STATEMENTS  
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## 40. Ordinary share capital

At 31 March £'000	2025	2024
<b>Issued, allotted and fully paid</b>		
<b>Number of ordinary shares</b>	<b>Number</b>	<b>Number</b>
At the beginning of the year	696 082 618	696 082 618
Issued during the year	—	—
<b>At the end of the year</b>	<b>696 082 618</b>	<b>696 082 618</b>
<b>Nominal value of ordinary shares</b>	<b>£'000</b>	<b>£'000</b>
At the beginning of the year	138	138
Issued during the year	—	—
<b>At the end of the year</b>	<b>138</b>	<b>138</b>
<b>Number of special converting shares</b>	<b>Number</b>	<b>Number</b>
At the beginning of the year	295 125 806	318 904 709
Buyback during the year	—	(23 778 903)
<b>At the end of the year</b>	<b>295 125 806</b>	<b>295 125 806</b>
<b>Nominal value of special converting shares</b>	<b>£'000</b>	<b>£'000</b>
At the beginning of the year	64	64
Cancellations during the year	(4)	—
<b>At the end of the year</b>	<b>60</b>	<b>64</b>
<b>Number of UK DAN shares</b>	<b>Number</b>	<b>Number</b>
At the beginning and end of the year	1	1
<b>Nominal value of UK DAN share</b>	<b>£'000</b>	<b>£'000</b>
At the beginning and end of the year	*	*
<b>Number of UK DAS shares</b>	<b>Number</b>	<b>Number</b>
At the beginning and end of the year	1	1
<b>Nominal value of UK DAS share</b>	<b>£'000</b>	<b>£'000</b>
At the beginning and end of the year	*	*
<b>Number of special voting shares</b>	<b>Number</b>	<b>Number</b>
At the beginning and end of the year	1	1
<b>Nominal value of special voting shares</b>	<b>£'000</b>	<b>£'000</b>
At the beginning and end of the year	*	*

\* Less than £1 000.

In accordance with the Companies Act 2006 the Company does not have authorised share capital.

## NOTES TO THE FINANCIAL STATEMENTS

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#### 41. Perpetual preference shares

<b>At 31 March</b>	<b>2025</b>	<b>2024</b>
<b>£'000</b>		
Perpetual preference share capital	29	29
Perpetual preference share premium	24 765	24 765
	<b>24 794</b>	<b>24 794</b>
<b>Issued by Investec plc</b>		
2 754 587 (2024: 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.		
<b>Issued by Investec plc – Rand-denominated</b>		
131 447 (2024: 131 447) non-redeemable, non-cumulative, non-participating perpetual preference shares of ZAR0.001 each, issued at an average premium of ZAR99.999 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-denominated 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.		

\* Less than £1 000.

## NOTES TO THE FINANCIAL STATEMENTS

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#### 42. Ordinary share premium

At 31 March £'000	2025	2024
Share premium account	<b>555 812</b>	<b>555 812</b>

#### 43. Treasury shares

At 31 March £'000	2025	2024
<b>Treasury shares held by subsidiaries of Investec plc<sup>^</sup></b>	<b>217 070</b>	<b>193 981</b>
	<b>Number</b>	<b>Number</b>
Investec plc ordinary shares held by subsidiaries	50 175 786	53 401 625
<b>Reconciliation of treasury shares</b>	<b>Number</b>	<b>Number</b>
At the beginning of the year	53 401 625	49 720 148
Purchase of own shares by subsidiary companies	8 115 826	10 278 362
Shares disposed of by subsidiaries	(11 341 665)	(6 596 885)
<b>At the end of the year</b>	<b>50 175 786</b>	<b>53 401 625</b>
<b>Market value of treasury shares</b>	<b>£'000</b>	<b>£'000</b>
Investec plc	240 442	283 883
	<b>240 442</b>	<b>283 883</b>

<sup>^</sup> Restated as detailed in note 59.

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

## NOTES TO THE FINANCIAL STATEMENTS

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#### 44. Other reserves

##### Fair value reserve

This comprises all fair value adjustments relating to investments in debt instruments and equity investments that are subsequently measured at FVOCI. When the debt instrument is derecognised, the cumulative gain or loss is reclassified from equity to profit or loss. For investments in equity instruments the cumulative gain or loss is not recycled, but is reclassified within equity on derecognition.

##### Cash flow hedge reserve

This comprises the effective portion of the gain or loss on hedging instruments designated as cash flow hedges.

##### Foreign currency reserve

This represents the cumulative foreign exchange differences that arise on the translation of an entity with a different functional currency than the presentation currency of the parent company. The cumulative reserve relating to a subsidiary or associate company or joint venture that is disposed of is included in the determination of profit/loss on disposal of the subsidiary, associate company or joint venture.

#### 45. Other Additional Tier 1 securities in issue

At 31 March £'000	2025	2024
Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities	<b>350 000</b>	<b>458 108</b>

On 5 October 2017, Investec plc issued £250 million Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities at par. These securities were perpetual and paid a distribution rate on 5 March, June, September and December, commencing from 5 December 2017. The distribution was set at 6.75% per annum until December 2024. On 1 March 2024, the Company bought back £142 million of these securities and redeemed the remaining balance of £108 million on the first optional call date on 5 December 2024.

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 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 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 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.

#### 46. Non-controlling interests

At 31 March £'000	2025	2024
Non-controlling interests in partially held subsidiaries	<b>1 196</b>	<b>2 851</b>

The decrease in non-controlling interests in the current year primarily relates to Investec Continental Europe Advisory which is now accounted for as 100% held.

NOTES TO THE FINANCIAL STATEMENTS  
CONTINUED

## 47. Finance lease disclosures

At 31 March £'000	2025		2024	
	Total future minimum payments	Present value	Total future minimum payments	Present value
<b>Finance lease receivables included in loans and advances to customers</b>				
Lease receivables due in:				
Less than one year	246 608	190 729	231 750	183 405
One to two years	198 341	161 565	174 095	142 619
Two to three years	138 866	118 133	122 889	104 657
Three to four years	83 569	73 930	74 590	65 667
Four to five years	39 410	36 341	32 985	29 837
Later than five years	7 511	6 722	11 443	10 059
	<b>714 305</b>	<b>587 420</b>	<b>647 752</b>	<b>536 244</b>
<b>Unearned finance income</b>	<b>(126 885)</b>		<b>(111 508)</b>	
<b>Net investment in the lease</b>	<b>587 420</b>		<b>536 244</b>	

At 31 March 2025, unguaranteed residual values accruing to the benefit of the Group were £9.8 million (2024: £5.9 million).

Finance leases in the Group mainly relate to leases on property, equipment and motor vehicles.

### Reconciliation of movement in the year

At 31 March £'000	2025	2024
<b>At the beginning of the year</b>	536 244	517 832
New leases	301 978	290 426
Lease payments received	(280 378)	(281 834)
Interest on finance lease receivables	62 914	53 464
Terminations	(33 338)	(43 644)
<b>At the end of the year</b>	<b>587 420</b>	<b>536 244</b>

At 31 March £'000	2025		2024 <sup>^</sup>	
	Total future minimum payments	Present value	Total future minimum payments	Present value
<b>Finance lease receivables included in other assets</b>				
Lease receivables due in:				
Less than one year	1 270	1 258	38 116	35 640
One to two years	1 272	1 268	132 412	122 614
Two to three years	1 060	1 058	1 298	1 291
Three to four years	—	—	1 082	1 083
	<b>3 602</b>	<b>3 584</b>	<b>172 908</b>	<b>160 628</b>
<b>Unearned finance income</b>	<b>(18)</b>		<b>(12 280)</b>	
<b>Net investment in the lease</b>	<b>3 584</b>		<b>160 628</b>	

<sup>^</sup> Restated as detailed in note 59.

Included in interest income on the income statement is £27 million (2024: £30.8 million) from finance lease receivables.

The reduction in the year is mainly due to a lease modification for aircraft leasing which resulted in the finance lease changing to an operating lease.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

#### 48. Notes to the cash flow statement

At 31 March £'000	2025	2024 <sup>^</sup>
<b>Profit before taxation adjusted for non-cash items and other required adjustments is derived as follows:</b>		
Profit before taxation	405 823	804 382
Adjustment for non-cash items included in net income before taxation:		
Amortisation of acquired intangibles	—	7 364
Net gain on step acquisition of subsidiaries	—	(4 063)
Net gain on deconsolidation and disposal of subsidiaries	—	(373 666)
Depreciation of operating lease assets	17	28
Depreciation and impairment of property, equipment, software and other intangibles	21 774	24 196
Expected credit loss impairment charges	97 040	85 995
Share of post-taxation profit of associates and joint venture holdings	(40 921)	(33 538)
Dividends received from associates and joint venture holdings	92 988	228
Share-based payments and employee benefit liability recognised	23 733	22 989
<b>Profit before taxation adjusted for non-cash items</b>	<b>600 454</b>	<b>533 915</b>
<b>Increase in operating assets</b>		
Loans and advances to banks	5 209	277
Reverse repurchase agreements and cash collateral on securities borrowed	(500 651)	198 582
Sovereign debt securities	(596 568)	(706 390)
Bank debt securities	(26 936)	(92 601)
Other debt securities	(62 795)	(10 860)
Derivative financial instruments	79 898	196 547
Securities arising from trading activities	7 420	(29 795)
Investment portfolio	(10 083)	73 699
Loans and advances to customers	(341 166)	(1 092 955)
Other loans and advances	(21 704)	25 176
Securitised assets	66 702	11 529
Other assets	69 895	(55 068)
Goodwill	—	200
	<b>(1 330 779)</b>	<b>(1 481 659)</b>
<b>(Decrease)/increase in operating liabilities</b>		
Deposits by banks	(696 737)	2 111
Derivative financial instruments	(134 464)	(236 611)
Other trading liabilities	(2 207)	(9 735)
Repurchase agreements and cash collateral on securities lent	93 111	(54 438)
Customer accounts	665 244	1 668 690
Debt securities in issue	28 696	(176 439)
Liabilities arising on securitisation of other assets	(71 751)	(9 858)
Other liabilities	(23 752)	176 831
	<b>(141 860)</b>	<b>1 360 551</b>

<sup>^</sup> Restated as detailed in note 59.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 49. Commitments

At 31 March £'000	2025	2024
Undrawn facilities	2 477 158	2 327 114
Other commitments	65 550	34 075
	<b>2 542 708</b>	<b>2 361 189</b>

Expected credit losses (ECL) of £8 million (2024: £8 million) arising on commitments are reported in other liabilities.

At 31 March £'000	Carrying amount of pledged assets		Related liability	
	2025	2024	2025	2024
<b>Pledged assets</b>				
Loans and advances to banks	48 103	19 008	89 736	12 367
Sovereign debt securities	177 855	28 362	86 245	16 852
Bank debt securities	14 872	39 187	7 212	23 284
Securities arising from trading activities	9 213	29 310	8 538	27 398
Loans and advances to customers	921 737	1 255 309	446 966	745 873
Other loans and advances	501	2 504	935	1 629
	<b>1 172 281</b>	<b>1 373 680</b>	<b>639 632</b>	<b>827 403</b>

The assets pledged by the Group are strictly for the purpose of providing collateral for the counterparty.

### 50. Contingent liabilities, legal matters and provisions

At 31 March £'000	2025	2024
Guarantees and assets pledged as collateral security:		
Guarantees and irrevocable letters of credit	571 407	575 272
	<b>571 407</b>	<b>575 272</b>

Expected credit losses (ECL) of £2 million (2024: £3 million) arising on contingent liabilities, letters of credit and guarantees are reported in other liabilities.

In addition to guarantees, irrevocable letters of credit, credit derivative instruments, undrawn facilities and other commitments, the Group includes in its off-balance sheet exposures for risk management purposes £72 million (2024: £79 million) of potential or revocable exposures and similar arrangements that may arise in future, resulting in additional credit risk.

Guarantees are issued by Investec plc and Investec Bank plc and its subsidiaries on behalf of third parties and other Group companies.

Support is provided by Investec plc to its subsidiaries where appropriate.

#### 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 FINANCIAL STATEMENTS

### CONTINUED

## 50. 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 and is reassessed at each reporting date. 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

Investec Group (the Group) notes the recent Court of Appeal decisions on Wrench, Johnson and Hopcraft relating to motor commission arrangements and the lender's appeal to the UK Supreme Court which was heard on 1 April to 3 April 2025. Judgement is expected by July 2025.

The Court of Appeal has determined that motor dealers acting as credit brokers owe certain duties to disclose to their customers commission payable to them by lenders, and that lenders may have primary or secondary liability for motor dealers' non-disclosures. This sets a higher bar for the disclosure of and consent to the existence, nature, and quantum of any commission paid than had been understood to be required or applied across the motor finance industry prior to the Court of Appeal ruling. Our approach to compliant disclosure was built on FCA / regulatory guidance and previous legal authorities. These decisions relate to commission disclosures and consent obligations which go beyond the scope of the current FCA motor commissions review. The UK Supreme Court granted relevant lenders permission to appeal the Wrench, Johnson and Hopcraft judgement on 1 April to 3 April 2025, to which we are awaiting the outcome from.

In establishing the provision estimate, the Group has created a number of scenarios to address uncertainties around a number of key assumptions. These include the potential outcomes of the UK Supreme Court appeal, any steps that the FCA may take and outcomes in relation to the extent of harm and remedies. Other key assumptions include applicable commission models, commission rates, time periods, response rates, uphold rates, levels of redress/interest applied and costs to deliver. Based on this approach the Group has concluded that the £30 million provision still remains appropriate based on information currently available.

The Group will continue to assess developments and potential impacts, including the outcome of the appeals, any announcement by the FCA of their next steps, and any action by other regulators or government bodies. Given that there is significant uncertainty across the motor finance 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 following the Court of Appeal decision and FCA motor commission review. The Group therefore notes that the ultimate financial impact of the Court of Appeal decision and ongoing FCA investigation into motor commission arrangements could materially vary, pending further guidance from the FCA or the outcome of the appeal to the Supreme Court.

NOTES TO THE FINANCIAL STATEMENTS  
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## 51. Related party transactions

At 31 March £'000	2025	2024
<b>Compensation of key management personnel and directors</b>		
<b>Details of directors' remuneration and interest in shares, including the disclosures required by IAS 24</b>		
Related party transactions for the compensation of key management personnel and directors have been included in the section marked as audited in the Investec remuneration report 2025.		
<b>Transactions, arrangements and agreements involving directors and others:</b>		
Transactions, arrangements and agreements involving directors and with directors and connected persons and companies controlled by them, and with officers of the Company, were as follows:		
<b>Directors, key management and connected persons and companies controlled by them</b>		
<b>Loans</b>		
At the beginning of the year	13 496	16 024
Increase in loans*	984	3 156
Decrease in loans*	(6 394)	(4 343)
Exchange adjustments	194	(1 341)
<b>At the end of the year</b>	<b>8 280</b>	<b>13 496</b>
<b>Guarantees</b>		
At the beginning of the year	—	100
Decrease in guarantees*	—	(94)
Exchange adjustments	—	(6)
<b>At the end of the year</b>	<b>—</b>	<b>—</b>
<b>Deposits</b>		
At the beginning of the year	8 075	10 917
Increase in deposits	1 805	2 128
Decrease in deposits*	(2 590)	(4 076)
Exchange adjustments	71	(894)
<b>At the end of the year</b>	<b>7 361</b>	<b>8 075</b>

\* Movements primarily relate to normal course of business and changes in directorship during the current year.

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 arm's length 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.

NOTES TO THE FINANCIAL STATEMENTS  
CONTINUED

## 51. Related party transactions (continued)

At 31 March £'000	Investec Limited and subsidiaries	
	2025	2024
<b>Balances with other related parties</b>		
<b>Assets</b>		
Loans and advances to banks	1 046	538
Derivative financial instruments	1	1
Other loans and advances	125	—
Other assets	5 601	3 538
<b>Liabilities</b>		
Deposits by banks	21 332	24 053
Derivative financial instruments	18	64
Customer accounts (deposits)	7 156	6 857
Debt securities in issue	12 772	51 515
Other liabilities	2	449

The above outstanding balances arose from the ordinary course of business and on substantially the same terms, including interest rates and security, as for comparable transactions with third party counterparties.

In the normal course of business, services are rendered between Investec plc and Investec Limited entities. In the year to 31 March 2025, this resulted in a net payment to Investec Limited Group of £36 million (2024: £26 million).

During the year to 31 March 2025, interest of £0.6 million (2024: £0.4 million) was paid to entities in the Investec Limited Group. Interest of £87 000 (2024: £188 000) was received from Investec Limited Group.

During the year to 31 March 2025, the Group paid £2.4 million (2024: £767 000) for services rendered in the ordinary course of business and received £26.5 million (2024: £9.5 million) from associates and joint venture holdings.

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 below outstanding balances arose from the ordinary course of business and on substantially the same terms, including interest rates and security, as for comparable transactions with third party counterparties.

For the year ended 31 March £'000	2025	2024
Amounts due from associates	<b>13 833</b>	—

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

## 52. Hedges

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

The accounting treatment of accounting hedges is dependent on the requirement to identify a direct relationship between a hedged item and hedging instrument. Below is a description of each category of accounting hedges achieved by the Group.

In addition to fair value hedges and cash flow hedges, the Group maintains a structural hedging programme to reduce the sensitivity of earnings to short-term interest rate movements. For more detail refer to page [197](#).

### Fair value hedges

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

At 31 March £'000	Description of financial instrument designated as hedging instrument (All included within derivative financial instruments on the balance sheet)	Notional value of hedging instrument	Fair value of hedging instrument	Cumulative fair value gains or (losses) on hedging instrument	Current year fair value gains or (losses) on hedging instrument*	Cumulative fair value gains or (losses) on hedged item	Current year fair value gains or (losses) on hedged item #^
<b>2025</b>							
Assets	Interest rate swap	2 362 156	83 841	83 841	(49 132)	(78 319)	49 537
Liabilities	Interest rate swap	4 961 982	(52 833)	(52 833)	46 622	52 685	(48 085)
		<b>7 324 138</b>	<b>31 008</b>	<b>31 008</b>	<b>(2 510)</b>	<b>(25 634)</b>	<b>1 452</b>
<b>2024</b>							
Assets	Interest rate swap	2 371 336	126 798	132 974	(54 334)	(127 854)	69 919
Liabilities**	Interest rate swap	6 737 935	(99 455)	(99 455)	43 924	100 771	(41 338)
		<b>9 109 271</b>	<b>27 343</b>	<b>33 519</b>	<b>(10 410)</b>	<b>(27 083)</b>	<b>28 581</b>

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

# Included in 'Current year fair value gains or losses on hedged item' is a £12.5 million gain (2024, £19.8 million gain) due to the amortisation subsequent to de-designation of accumulated fair value hedge adjustments related to the structural hedging programme undertaken in December 2022.

^ For the purpose of the information presented in this table only, the 2024 'Current year fair value gains or (losses) on hedged item' has been updated to reflect the inclusion of the structural hedging programme cumulative balance (£39.5 million) to be consistent with 2024 and 2025 cumulative balance presentation. This cumulative balance was not previously included in 2023.

\*\* In the current year it was identified that an existing 'debt securities fair value hedge' was not disclosed in the prior years. Prior year balances have been restated to reflect this.

Hedge effectiveness is determined with reference to retrospective and prospective testing, but to the extent hedging instruments are exposed to different risks than the hedged items, this could result in hedge ineffectiveness.

Sources of ineffectiveness include the following:

- Mismatches between the contractual terms of the hedged item and hedging instrument, including basis differences
- If a hedging relationship becomes over-hedged, for example, if the hedged item is partially redeemed but the original hedging instrument remains in place.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

## 52. Hedges (continued)

Included within balance sheet management and other trading activities in the income statement is a £9 million loss (2024: £1.5 million gain) arising from hedge ineffectiveness.

Included in 'current year fair value gains or (losses) on hedged item' is a £4.6m loss related to a debt issuance buyback during the year, being the reversal of the cumulative fair value gain of £4.6m recognised up to the buyback date.

There are no accumulated fair value hedge adjustments on matured hedged items. In circumstances where the hedged item has been de-designated but remains On balance sheet i.e. as part of the structural hedging programme, any accumulated fair value hedge adjustments shall be recognised in the income statement over the remaining life of the hedged item.

At 31 March £'000	Carrying amount of hedged item	
	2025	2024
<b>Assets</b>		
Sovereign debt securities	311 905	77 888
Bank debt securities	5 295	21 130
Other debt securities	15 754	13 584
Loans and advances to customers	2 012 683	2 038 635
Other assets*	—	56 668
<b>Liabilities</b>		
Debt securities in issue	1 148 192	1 111 130
Customer accounts (deposits)	3 267 390	4 922 286
Subordinated liabilities	699 940	700 000

\* Other assets includes aviation leasing related hedges.

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
<b>Maturity analysis of hedged items<sup>^</sup></b>							
<b>2025</b>							
<b>Assets – notionals</b>							
Sovereign debt securities	—	—	—	8 000	275 500	29 500	<b>313 000</b>
Bank debt securities	—	—	—	—	5 000	—	<b>5 000</b>
Other debt securities	—	—	—	—	15 473	—	<b>15 473</b>
Loans and advances to customers	1 588	15 668	36 388	97 283	1 495 554	366 203	<b>2 012 684</b>
Other assets*	—	—	—	—	—	—	<b>—</b>
<b>Liabilities – notionals</b>							
Debt securities in issue	—	—	—	3 389	739 175	418 409	<b>1 160 973</b>
Customer accounts (deposits)	139 487	378 265	787 983	1 931 462	20 000	10 193	<b>3 267 390</b>
Subordinated liabilities	—	—	—	—	—	700 000	<b>700 000</b>
<b>2024</b>							
<b>Assets – notionals</b>							
Sovereign debt securities	—	—	—	8 000	64 000	10 000	82 000
Bank debt securities	—	—	—	—	22 000	—	22 000
Other debt securities	—	—	—	—	10 420	3 164	13 584
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
<b>Liabilities – notionals</b>							
Debt securities in issue	—	—	—	30	1 133 366	—	1 133 396
Customer accounts (deposits)	—	132 111	1 006 825	2 989 176	787 048	7 125	4 922 285
Subordinated liabilities	—	—	—	—	—	700 000	700 000

\* Other assets includes aviation leasing related hedges.

<sup>^</sup> The maturity profile of the hedged items would be materially consistent with the maturity profile of the hedging instruments.

## NOTES TO THE FINANCIAL STATEMENTS

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## 52. 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

At 31 March £'000	2025					
	Carrying Amount			Change in fair value used to calculate hedge ineffectiveness	Gain/(loss) recognised in OCI	Ineffectiveness (loss) recognised in the income statement*
	Notional	Asset	Liability			
<b>Interest rate risk</b>						
Interest rate swaps	350 000	—	(208)	(3 938)	3 913	(25)
	<b>350 000</b>	<b>—</b>	<b>(208)</b>	<b>(3 938)</b>	<b>3 913</b>	<b>(25)</b>
At 31 March £'000	2024					
	Carrying Amount			Change in fair value used to calculate hedge ineffectiveness	Gain/(loss) recognised in OCI	Ineffectiveness (loss) recognised in the income statement*
	Notional	Asset	Liability			
<b>Interest rate risk</b>						
Interest rate swaps	350 000	3 210	—	2 034	2 148	(114)
	<b>350 000</b>	<b>3 210</b>	<b>—</b>	<b>2 034</b>	<b>2 148</b>	<b>(114)</b>

\* Hedge ineffectiveness is included in the income statement within trading income arising from balance sheet management and other trading activities.

### Hedged items in cash flow hedges

At 31 March £'000	2025		
	Change in fair value used for calculating hedge ineffectiveness	Balance in reserve for continuing hedges	Balance in reserve where hedge accounting is no longer applied
Loans and advances to customers	3 632	68	(164)
Deposits by banks	281	—	(8 800)
	<b>3 913</b>	<b>68</b>	<b>(8 964)</b>
At 31 March £'000	2024		
	Change in fair value used for calculating hedge ineffectiveness	Balance in reserve for continuing hedges	Balance in reserve where hedge accounting is no longer applied
Loans and advances to customers	(3 781)	(3 563)	(215)
Deposits by banks	1 633	—	(20 755)
	<b>(2 148)</b>	<b>(3 563)</b>	<b>(20 970)</b>

NOTES TO THE FINANCIAL STATEMENTS  
CONTINUED

## 52. Hedges (continued)

### Impact of cash flow hedges on profit and loss and other comprehensive income

For the year to £'000s	Cash flow hedge reserve	
	2025	2024
<b>Reconciliation from opening balance to closing balance</b>		
<b>At the beginning of the year</b>	17 664	27 635
Gain recognised in other comprehensive income on effective portion of changes in fair value of hedging instruments	(3 913)	2 148
Gain reclassified to income statement when hedged item affected net profit for de-designated relationships	(4 857)	(5 250)
Gain reclassified to income statement where hedged future cash flows are no longer expected to occur	(6 867)	—
Taxation charge relating to cash flow hedges	4 378	(6 869)
<b>At the end of the year</b>	<b>6 405</b>	<b>17 664</b>
<b>Closing balance is comprised of:</b>		
Cash flow hedge reserve before taxation	8 896	24 533
Deferred taxation	(2 491)	(6 869)
<b>Cash flow hedge reserve at the end of the year</b>	<b>6 405</b>	<b>17 664</b>

NOTES TO THE FINANCIAL STATEMENTS  
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### 53. Liquidity analysis of financial liabilities based on undiscounted cash flows

At 31 March £'000	Carrying value	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
<b>2025</b>									
<b>Liabilities</b>									
Deposits by banks	1 477 568	188 434	9 784	2 968	15 327	725 509	598 848	—	1 540 870
Derivative financial instruments	274 791	4 654	28 960	57 468	49 077	62 353	80 708	22 351	305 571
Derivative financial instruments – held for trading		52	—	—	—	—	—	—	52
Derivative financial instruments – held for hedging risk		4 602	28 960	57 468	49 077	62 353	80 708	22 351	305 519
Other trading liabilities	16 242	16 242	—	—	—	—	—	—	16 242
Repurchase agreements and cash collateral on securities lent	178 202	8 538	169 664	—	—	—	—	—	178 202
Customer accounts (deposits)	21 455 855	7 246 647	1 205 890	6 067 181	3 569 085	2 392 714	1 196 538	—	21 678 055
Debt securities in issue	1 301 802	—	1 799	9 898	21 940	106 105	908 748	434 770	1 483 260
Other liabilities	548 617	53 130	317 131	38 571	11 087	66 879	59 208	2 611	548 617
Subordinated liabilities	682 218	—	—	—	—	41 125	164 500	814 188	1 019 813
<b>Total on-balance sheet liabilities</b>	<b>25 935 295</b>	<b>7 517 645</b>	<b>1 733 228</b>	<b>6 176 086</b>	<b>3 666 516</b>	<b>3 394 685</b>	<b>3 008 550</b>	<b>1 273 920</b>	<b>26 770 630</b>
Contingent liabilities	—	3 065	631	96 147	10 217	74 628	349 801	36 919	571 408
Commitments	—	135 924	83 220	48 555	94 912	303 858	1 557 630	390 359	2 614 458
<b>Total liabilities</b>	<b>25 935 295</b>	<b>7 656 634</b>	<b>1 817 079</b>	<b>6 320 788</b>	<b>3 771 645</b>	<b>3 773 171</b>	<b>4 915 981</b>	<b>1 701 198</b>	<b>29 956 496</b>

The balances in the above table 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 above 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 page [194](#).**

NOTES TO THE FINANCIAL STATEMENTS  
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### 53. Liquidity analysis of financial liabilities based on undiscounted cash flows (continued)

At 31 March £'000	Carrying value	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
<b>2024</b>									
<b>Liabilities</b>									
Deposits by banks	2 174 305	226 716	19 659	16 494	36 318	50 188	1 981 853	—	2 331 228
Derivative financial instruments <sup>^</sup>	409 255	4 215	46 520	56 680	74 249	101 758	144 603	18 631	446 656
Derivative financial instruments – held for trading		757	—	—	—	—	—	—	757
Derivative financial instruments – held for hedging risk		3 458	46 520	56 680	74 249	101 758	144 603	18 631	445 899
Other trading liabilities	18 449	18 449	—	—	—	—	—	—	18 449
Repurchase agreements and cash collateral on securities lent	85 091	17 575	67 516	—	—	—	—	—	85 091
Customer accounts (deposits)	20 790 611	6 192 434	2 153 954	3 529 848	3 347 685	4 314 921	1 600 860	—	21 139 702
Debt securities in issue	1 273 106	—	6 188	24 873	49 224	66 217	1 285 849	1 194	1 433 545
Liabilities arising on securitisation of other assets	71 751	—	—	7 154	3 462	6 540	40 251	34 570	91 977
Other liabilities	594 305	96 395	314 277	49 982	6 031	95 375	29 082	3 163	594 305
Subordinated liabilities	668 810	—	—	—	—	41 125	164 500	855 313	1 060 938
<b>Total on-balance sheet liabilities</b>	<b>26 085 683</b>	<b>6 555 784</b>	<b>2 608 114</b>	<b>3 685 031</b>	<b>3 516 969</b>	<b>4 676 124</b>	<b>5 246 998</b>	<b>912 871</b>	<b>27 201 891</b>
Contingent liabilities	—	—	39 441	88 693	3 772	28 152	364 928	50 286	575 272
Commitments	—	139 830	108 511	32 337	196 253	294 082	1 282 947	384 953	2 438 913
<b>Total liabilities</b>	<b>26 085 683</b>	<b>6 695 614</b>	<b>2 756 066</b>	<b>3 806 061</b>	<b>3 716 994</b>	<b>4 998 358</b>	<b>6 894 873</b>	<b>1 348 110</b>	<b>30 216 076</b>

<sup>^</sup> Restated as detailed in note 59.

NOTES TO THE FINANCIAL STATEMENTS  
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## 54. Principal subsidiaries, associated companies and joint venture holdings – Investec plc

At 31 March	Principal activity	Country of incorporation	Interest	
			2025	2024
<b>Direct subsidiaries of Investec plc</b>				
Investec 1 Limited	Investment holding	England and Wales	100%	100%
<b>Indirect subsidiaries of Investec plc</b>				
Investec Asset Finance plc	Leasing	England and Wales	100%	100%
Investec Bank plc	Investment holding	England and Wales	100%	100%
Investec Bank (Channel Islands) Limited	Banking institution	Guernsey	100%	100%
Investec Bank (Switzerland) AG	Banking institution and wealth manager	Switzerland	100%	100%
Investec Group Investments (UK) Limited	Investment holding	England and Wales	100%	100%
Investec Holdings Australia Pty Limited	Holding company	Australia	100%	100%
Investec Investments (UK) Limited	Investment holding	England and Wales	100%	100%
Investec Europe Limited	MiFID firm	Ireland	100%	100%
Investec Securities (US) LLC	Financial services	USA	100%	100%
Investec Capitalmind Investment Limited	Non trading	England and Wales	100%	100%
Investec Continental Europe Advisory BV	Non trading	Netherlands	60%	60%
Investec Advisory SAS	Advisory services	France	60%	60%
Investec Advisory GmbH & Co. KG	Advisory services	Germany	60%	60%
Investec Advisory B.V	Advisory services	Netherlands	60%	60%

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 28.

**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 212 to 216.**

### 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 <sup>^</sup>	Securitised residential mortgages
Temese Funding 2 plc	Securitised receivables
Gresham Leasing One Limited	Aircraft related
KF Turbo Leasing Limited	Dormant Company
Zebra Aviation Limited	Aircraft leasing
Zebra Capital II Limited	Structured note issuance related

<sup>^</sup> During the year, the Group sold a residual tranche holding in Landmark Mortgage Securities No. 2 plc structured entity which subsequently resulted in the deconsolidation of the SPV and its related assets and liabilities.

For additional detail on the other securitised assets and liabilities arising on securitisation, refer to note 27.

**Details of the risks to which the Group is exposed through all of its securitisations are included in the notes to risk and capital management on page 188.**

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 54. Principal subsidiaries, associated companies and joint venture holdings – 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.

**Capital management within the Group is discussed in the notes to risk and capital management on pages 202 to 204.**

#### 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 19 and 57.

NOTES TO THE FINANCIAL STATEMENTS  
CONTINUED

## 54. Principal subsidiaries, associated companies and joint venture holdings – 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
<b>Aircraft investment funds</b>	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 2025 £'000	Line on the balance sheet	Carrying value £'000	Maximum exposure to loss	Income earned from structured entity	£'000
Aircraft investment funds	Investment portfolio	22 082	Limited to the carrying value	Investment income	2 180
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 income	226

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

### 55. 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 74 to 88.

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
<b>Investment funds</b>	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
<b>Debt funds</b>	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
<b>Aircraft leasing structures</b>	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	Interest income/Investment income

The table below shows the Group's maximum exposure to the unconsolidated structured entities.

At 31 March 2025				
£'000	Investment fund	Debt fund	Aircraft leasing structure	Total
Derivatives assets (fair value through profit and loss)	—	—	92	92
Loans and advances (fair value through profit and loss)	—	—	11 011	11 011
Investment portfolio (fair value through profit and loss)	24 639	4 250	1 091	29 980
Other debt securities (fair value through profit and loss)	—	26 819	—	26 819
<b>Total assets</b>	<b>24 639</b>	<b>31 069</b>	<b>12 194</b>	<b>67 902</b>
Other liabilities (fair value through profit and loss)	—	—	—	—
<b>Total liabilities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Off-balance sheet commitments</b>	<b>—</b>	<b>40 254</b>	<b>2 556</b>	<b>42 810</b>
<b>Maximum exposure at 31 March 2025</b>	<b>24 639</b>	<b>71 323</b>	<b>14 750</b>	<b>110 712</b>
At 31 March 2024 <sup>^</sup>				
£'000	Investment fund	Debt fund	Aircraft leasing structure	Total
Loans and advances (fair value through profit and loss)	—	—	11 477	11 477
Investment portfolio (fair value through profit and loss)	24 337	6 395	1 114	31 846
Other debt securities (fair value through profit and loss)	—	32 252	—	32 252
<b>Total assets</b>	<b>24 337</b>	<b>38 647</b>	<b>12 591</b>	<b>75 575</b>
Other liabilities (fair value through profit and loss)	—	12	—	12
<b>Total liabilities</b>	<b>—</b>	<b>12</b>	<b>—</b>	<b>12</b>
<b>Off-balance sheet commitments</b>	<b>—</b>	<b>13 485</b>	<b>2 610</b>	<b>16 096</b>
<b>Maximum exposure at 31 March 2024</b>	<b>24 337</b>	<b>52 120</b>	<b>15 201</b>	<b>91 659</b>

<sup>^</sup> The prior year disclosure for balances in a Debt fund has been corrected to present the values under 'Debt fund', rather than 'Investment fund'.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### **55. Unconsolidated structured entities (continued)**

#### **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 is included in the notes to risk and capital management on page 188.**

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

### 56. Offsetting

	Amounts subject to enforceable netting arrangements					
	Effects of offsetting on-balance sheet		Net financial assets/liabilities reported on the balance sheet	Related amounts not offset*		Net amount
At 31 March £'000	Gross amounts	Amounts offset		Financial instruments (including non-cash collateral)	Cash collateral	
<b>2025</b>						
<b>Assets</b>						
Reverse repurchase agreements and cash collateral on securities borrowed	1 640 765	—	1 640 765	(1 606 223)	(34 542)	—
Derivative financial instruments	919 030	(619 749)	299 281	(116 383)	(113 709)	69 189
Other assets	242 472	111 432	353 904	—	—	353 904
<b>Liabilities</b>						
Derivative financial instruments	783 108	(508 317)	274 791	(116 383)	(37 815)	120 593
Repurchase agreements and cash collateral on securities lent	178 202	—	178 202	(176 831)	(522)	849

\* 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.

	Amounts subject to enforceable netting arrangements					
	Effects of offsetting on-balance sheet		Net financial assets/liabilities reported on the balance sheet <sup>#</sup>	Related amounts not offset*		Net amount
At 31 March £'000	Gross amounts	Amounts offset <sup>1</sup>		Financial instruments (including non-cash collateral) <sup>2</sup>	Cash collateral <sup>†</sup>	
<b>2024**</b>						
<b>Assets</b>						
Reverse repurchase agreements and cash collateral on securities borrowed	1 140 115	—	1 140 115	(1 097 905)	(31 029)	11 181
Derivative financial instruments	1 514 514	(1 119 698)	394 816	(124 113)	(127 833)	142 870
Other assets	237 794	189 849	427 643	—	—	427 643
<b>Liabilities</b>						
Derivative financial instruments	1 339 104	(929 849)	409 255	(124 113)	(10 745)	274 397
Repurchase agreements and cash collateral on securities lent	85 091	—	85 091	(85 091)	—	—
Debt securities in issue	1 273 106	—	1 273 106	(9 823)	—	1 263 283

\* 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.

<sup>^</sup> Restated as detailed in note 59.

<sup>#</sup> The prior year has been represented to only include financial assets and liabilities.

<sup>†</sup> Where sovereign debt securities have been purchased at the same time as total return swaps (TRS) with the same counterparty, such that the combined position has the economic substance similar to secured lending, that sovereign debt security and the TRS are classified On balance sheet as 'reverse repurchase agreements and cash collateral on securities borrowed'. To be consistent with the Balance Sheet presentation, cash collateral placed on the TRS derivative is offset on the 'reverse repurchase agreements and cash collateral on securities borrowed' line in the offsetting note. In the prior year cash collateral placed on the TRS derivative was offset on the derivatives line. The prior year Offsetting note is restated to be consistent with the current year.

<sup>1</sup> Amounts offset for derivative financial assets and derivative financial liabilities represents variation margin received and paid on exchange traded/centrally cleared derivatives and the netting of long and short derivative balances against clients with enforceable netting arrangements.

<sup>2</sup> Financial instruments (including non-cash collateral) include financial collateral whether recognised or unrecognised. The prior year has been restated to be consistent with the current year.

\*\* This note has been restated to limit disclosures to recognised line items subject to enforceable netting arrangements and to include off-balance sheet collateral.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

## 57. Derecognition

### Transfer of financial assets that do not result in derecognition

The Group is 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.

	2025		2024	
	Carrying amount of assets that continue to be recognised	Carrying amount of associated liabilities	Carrying amount of assets that continue to be recognised	Carrying amount of associated liabilities
<b>No derecognition achieved</b>				
<b>£'000</b>				
Loans and advances to customers	1 657 927	—	1 511 765	—
Loans and advances to banks	95 626	—	69 389	—
	<b>1 753 553</b>	<b>—</b>	<b>1 581 154</b>	<b>—</b>

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 refer to note 19.

## 58. Events after the reporting date

There have been no significant events subsequent to the reporting date that would require adjustment to or disclosure in the financial statements. 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 2025 of any conditions which existed at the balance sheet date to reliably estimate any adjustments to these ECL provisions.

## NOTES TO THE FINANCIAL STATEMENTS

### CONTINUED

## 59. Restatements

### Balance sheet restatements

#### Derecognition of derivative assets and liabilities

Post the review of the accounting treatment of an aviation lease structure, it was identified that at 31 March 2024 Derivative financial instruments assets of £42.4 million (31 March 2023: £39.7 million) and Derivative financial instruments liabilities of £63.4 million (31 March 2023: £58.9 million) were incorrectly bifurcated from leases in the past. These have now been derecognised in the comparative balances and included in the measurement of associated lease contracts, leading to a reduction in the net investment in a finance sublease of £14.1 million (31 March 2023: £13.0 million), reflecting historic impairments, and an increase in other liabilities of £6.8 million (31 March 2023: £6.3 million). This change has no material impact on the income statement or statement of changes in equity. The movements in operating assets and liabilities within the cash flow statement were affected due to these restatements, with a net nil impact on operating cash flows.

£'000	At 31 March 2024 as previously reported	Adjustment	At 31 March 2024 restated
Derivative financial instruments	437 255	(42 439)	394 816
Other assets	740 121	(14 126)	725 995
<b>Total assets</b>	<b>1 177 376</b>	<b>(56 565)</b>	<b>1 120 811</b>
Derivative financial instruments	472 662	(63 407)	409 255
Other liabilities	1 025 813	6 842	1 032 655
<b>Total liabilities</b>	<b>1 498 475</b>	<b>(56 565)</b>	<b>1 441 910</b>

£'000	At 31 March 2023 as previously reported	Adjustment	At 1 April 2023 restated
Derivative financial instruments	634 123	(39 658)	594 465
Other assets	965 449	(12 997)	952 452
<b>Total assets</b>	<b>1 599 572</b>	<b>(52 655)</b>	<b>1 546 917</b>
Derivative financial instruments	704 816	(58 950)	645 866
Other liabilities	1 232 729	6 295	1 239 024
<b>Total liabilities</b>	<b>1 937 545</b>	<b>(52 655)</b>	<b>1 884 890</b>

#### Reclassification between treasury shares and other reserves

Historically, differences arising on re-issuing treasury shares held in respect of staff share schemes have been inconsistently presented between Group entities. In the current year, we have restated comparatives to align this treatment, with the group policy of treasury shares held now being reflected at cost and all movements on re-issuing treasury shares when employee awards vest being recognised in equity within 'retained income'. While implementing this change, we elected to transfer the capital reserve account, which housed various historic equity adjustments including those from past restructures to retained income as it does not provide useful information to users.

These changes had no impact on the income statement or cash flow statement.

£'000	At 31 March 2024 as previously reported	Adjustment	At 31 March 2024 restated
Treasury shares	(192 783)	(1 198)	(193 981)
Other reserves	(311 415)	365 335	53 920
Retained income	2 934 048	(364 137)	2 569 911
<b>Total equity</b>	<b>2 429 850</b>	<b>—</b>	<b>2 429 850</b>

£'000	At 31 March 2023 as previously reported	Adjustment	At 1 April 2023 restated
Treasury shares	(181 797)	18 954	(162 843)
Other reserves	(109 679)	185 335	75 656
Retained income	2 178 683	(204 289)	1 974 394
<b>Total equity</b>	<b>1 887 207</b>	<b>—</b>	<b>1 887 207</b>

NOTES TO THE FINANCIAL STATEMENTS  
CONTINUED

## 59. Restatements (continued)

### Income statement restatements

#### Re-presentation of strategic actions and associates

In prior periods, Investec's equity accounted income was split between operating profit and loss and non-operating items such as amortisation of intangibles and profit and loss impacts from strategic actions on the face of the income statement. We have amended the presentation whereby Investec's total share of earnings of associates and joint ventures is now presented as a single line on the face of the income statement. As a consequence, some of the subtotals previously presented are no longer appropriate and have been removed.

These changes had no impact on earnings per share or cash flow statement.

£'000	Year to 31 March 2024 as previously reported	Re-presentation of strategic actions and associates	Year to 31 March 2024 restated
Interest income	1 914 473	—	1 914 473
Interest expense	(1 103 546)	—	(1 103 546)
<b>Net interest income</b>	<b>810 927</b>	<b>—</b>	<b>810 927</b>
Fee and commission income	173 213	—	173 213
Fee and commission expense	(16 451)	—	(16 451)
Investment income	14 322	—	14 322
Share of post taxation profit of associates and joint venture holdings	55 793	(22 255)	33 538
Profit before amortisation and integration costs	55 793	—	55 793
Amortisation of acquired intangibles	—	(12 624)	(12 624)
Acquisition related and integration costs of associate	—	(9 631)	(9 631)
Trading income/(loss) arising from			—
– customer flow	103 158	—	103 158
– balance sheet management and other trading activities	27 099	—	27 099
Other operating income	2 150	—	2 150
<b>Operating income</b>	<b>1 170 211</b>	<b>(22 255)</b>	<b>1 147 956</b>
Expected credit loss impairment charges	(85 995)	—	(85 995)
<b>Operating income after expected credit loss impairment charges</b>	<b>1 084 216</b>	<b>(22 255)</b>	<b>1 061 961</b>
Operating costs	(656 599)	—	(656 599)
Amortisation of acquired intangibles	(940)	—	(940)
Amortisation of acquired intangibles of associate	(5 679)	5 679	—
Closure and rundown of the Hong Kong direct investments business	(784)	—	(784)
Financial impact of strategic actions	(16 576)	16 576	—
<b>Profit before taxation</b>	<b>403 638</b>	<b>—</b>	<b>403 638</b>
Taxation on operating profit before acquired intangibles and strategic actions	(86 502)	—	(86 502)
Taxation on acquired intangibles and strategic actions	727	—	727
<b>Profit after taxation from continuing operations</b>	<b>317 863</b>	<b>—</b>	<b>317 863</b>
<b>Profit after taxation from discontinued operations</b>	<b>389 551</b>	<b>—</b>	<b>389 551</b>
<b>Profit after taxation</b>	<b>707 414</b>	<b>—</b>	<b>707 414</b>
Profit attributable to other non-controlling interests	(1 204)	—	(1 204)
<b>Earnings attributable to shareholders</b>	<b>706 210</b>	<b>—</b>	<b>706 210</b>

## NOTES TO RISK AND CAPITAL MANAGEMENT

### 60. Credit and counterparty risk

Credit and counterparty risk arises primarily from three types of transactions:

- Lending transactions, through loans and advances to clients and counterparties, creating the risk that an obligor will be unable or unwilling to repay capital and/or interest on loans and advances granted to them. This category includes bank placements where we have placed funds with other financial institutions
- Financial instrument transactions, producing issuer risk where payments due from the issuer of a financial instrument may not be received
- Trading transactions, giving rise to settlement and replacement risk (collectively counterparty risk):
  - Settlement risk is the risk that the settlement of a transaction does not take place as expected, with one party making required settlements as they fall due but not receiving the performance to which they are entitled
  - Replacement risk is the risk following default by the original counterparty resulting in the contract holder having to enter into a replacement contract with a second counterparty in order to fulfil the transaction.

The relevant credit committees will also consider wrong-way risk at the time of granting credit limits to each counterparty. In the banking book environment, wrong-way risk occurs where the value of collateral to secure a transaction decreases as the probability of default of the borrower or counterparty increases. For counterparty credit risk resulting from transactions in traded products (such as OTC derivatives), wrong-way risk is defined as exposure to a counterparty that is adversely correlated with the credit quality of that counterparty. It arises when default risk and credit exposure increase together.

Credit and counterparty risk may also arise in other ways and it is the role of the risk management functions and the various independent credit committees to identify risks falling outside these definitions.

#### Risk governance structure

To manage, measure, monitor and mitigate credit and counterparty risk, independent credit committees exist in the UK. These committees also have oversight of regions where we assume credit and counterparty risk and operate under Board-approved delegated limits, policies and procedures. There is a high level of executive involvement and oversight in the credit decision-making forums depending on the size and complexity of the deal. It is our policy that all credit committees include voting members who are independent of the originating business unit. All decisions to enter into a transaction are based on unanimous consent.

In addition to the credit committees, the following processes assist in managing, measuring and monitoring credit and counterparty risk:

- Day-to-day arrears management and regular arrears reporting ensure that individual positions and any potential adverse trends are dealt with in a timely manner

- Watchlist Forums review the management of distressed loans, potential problem loans and exposures in arrears that require additional attention and supervision. These committees review ECL impairments and staging at an asset level as well as potential fair value adjustments to loans and advances to customers. They provide recommendations for the appropriate staging and level of ECL impairment where required
- The Forbearance Forum reviews and monitors counterparties who have been granted forbearance measures
- The Impairment Decision Committee reviews recommendations from underlying Watchlist Forums and considers and approves the appropriate level of ECL impairments and staging
- The Models Forum provides an internal screening and validation process for credit models. We have established independent model validation teams who review the models and provide feedback on the accuracy and operation of the models and note items for further development through the forum
- An annual review of risk appetite frameworks and limits that are approved by IBP ERC, Investec Group ERC, IBP and DLC BRCC and IBP and DLC Board.

#### Risk appetite

The Board has set risk appetite limits which regulate the maximum exposures we would be comfortable to tolerate in order to diversify and mitigate risk. Should there be any breaches to limits, or where exposures are nearing limits, these exceptions are specifically highlighted for attention, with remedial actions reported at IBP BRCC, DLC BRCC and the respective Boards.

The assessment of our clients and counterparties includes consideration of their character, integrity, core competencies, track record and financial strength. A strong emphasis is placed on the historic and ongoing stability of income and cash flow streams generated by the clients. Our primary assessment method is therefore the ability of the client or counterparty to meet their payment obligations.

Target clients include high net worth individuals, active wealth creators, high-income professionals, self-employed entrepreneurs, owner managers in small to mid-cap corporates, sophisticated investors, established corporates, small and medium-sized enterprises, financial institutions and sovereigns.

We are client-centric in our approach and originate the majority of our loans with the intent of holding these assets to maturity, thereby developing a 'hands-on' and long-standing relationship.

Interbank lending is largely reserved for those banks and institutions in the Group's core geographies of activity, which are systemic and highly rated.

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### Concentration risk

Concentration risk, with respect to credit and counterparty risk, is when large exposures exist to a single client or counterparty, group of connected counterparties, or to a particular geography, asset class or industry. An example of this would be where a number of counterparties are affected by similar economic, legal, regulatory or other factors that could mean their ability to meet contractual obligations are correlated.

Concentration risk can also exist where portfolio loan maturities are clustered to single periods in time. Loan maturities are monitored on a portfolio and a transaction level by Group risk management, Group lending operations as well as the originating business units.

Credit and counterparty risk is always assessed with reference to the aggregate exposure to a single counterparty or group of related parties to manage concentration risk. In order to manage concentration, we will consider a sell-down of exposures to market participants if required.

### Country risk

Country risk, with respect to credit and counterparty risk, refers to the risk of lending to a counterparty operating in a particular country or the risk inherent in a sovereign exposure, i.e. the risk of exposure to loss caused by events in that country. Country risk covers all forms of lending or investment activity whether to/with individuals, corporates, banks or governments. This can include geopolitical risks, transfer and convertibility risks, and the impact on the borrower's credit profile due to local economic and political conditions.

To mitigate country risk, there is a preference for primary exposure in the Group's main operating geography. The Group will accept exposures where we have a branch or local banking subsidiary, and tolerate exposures to other countries where we are facilitating a transaction for a client who requires facilities in a foreign geography and where we have developed a local understanding and capability.

The Group's credit risk appetite with regard to country risk is characterised by the following principles:

- Preference is to have exposure only to politically stable jurisdictions that we understand and have preferably operated in before
- There is limited specific appetite for exposures outside of the Group's pre-existing core geographies or target markets
- The legal environment should be tested, have legal precedent in line with OECD standards and have good corporate governance
- In certain cases, country risk can be mitigated by taking out political risk insurance with suitable counterparties where deemed necessary and where considered economic.

While we do not have a separate country risk committee, the relevant credit committees as well as investment committees, IBP ERC and where necessary, Investec Group ERC will consider, analyse and assess the appropriate foreign jurisdiction limits.

In the UK, following the official exit from the European Union, it remains necessary to avoid exposures to certain European countries due to the resulting legal and regulatory implications. This relates specifically to countries in which borrowers are legally incorporated and any deal will be thoroughly assessed on a case by case basis to ensure compliance with current regulations.

### Sustainability risk

We assess sustainability risk as part of the credit or investment committee's evaluation of lending or investment decisions. All credit and investment transactions with exposure to high-risk industries go through a sustainability screening process. Where the transaction is classified as high-risk, a sustainability screening is required prior to the credit committee where risks and opportunities are identified to assist the credit committee in their decision-making process. Where risks are identified, mitigating actions need to be included. Sustainability considerations are implicit in our values, culture and code of conduct and are applied as part of our day to day decision making. In particular, the following factors are considered when a transaction is evaluated and approved or declined based on sustainability considerations:

- Governance matters (including corruption, fraud and controversies)
- Environmental impacts (including climate, nature degradation and animal welfare) to support climate action (SDG 13)
- Social injustice (including human rights, diversity, inclusion and modern slavery, community displacement and health and safety risks) to support reduced inequalities (SDG 10)
- Ethical considerations (including human rights and modern slavery) to support SDG 10
- Macro-economic impacts (including poverty, growth, and unemployment) to support SDG 13 and SDG 10.

If the Group sustainability team flags the transaction as a high concern issue, it will be escalated to IBP or Investec Group ERC before any credit or investment decision is made. Moreover, the DLC SEC is informed of any transactions identified with high concerns.

 Refer to page 184 for further detail.

### Stress testing

The Group's stress testing framework is designed to identify and assess vulnerabilities under stress. The process comprises a bottom-up analysis of the Group's material business activities, incorporating views from risk management teams, business and the executive. Stress scenarios are designed based on findings from the bottom-up process, taking into consideration the broader macro-economic and political risk backdrop.

These Investec-specific stress scenarios form an integral part of our capital planning process and IFRS 9 reporting. The stress testing process also informs the risk appetite review process, and the management of risk appetite limits and is a key risk management tool of the Group. This process allows the Group to identify underlying risks and manage them accordingly.

The Group also performs ad hoc stress tests and reverse stress testing. Ad hoc stress tests are conducted in response to any type of material and/or emerging risks, with reviews undertaken of impacted portfolios to assess any migration in quality and highlight any vulnerabilities, identify portfolio concentrations and make appropriate recommendations such as a reduction in risk appetite limits. Reverse stress tests are conducted to stress the Group's business plan to failure and consider a broad variety of extreme and remote events.

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### Risk management and measurement

Fundamental principles employed in the management of credit and counterparty risk include:

- A clear definition of our target market
- A quantitative and qualitative assessment of the creditworthiness of our clients and counterparties
- Analysis of risks, including concentration risk (concentration risk considerations include asset class, industry, counterparty and geographical concentration)
- Decisions being made with reference to risk appetite limits
- Prudential limits
- Regular monitoring and review of existing and potential exposures once facilities have been approved
- A high level of executive involvement in decision-making with non-executive review and oversight where applicable
- Portfolio reviews and stress testing.

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

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

Regular reporting of credit and counterparty risk exposures within our operating units are made to management, the executives and the Board through the DLC BRCC and IBP BRCC. The Board reviews and approves the appetite for credit and counterparty risk, which is documented in risk appetite statements and policy documents. This is implemented and reviewed by the credit risk management teams in each jurisdiction.

Reviews are also undertaken of all material businesses, where the portfolios are analysed to assess any migration in portfolio quality, highlight any vulnerabilities, identify portfolio concentrations and make appropriate recommendations, such as a reduction in risk appetite limits or specific exposures.

#### Nature of activities

Credit and counterparty risk is assumed through a range of client-driven lending activities to private and corporate clients as well as other counterparties, such as financial institutions and sovereigns. These activities are diversified across a number of business activities:

- **Core loans and advances:** the majority of credit and counterparty risk is through core loans and advances, which reflects client-driven lending activities to private and corporate clients and account for almost all ECL allowances across our portfolio, which are detailed on pages 167 to 174
  - **Treasury function:** there are also certain exposures, outside of core loans and advances, where we assume credit and counterparty risk. These arise from treasury investments in high-quality liquid assets, including highly rated government, supranational, sub-sovereign and agency (SSA) and covered bonds, and treasury placements where the treasury function, as part of the daily management of the Group's liquidity, places funds with central banks and other commercial banks and financial institutions. These transactions are typically short-term (less than one month) money market placements or secured repurchase agreements. These market counterparties are mainly investment grade rated entities that occupy dominant and systemic positions in their domestic banking markets and internationally. These counterparties are located mainly in the UK, Western Europe, Asia, North America, Southern Africa and Australia.
- In addition, credit and counterparty risk arises through the following exposures:
- **Customer trading activities to facilitate hedging of client risk positions:** our customer trading portfolios consist of derivative contracts in interest rates, foreign exchange, commodities, credit derivatives and equities that are entered into, to facilitate a client's hedging requirements. The counterparties to such transactions are typically corporates, in particular where they have an exposure to interest rates or foreign exchange due to operating in sectors that include imports and exports of goods and services. These positions are marked-to-market, typically with daily margin calls to mitigate credit exposure in the event of counterparty default
  - **Structured credit:** these are bonds secured against a pool of assets, mainly UK residential mortgages or European or US corporate leverage loans. The bonds are typically highly rated (single 'A' and above), which benefit from a high level of credit subordination and can withstand a significant level of portfolio default
  - **Debt securities:** from time to time we take on exposures by means of corporate debt securities rather than loan exposures. These transactions arise on the back of client relationships or knowledge of the corporate market and are based on our analysis of the credit fundamentals
  - **Corporate advisory and investment banking activities:** counterparty risk in this area is modest. The business also trades shares on an approved basis and makes markets in shares where we are appointed corporate broker under pre-agreed market risk limits. Settlement trades are largely on a delivery versus payment basis, through major stock exchanges. Credit risk only occurs in the event of counterparty failure and would be linked to any fair value losses on the underlying security
  - **Settlement risk:** can arise due to undertaking transactions in an agency capacity on behalf of clients. However, the risk is not considered to be material as most transactions are undertaken on recognised exchanges, with large institutional clients, monitored daily, with trades usually settled within two to three days.

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### Credit risk mitigation

Credit risk mitigation techniques can be defined as all methods by which the Group seeks to decrease the credit risk associated with an exposure. The Investec Group considers credit risk mitigation techniques as part of the credit assessment of a potential client or business proposal and not as a separate consideration of mitigation of risk. Credit risk mitigants can include any collateral item over which the Group has a charge, netting and margining agreements, covenants, or terms and conditions imposed on a borrower with the aim of reducing the credit risk inherent to that transaction.

As the Group has limited appetite for unsecured debt. A strong emphasis is placed on proven income and cash flows generated by the clients and risk is managed through assessment of the ability of clients to meet their payment obligations and/or tangible assets provided in support of their obligations. Collateral is assessed with reference to the sustainability of value and the likelihood of realisation.

Acceptable collateral generally exhibits characteristics that allow for it to be easily identified and appropriately valued and assists the Group to recover outstanding exposures.

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

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

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

geared at conservative loan-to-value (LTV) ratios, after considering the quality, diversification, risk profile and liquidity of the portfolio.

Our corporate, government and institutional clients provide a range of collateral including cash, corporate assets, debtors (accounts receivable), trading stock, debt securities (bonds), listed and unlisted shares and guarantees.

The majority of credit mitigation techniques linked to trading activity is in the form of netting agreements and daily margining. Primarily, the market standard legal documents that govern this include the International Swaps and Derivatives Association (ISDA) Master Agreements, Global Master Securities Lending Agreement (GMSLA) and Global Master Repurchase Agreement (GMRA). In addition to having ISDA documentation in place with market and trading counterparties in over-the-counter (OTC) derivatives, the credit committee may require a Credit Support Annex (CSA) to ensure that mark-to-market credit exposure is mitigated daily through the calculation and placement/receiving of cash collateral. Where netting agreements have been signed, the enforceability is supported by an external legal opinion within the legal jurisdiction of the agreement.

Set-off is applied between assets, subject to credit risk and related liabilities in the annual financial statements, where:

- A legally enforceable right to set-off exists
- There is the intention to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously.

In addition to the above accounting set-off criteria, banking regulators impose the following additional criteria:

- Debit and credit balances relate to the same obligor/counterparty
- Debit and credit balances are denominated in the same currency and have identical maturities
- Exposures subject to set-off are risk-managed on a net basis
- Market practice considerations.

For this reason, there will be instances where credit and counterparty exposures are displayed on a net basis in these annual financial statements but reported on a gross basis to regulators.

The legal risk function ensures the enforceability of credit risk mitigants under the laws of the relevant jurisdictions. When assessing the potential concentration risk in its credit portfolio, consideration is given to the types of collateral and credit protection that form part of the portfolio.

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### An analysis of gross core loans, asset quality and ECL

The tables that follow provide information with respect to the asset quality of our gross core loans on a statutory basis.

Stage 3 exposures as a percentage of gross core loans subject to ECL have remained unchanged at 3.3% driven by the resolution of existing defaults and a reduced rate of new defaults.

Stage 2 exposures have decreased to £1 328 million or 8.1% of gross core loans subject to ECL at 31 March 2025 (£1 391 million or 8.6% at 31 March 2024) reflecting the continued performance of the underlying portfolios in the current macro-economic environment.

£'million	31 March 2025	31 March 2024
<b>Gross core loans</b>	<b>16 956</b>	<b>16 744</b>
Gross core loans at FVPL	572	641
<b>Gross core loans subject to ECL*</b>	<b>16 384</b>	<b>16 103</b>
Stage 1	14 520	14 181
Stage 2	1 328	1 391
<i>of which past due greater than 30 days</i>	60	150
Stage 3 <sup>#</sup>	536	531
<b>ECL<sup>^</sup></b>	<b>(165)</b>	<b>(187)</b>
Stage 1	(34)	(43)
Stage 2	(31)	(33)
Stage 3	(100)	(111)
<b>Coverage ratio</b>		
Stage 1	0.23%	0.30%
Stage 2	2.3%	2.4%
Stage 3	18.7%	20.9%
<b>Credit loss ratio</b>	<b>0.60%</b>	<b>0.58%</b>
ECL impairment charges on core loans	(97)	(90)
Average gross core loans subject to ECL	16 244	15 631
<b>An analysis of Stage 3 gross core loans subject to ECL</b>		
Stage 3 net of ECL	436	420
Aggregate collateral and other credit enhancements on Stage 3	455	445
Stage 3 as a % of gross core loans subject to ECL	3.3%	3.3%
Stage 3 net of ECL as a % of net core loans subject to ECL	2.7%	2.6%

Note: Our exposure (net of ECL) to the Legacy portfolio has reduced from £32 million at 31 March 2024 to £27 million at 31 March 2025. These Legacy assets are predominately reported in Stage 3. These assets have been significantly provided for and coverage remains high at 53.8%.

\* Refer to definitions on page 219.

<sup>#</sup> Stage 3 exposures disclosed above and in the tables that follow are net of suspended interest. Refer to page 169 for additional information.

<sup>^</sup> Comprises ECL held against both amortised cost and FVOCI loans.

### An analysis of gross core loans by country of exposure

**31 March 2025**

£16 956 million



United Kingdom	83.6%
Europe (excluding UK)	10.0%
North America	4.4%
Asia	1.6%
Other	0.4%

**31 March 2024**

£16 744 million



United Kingdom	83.3%
Europe (excluding UK)	9.1%
North America	5.2%
Asia	1.7%
Other	0.7%

## NOTES TO RISK AND CAPITAL MANAGEMENT

### CONTINUED

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

The table below indicates underlying movements in gross core loans subject to ECL from 31 March 2024 to 31 March 2025. The transfers between stages of gross core loans indicate the impact of stage transfers upon the gross exposure and associated opening ECL. There have been increased repayments in Stage 2, contributing to the overall decrease in Stage 2 exposure since 31 March 2024. Transfers into Stage 3 since 31 March 2024 have slowed when compared to the year to 31 March 2024.

The ECL remeasurement arising from transfer of stage represents the (increase)/decrease in ECL due to stage transfers. New lending net of repayments comprises new originations, further drawdowns, repayments and sell-downs and Stage 3 ECLs that have been written off, typically when an asset has been sold.

The ECL impact of changes to risk parameters and models during the year relate to the adjustment of model changes to more effectively calculate probability of default (PD) reflective of the current experience in the economic environment. The foreign exchange and other category largely comprises the impact on the closing balance as a result of movements and translations in foreign exchange rates since 31 March 2024.

£'million	Stage 1		Stage 2		Stage 3		Total	
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
<b>At 31 March 2024</b>	<b>14 181</b>	<b>(43)</b>	<b>1 391</b>	<b>(33)</b>	<b>531</b>	<b>(111)</b>	<b>16 103</b>	<b>(187)</b>
<b>Lending collateralised by property at 31 March 2024</b>	<b>2 155</b>	<b>(10)</b>	<b>168</b>	<b>(3)</b>	<b>144</b>	<b>(35)</b>	<b>2 467</b>	<b>(48)</b>
Transfer from Stage 1	(160)	1	147	(1)	13	—	—	—
Transfer from Stage 2	12	—	(69)	1	57	(1)	—	—
Transfer from Stage 3	—	—	—	—	—	—	—	—
ECL remeasurement arising from transfer of stage	—	—	—	—	—	—	—	—
New lending net of repayments (includes assets written off)	(97)	4	2	—	(56)	12	(151)	16
Changes to risk parameters and models	—	—	—	—	—	—	—	—
Foreign exchange and other	—	—	—	—	—	—	—	—
<b>Lending collateralised by property at 31 March 2025</b>	<b>1 910</b>	<b>(5)</b>	<b>248</b>	<b>(3)</b>	<b>158</b>	<b>(24)</b>	<b>2 316</b>	<b>(32)</b>
<b>HNW and other private client lending at 31 March 2024</b>	<b>5 263</b>	<b>(6)</b>	<b>260</b>	<b>(1)</b>	<b>170</b>	<b>(16)</b>	<b>5 693</b>	<b>(23)</b>
Transfer from Stage 1	(148)	—	88	—	60	—	—	—
Transfer from Stage 2	57	—	(83)	—	26	—	—	—
Transfer from Stage 3	—	—	19	—	(19)	—	—	—
ECL remeasurement arising from transfer of stage	—	—	—	—	—	(1)	—	(1)
New lending net of repayments (includes assets written off)	239	(1)	(62)	—	(42)	(2)	135	(3)
Changes to risk parameters and models	—	(2)	—	—	—	—	—	(2)
Foreign exchange and other	(2)	—	—	—	—	—	(2)	—
<b>HNW and other private client lending at 31 March 2025</b>	<b>5 409</b>	<b>(9)</b>	<b>222</b>	<b>(1)</b>	<b>195</b>	<b>(19)</b>	<b>5 826</b>	<b>(29)</b>
<b>Corporate and other lending at 31 March 2024</b>	<b>6 763</b>	<b>(27)</b>	<b>963</b>	<b>(29)</b>	<b>217</b>	<b>(60)</b>	<b>7 943</b>	<b>(116)</b>
Transfer from Stage 1	(468)	3	431	(3)	37	—	—	—
Transfer from Stage 2	272	(4)	(343)	9	71	(5)	—	—
Transfer from Stage 3	1	—	11	(1)	(12)	1	—	—
ECL remeasurement arising from transfer of stage	—	3	—	(9)	—	(13)	—	(19)
New lending net of repayments (includes assets written off)	666	(2)	(198)	2	(129)	19	339	19
Changes to risk parameters and models	—	7	—	4	—	—	—	11
Foreign exchange and other	(33)	—	(6)	—	(1)	1	(40)	1
<b>Corporate and other lending at 31 March 2025</b>	<b>7 201</b>	<b>(20)</b>	<b>858</b>	<b>(27)</b>	<b>183</b>	<b>(57)</b>	<b>8 242</b>	<b>(104)</b>
<b>At 31 March 2025</b>	<b>14 520</b>	<b>(34)</b>	<b>1 328</b>	<b>(31)</b>	<b>536</b>	<b>(100)</b>	<b>16 384</b>	<b>(165)</b>

## NOTES TO RISK AND CAPITAL MANAGEMENT

### CONTINUED

£'million	Stage 1		Stage 2		Stage 3		Total	
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
<b>At 31 March 2023</b>	<b>13 494</b>	<b>(39)</b>	<b>1 321</b>	<b>(32)</b>	<b>343</b>	<b>(75)</b>	<b>15 158</b>	<b>(146)</b>
<b>Lending collateralised by property at 31 March 2023</b>	<b>1 852</b>	<b>(8)</b>	<b>343</b>	<b>(12)</b>	<b>121</b>	<b>(34)</b>	<b>2 316</b>	<b>(54)</b>
Transfer from Stage 1	(147)	1	119	(1)	28	—	—	—
Transfer from Stage 2	194	(3)	(241)	5	47	(2)	—	—
Transfer from Stage 3	—	—	—	—	—	—	—	—
ECL remeasurement arising from transfer of stage	—	2	—	—	—	(1)	—	1
New lending net of repayments (includes assets written off)	256	(2)	(53)	4	(52)	2	151	4
Changes to risk parameters and models	—	—	—	1	—	—	—	1
Foreign exchange and other	—	—	—	—	—	—	—	—
<b>Lending collateralised by property at 31 March 2024</b>	<b>2 155</b>	<b>(10)</b>	<b>168</b>	<b>(3)</b>	<b>144</b>	<b>(35)</b>	<b>2 467</b>	<b>(48)</b>
<b>HNW and other private client lending at 31 March 2023</b>	<b>5 343</b>	<b>(4)</b>	<b>164</b>	<b>(1)</b>	<b>84</b>	<b>(13)</b>	<b>5 591</b>	<b>(18)</b>
Transfer from Stage 1	(309)	—	189	—	120	—	—	—
Transfer from Stage 2	48	—	(61)	—	13	—	—	—
Transfer from Stage 3	—	—	—	—	—	—	—	—
ECL remeasurement arising from transfer of stage	—	—	—	—	—	(1)	—	(1)
New lending net of repayments (includes assets written off)	184	(2)	(32)	—	(47)	(1)	105	(3)
Changes to risk parameters and models	—	—	—	—	—	(1)	—	(1)
Foreign exchange and other	(3)	—	—	—	—	—	(3)	—
<b>HNW and other private client lending at 31 March 2024</b>	<b>5 263</b>	<b>(6)</b>	<b>260</b>	<b>(1)</b>	<b>170</b>	<b>(16)</b>	<b>5 693</b>	<b>(23)</b>
<b>Corporate and other lending at 31 March 2023</b>	<b>6 299</b>	<b>(27)</b>	<b>814</b>	<b>(19)</b>	<b>138</b>	<b>(28)</b>	<b>7 251</b>	<b>(74)</b>
Transfer from Stage 1	(589)	4	521	(4)	68	—	—	—
Transfer from Stage 2	241	(5)	(292)	7	51	(2)	—	—
Transfer from Stage 3	—	—	—	—	—	—	—	—
ECL remeasurement arising from transfer of stage	—	4	—	(10)	—	(28)	—	(34)
New lending net of repayments (includes assets written off)	854	(3)	(72)	(4)	(39)	(2)	743	(9)
Changes to risk parameters and models	—	—	—	1	—	—	—	1
Foreign exchange and other	(42)	—	(8)	—	(1)	—	(51)	—
<b>Corporate and other lending at 31 March 2024</b>	<b>6 763</b>	<b>(27)</b>	<b>963</b>	<b>(29)</b>	<b>217</b>	<b>(60)</b>	<b>7 943</b>	<b>(116)</b>
<b>At 31 March 2024</b>	<b>14 181</b>	<b>(43)</b>	<b>1 391</b>	<b>(33)</b>	<b>531</b>	<b>(111)</b>	<b>16 103</b>	<b>(187)</b>

### Interest in suspense

For asset quality risk management and disclosure purposes, interest in suspense has been excluded from the gross loans and advances as well as the balance sheet ECL balances of Stage 3 assets. Below is a summary of interest in suspense allocated to Stage 3 core loans by risk appetite category.

£'million	31 March 2025	31 March 2024
Commercial real estate	1.2	0.8
Residential real estate	5.5	3.4
<b>Total lending collateralised by property</b>	<b>6.7</b>	<b>4.2</b>
Other high net worth lending	0.4	—
<b>Total high net worth and other private client lending</b>	<b>0.4</b>	<b>—</b>
Corporate and acquisition finance	2.9	0.4
Other corporate and financial institutions and governments	—	—
Asset finance	1.2	0.5
Aviation finance	0.4	—
<b>Total corporate and other lending</b>	<b>4.5</b>	<b>0.9</b>
<b>Total core loans</b>	<b>11.6</b>	<b>5.1</b>

## NOTES TO RISK AND CAPITAL MANAGEMENT

### CONTINUED

### An analysis of credit quality by internal rating grade

The Group uses a 25-grade internal rating scale which measures the risk of default to an exposure without taking into account any credit mitigation, such as collateral. This internal rating scale allows the Group to measure credit risk consistently across portfolios. The internal rating scale is derived from a mapping to PDs and can also be mapped to external rating agency scales.

PD range	Investec internal rating scale	Indicative external rating scale
less than 0.538%	IB01 – IB12	AAA to BBB-
0.538% – 6.089%	IB13 – IB19	BB+ to B-
greater than 6.089%	IB20 – IB25	B- and below
	Stage 3	D

The internal credit rating distribution below is based on the 12-month PD at 31 March 2025 for gross core loans subject to ECL by stage. The staging classifications are not only driven by the absolute PD, but on factors that determine a significant increase in credit risk, including relative movement in PD since origination. There is therefore no direct correlation between the credit quality of an exposure and its stage classification as shown in the table below:

At 31 March 2025					
£'million	IB01-IB12	IB13-IB19	IB20-IB25	Stage 3	Total
<b>Gross core loans subject to ECL</b>	<b>7 101</b>	<b>8 369</b>	<b>378</b>	<b>536</b>	<b>16 384</b>
Stage 1	6 966	7 525	29	—	14 520
Stage 2	135	844	349	—	1 328
Stage 3	—	—	—	536	536
<b>ECL</b>	<b>(5)</b>	<b>(42)</b>	<b>(18)</b>	<b>(100)</b>	<b>(165)</b>
Stage 1	(5)	(28)	(1)	—	(34)
Stage 2	—	(14)	(17)	—	(31)
Stage 3	—	—	—	(100)	(100)
<b>Coverage ratio</b>	<b>0.1%</b>	<b>0.5%</b>	<b>4.8%</b>	<b>18.7%</b>	<b>1.0%</b>
At 31 March 2024					
£'million	IB01-IB12	IB13-IB19	IB20-IB25	Stage 3	Total
<b>Gross core loans subject to ECL</b>	<b>7 662</b>	<b>7 590</b>	<b>320</b>	<b>531</b>	<b>16 103</b>
Stage 1	7 408	6 723	50	—	14 181
Stage 2	254	867	270	—	1 391
Stage 3	—	—	—	531	531
<b>ECL</b>	<b>(7)</b>	<b>(50)</b>	<b>(19)</b>	<b>(111)</b>	<b>(187)</b>
Stage 1	(6)	(36)	(1)	—	(43)
Stage 2	(1)	(14)	(18)	—	(33)
Stage 3	—	—	—	(111)	(111)
<b>Coverage ratio</b>	<b>0.1%</b>	<b>0.7%</b>	<b>5.9%</b>	<b>20.9%</b>	<b>1.2%</b>

For all other financial instruments including other financial assets (which include exposures to highly rated international banks and corporate bonds) subject to credit and counterparty risk, the Group applies credit ratings in line with its credit policies. Assessment and suitability of the rating is vetted by the applicable credit authority and monitored as part of the overall credit management process. Where new information that may affect the risk profile becomes available, this is considered and ratings may be adjusted accordingly.

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

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

Client quality and expertise are at the core of our credit philosophy. We provide senior debt and other funding for property transactions, with a preference for income-producing assets, supported by an experienced sponsor providing a material level of cash equity investment into the asset and limited direct exposure to sectors more vulnerable to cyclicality. Our exposure to the property market is well diversified with strong bias towards prime locations for residential exposure and focus on property fundamentals, tenant quality and income diversity for commercial assets. Debt service cover ratios are a key consideration in the lending process supported by reasonable loan-to-security value ratios.

### Year in review

Lending collateralised by property totalled £2.3 billion or 13.9% of net core loans at 31 March 2025, which remains in line with the Group's risk appetite to maintain a reduced proportion of net core loan exposures in property-related lending. New lending is diversified by underlying asset classes at conservative LTVs. Weighted average LTV\* on lending collateralised by property remains conservative at 57%. Development exposures are typically undertaken at lower LTVs. These LTVs do not take into account guarantees provided by borrowers which provide additional security to our lending and would reduce LTV metrics further. Property collateralised assets are almost entirely located in the UK.

Underwriting criteria remains conservative and we are committed to following a client-centric approach to lending, supporting counterparties with strong balance sheets and requisite expertise.

£'million	Gross core loans at amortised cost and FVOCI								Gross core loans at FVPL	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL		
<b>At 31 March 2025</b>										
<b>Commercial real estate</b>	<b>1 251</b>	<b>(4)</b>	<b>219</b>	<b>(3)</b>	<b>72</b>	<b>(8)</b>	<b>1 542</b>	<b>(15)</b>	<b>45</b>	<b>1 587</b>
Commercial real estate – investment	1 043	(4)	125	(2)	72	(8)	1 240	(14)	34	1 274
Commercial real estate – development	207	—	88	(1)	—	—	295	(1)	11	306
Commercial vacant land and planning	1	—	6	—	—	—	7	—	—	7
<b>Residential real estate</b>	<b>659</b>	<b>(1)</b>	<b>29</b>	<b>—</b>	<b>86</b>	<b>(16)</b>	<b>774</b>	<b>(17)</b>	<b>5</b>	<b>779</b>
Residential real estate – investment	381	(1)	13	—	46	(3)	440	(4)	5	445
Residential real estate – development	264	—	8	—	17	(1)	289	(1)	—	289
Residential vacant land and planning	14	—	8	—	23	(12)	45	(12)	—	45
<b>Total lending collateralised by property</b>	<b>1 910</b>	<b>(5)</b>	<b>248</b>	<b>(3)</b>	<b>158</b>	<b>(24)</b>	<b>2 316</b>	<b>(32)</b>	<b>50</b>	<b>2 366</b>
<b>Coverage ratio</b>		<b>0.26%</b>		<b>1.2%</b>		<b>15.2%</b>		<b>1.4%</b>		
<b>At 31 March 2024</b>										
<b>Commercial real estate</b>	<b>1 365</b>	<b>(8)</b>	<b>119</b>	<b>(3)</b>	<b>92</b>	<b>(21)</b>	<b>1 576</b>	<b>(32)</b>	<b>49</b>	<b>1 625</b>
Commercial real estate – investment	1 045	(7)	102	(1)	86	(17)	1 233	(25)	45	1 278
Commercial real estate – development	320	(1)	11	(2)	—	—	331	(3)	4	335
Commercial vacant land and planning	—	—	6	—	6	(4)	12	(4)	—	12
<b>Residential real estate</b>	<b>790</b>	<b>(2)</b>	<b>49</b>	<b>—</b>	<b>52</b>	<b>(14)</b>	<b>891</b>	<b>(16)</b>	<b>5</b>	<b>896</b>
Residential real estate – investment	502	(2)	40	—	25	(2)	567	(4)	5	572
Residential real estate – development	262	—	8	—	4	(1)	274	(1)	—	274
Residential vacant land and planning	26	—	1	—	23	(11)	50	(11)	—	50
<b>Total lending collateralised by property</b>	<b>2 155</b>	<b>(10)</b>	<b>168</b>	<b>(3)</b>	<b>144</b>	<b>(35)</b>	<b>2 467</b>	<b>(48)</b>	<b>54</b>	<b>2 521</b>
<b>Coverage ratio</b>		<b>0.46%</b>		<b>1.8%</b>		<b>24.3%</b>		<b>1.9%</b>		

\* Excludes a small portion of Legacy exposures that are predominately reported in Stage 3.

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

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

Our Private Banking activities target high net worth individuals, active wealth creators, high-income professionals, self-employed entrepreneurs, owner managers in small to mid-cap corporates and sophisticated investors.

Lending products are tailored to meet the requirements of our clients and deliver solutions to enable target clients to create and manage their wealth. Central to our credit philosophy is ensuring the sustainability of cash flow and income throughout the cycle. As such, the client base has been defined to include high net worth clients (who, through diversification of income streams, should reduce income volatility) and individuals in defined professions which have historically supported a sustainable income base, irrespective of the stage in the economic cycle.

Credit risk arises from the following activities:

- Mortgages: provides residential mortgage loan facilities to target market clients
- Other high net worth lending: provides credit facilities to high net worth individuals and their controlled entities as well as portfolio loans to high net worth clients against their investment portfolios typically managed by Rathbones.

#### Year in review

High net worth and other private client lending totalled £5.8 billion or 34.7% of net core loans at 31 March 2025.

There was growth in mortgages of 4.9% in the year to 31 March 2025 despite market activity being affected by the high interest rate environment.

Growth in this area has been achieved with strong adherence to our lending criteria. Weighted average LTVs on mortgages is 65%.

	Gross core loans at amortised cost and FVOCI						Gross exposure	ECL	Gross core loans at FVPL	Gross core loans
	Stage 1	Stage 2	Stage 3	Total						
£'million	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL		
<b>At 31 March 2025</b>										
Mortgages	4 833	(8)	151	(1)	135	(7)	5 119	(16)	26	5 145
Other high net worth lending	576	(1)	71	—	60	(12)	707	(13)	9	716
<b>Total high net worth and other private client lending</b>	<b>5 409</b>	<b>(9)</b>	<b>222</b>	<b>(1)</b>	<b>195</b>	<b>(19)</b>	<b>5 826</b>	<b>(29)</b>	<b>35</b>	<b>5 861</b>
<b>Coverage ratio</b>		<b>0.17%</b>		<b>0.5%</b>		<b>9.7%</b>		<b>0.5%</b>		
<b>At 31 March 2024</b>										
Mortgages	4 589	(4)	162	—	105	(4)	4 856	(8)	41	4 897
Other high net worth lending	674	(2)	98	(1)	65	(12)	837	(15)	2	839
<b>Total high net worth and other private client lending</b>	<b>5 263</b>	<b>(6)</b>	<b>260</b>	<b>(1)</b>	<b>170</b>	<b>(16)</b>	<b>5 693</b>	<b>(23)</b>	<b>43</b>	<b>5 736</b>
<b>Coverage ratio</b>		<b>0.11%</b>		<b>0.4%</b>		<b>9.4%</b>		<b>0.4%</b>		

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

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

We focus on traditional client-driven corporate lending activities. The credit risk management functions approve specific credit and counterparty limits that govern the maximum credit exposure to each individual counterparty. In addition, further risk management limits exist through industry and country limits to manage concentration risk. The credit appetite for each counterparty is based on the financial strength of the principal borrower, its business model and market positioning, the underlying cash flow to the transaction, the substance and track record of management, and the security package. Political risk insurance, and other insurance is taken where deemed appropriate.

The Group has limited appetite for unsecured credit risk and facilities are typically secured by the assets of the underlying borrower as well as shares in the borrower.

A summary of the nature of the lending and/or credit risk assumed within some of the key areas in our corporate lending business is provided below:

- **Corporate and acquisition finance:** provides senior secured loans to proven management teams and sponsors running mid-cap, as well as some large-cap companies. Credit risk is assessed against debt serviceability based upon robust cash generation of the business demonstrated by both historical and forecast information. Corporates should demonstrate relevance in their market, an experienced management team, able Board members, and strong earnings and cash flow. We typically act as a transaction lead arranger or on a club or bi-lateral basis, and have a close relationship with management and sponsors
- **Asset-based lending:** provides working capital and secured corporate loans to mid-caps. These loans are secured by the assets of the business, for example, the accounts receivable, inventory and plant and machinery. In common with our corporate lending activities, strong emphasis is placed on supporting companies with scale and relevance in their industry
- **Fund finance:** provides debt facilities to asset managers and fund vehicles, principally in private equity. The geographical focus is the UK, Western Europe and North America where the Group can support experienced asset managers and their funds which show strong, long-term value creation and good custodianship of investors' money. Debt facilities are typically to a fund entity and secured against undrawn limited partner commitments and/or the fund's underlying assets

- **Other corporate and financial institutions and governments:** provides senior secured loans to mid-to-large cap companies where credit risk is typically considered with regard to robust cash generation from an underlying asset and supported by performance of the overall business based on both historical and forecast information
- **Small ticket asset finance:** provides funding to small and medium-sized corporates to support asset purchases and other business requirements. The portfolio is highly diversified by industry and number of clients and is secured against the asset being financed
- **Motor finance:** provides specialised motor vehicle financing originated through Mann Island Vehicle Finance Limited (MIVF). The portfolio is composed predominantly of private motor vehicles to individuals attributing to a granular book with low concentration risk
- **Aviation finance:** structures, arranges and provides financing for airlines, leasing companies, operators and corporates secured by aircraft at conservative LTVs. Counterparties include flag and commercial airline carriers, leading aircraft lessors and corporates/operators with strong contracted cash flows
- **Energy and infrastructure finance:** arranges and provides typically long-term financing for energy and infrastructure assets, in particular renewable and traditional energy projects as well as transportation assets, typically against contracted future cash flows of the project(s) from well-established and financially sound off-take counterparties. There is a requirement for a strong upfront equity contribution from an experienced sponsor.

#### Year in review

Corporate and other lending increased by 3.0% from £8.4 billion at 31 March 2024 to £8.6 billion or 51.4% of net core loans at 31 March 2025. There has been diversified growth across multiple corporate and other lending asset classes including fund finance, small ticket asset finance, asset-based lending, other corporate and financial institutions and governments, energy and infrastructure finance and aviation finance. We continue to remain client-focused in our approach, with good quality corporates exhibiting strong cash flows and balance sheets. The underlying portfolios remain resilient.

NOTES TO RISK AND CAPITAL MANAGEMENT  
CONTINUED

£'million	Gross core loans at amortised cost and FVOCI								Gross core loans at FVPL	Gross core loans
	Stage 1		Stage 2		Stage 3		Total			
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL		
<b>At 31 March 2025</b>										
Corporate and acquisition finance	1 732	(6)	229	(9)	73	(14)	2 034	(29)	112	2 146
Asset-based lending	208	(1)	142	(3)	—	—	350	(4)	—	350
Fund finance	1 466	(1)	30	—	—	—	1 496	(1)	68	1 564
Other corporate and financial institutions and governments	669	(2)	56	(2)	18	(16)	743	(20)	4	747
Small ticket asset finance	1 433	(6)	199	(7)	23	(11)	1 655	(24)	—	1 655
Motor finance	994	(2)	97	(4)	28	(11)	1 119	(17)	—	1 119
Aviation finance	175	—	7	—	—	—	182	—	279	461
Energy and infrastructure finance	524	(2)	98	(2)	41	(5)	663	(9)	24	687
<b>Total corporate and other lending</b>	<b>7 201</b>	<b>(20)</b>	<b>858</b>	<b>(27)</b>	<b>183</b>	<b>(57)</b>	<b>8 242</b>	<b>(104)</b>	<b>487</b>	<b>8 729</b>
<b>Coverage ratio</b>		<b>0.28%</b>		<b>3.1%</b>		<b>31.1%</b>		<b>1.3%</b>		
<b>At 31 March 2024</b>										
Corporate and acquisition finance	1 831	(9)	249	(7)	102	(33)	2 182	(49)	135	2 317
Asset-based lending	106	—	188	(4)	—	—	294	(4)	—	294
Fund finance	1 320	(1)	24	—	—	—	1 344	(1)	51	1 395
Other corporate and financial institutions and governments	529	(3)	65	(4)	22	(3)	616	(10)	66	682
Small ticket asset finance	1 325	(9)	211	(5)	39	(13)	1 575	(27)	—	1 575
Motor finance	1 022	(3)	81	(5)	19	(7)	1 122	(15)	—	1 122
Aviation finance	96	—	76	(1)	—	—	172	(1)	270	442
Energy and infrastructure finance	534	(2)	69	(3)	35	(4)	638	(9)	22	660
<b>Total corporate and other lending</b>	<b>6 763</b>	<b>(27)</b>	<b>963</b>	<b>(29)</b>	<b>217</b>	<b>(60)</b>	<b>7 943</b>	<b>(116)</b>	<b>544</b>	<b>8 487</b>
<b>Coverage ratio</b>		<b>0.40%</b>		<b>3.0%</b>		<b>27.6%</b>		<b>1.5%</b>		

## NOTES TO RISK AND CAPITAL MANAGEMENT

### CONTINUED

The tables that follow provide further analysis of the Group's gross credit and counterparty exposures. Total gross credit and counterparty risk exposures do not take into consideration risk mitigating factors such as collateral, financial guarantees and instruments that create an economic hedge of credit and counterparty risk.

#### An analysis of gross credit and counterparty exposures

Gross credit and counterparty exposure totalled £31.1 billion at 31 March 2025. Cash and near cash balances amounted to £9.1 billion and are largely reflected in the following line items in the table below: cash and balances at central banks, loans and advances to banks and sovereign debt securities. These exposures are all Stage 1. There are immaterial Stage 2 and Stage 3 exposures outside of loans and advances to customers which are small relative to the balance sheet. Loans and advances to customers (including committed facilities) account for greater than 98% of overall ECLs.

#### An analysis of gross credit and counterparty exposures

£'million	31 March 2025	31 March 2024*
Cash and balances at central banks	4 192	5 662
Loans and advances to banks	860	676
Reverse repurchase agreements and cash collateral on securities borrowed	1 641	1 140
Sovereign debt securities	2 525	1 928
Bank debt securities	324	297
Other debt securities	772	708
Derivative financial instruments	288	316
Securities arising from trading activities	1	13
Loans and advances to customers	16 956	16 744
Other loans and advances	139	118
Other securitised assets	—	2
Other assets	28	33
<b>Total on-balance sheet exposures</b>	<b>27 726</b>	<b>27 637</b>
Guarantees	108	115
Committed facilities related to loans and advances to customers	2 477	2 327
Contingent liabilities, letters of credit and other	800	513 <sup>^</sup>
<b>Total off-balance sheet exposures</b>	<b>3 385</b>	<b>2 955</b>
<b>Total gross credit and counterparty exposures</b>	<b>31 111</b>	<b>30 592</b>

\* Restated as detailed in note 59.

<sup>^</sup> Includes the notional exposure to credit risk resulting from credit derivative instruments of £52 million which are newly included in prior year reporting.

## NOTES TO RISK AND CAPITAL MANAGEMENT

### CONTINUED

#### A further analysis of gross credit and counterparty exposures

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

<b>At 31 March 2025</b> <b>£'million</b>	Total gross credit and counterparty exposure	of which FVPL	of which amortised cost and FVOCI	ECL	Assets that we deem to have no legal credit exposure	<b>Total assets</b>
Cash and balances at central banks	4 192	—	4 192	—	—	4 192
Loans and advances to banks	860	—	860	—	—	860
Reverse repurchase agreements and cash collateral on securities borrowed	1 641	56	1 585	—	—	1 641
Sovereign debt securities	2 525	—	2 525	—	—	2 525
Bank debt securities	324	—	324	—	—	324
Other debt securities	772	50	722	(1)	—	771
Derivative financial instruments	288	288	—	—	11	299
Securities arising from trading activities	1	1	—	—	149	150
Loans and advances to customers	16 956	572	16 384	(142)	—	16 814
Other loans and advances	139	—	139	—	—	139
Other securitised assets	—	—	—	—	—	—
Investment portfolio	—	—	—	—	348*	348
Interest in associated undertakings and joint venture holdings	—	—	—	—	832	832
Current taxation assets	—	—	—	—	25	25
Deferred taxation assets	—	—	—	—	121	121
Other assets	28	—	28	—	624^	652
Property and equipment	—	—	—	—	59	59
Goodwill	—	—	—	—	68	68
Software	—	—	—	—	5	5
Other acquired intangible assets	—	—	—	—	—	—
<b>Total on-balance sheet exposures</b>	<b>27 726</b>	<b>967</b>	<b>26 759</b>	<b>(143)</b>	<b>2 241</b>	<b>29 824</b>
Guarantees	108	—	108	—	—	108
Committed facilities related to loans and advances to customers	2 477	165	2 312	(8)	—	2 469
Contingent liabilities, letters of credit and other^^	800	349	451	(2)	139	937
<b>Total off-balance sheet exposures</b>	<b>3 385</b>	<b>514</b>	<b>2 871</b>	<b>(10)</b>	<b>139</b>	<b>3 514</b>
<b>Total exposures</b>	<b>31 111</b>	<b>1 481</b>	<b>29 630</b>	<b>(153)</b>	<b>2 380</b>	<b>33 338</b>

\* Relates to exposures that are classified as investment risk.

^ Other assets include settlement debtors which we deem to have no credit risk exposure as they are settled on a delivery against payment basis.

^^ Includes the notional exposure to credit risk resulting from credit derivative instruments of £339 million.

Note: The above numbers may not cast due to rounding.

The table below summarises the ECL held against financial assets held at FVOCI, which is reported on the balance sheet within the fair value reserves and therefore not included in the table above. The ECL charges are recognised in 'Expected credit loss impairment charges' in the income statement.

<b>At 31 March 2025</b> <b>£'million</b>	<b>Fair value</b>	<b>ECL</b>
Loans and advances to customers	2 005	(23)

## NOTES TO RISK AND CAPITAL MANAGEMENT

### CONTINUED

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

At 31 March 2024 <sup>^^</sup> £'million	Total gross credit and counterparty exposure	of which FVPL	of which amortised cost and FVOCI	ECL <sup>#</sup>	Assets that we deem to have no legal credit exposure	Total assets
Cash and balances at central banks	5 662	—	5 662	—	—	5 662
Loans and advances to banks	676	—	676	—	—	676
Reverse repurchase agreements and cash collateral on securities borrowed	1 140	164	976	—	—	1 140
Sovereign debt securities	1 928	—	1 928	—	—	1 928
Bank debt securities	297	—	297	—	—	297
Other debt securities	708	59	649	—	—	708
Derivative financial instruments	316	316	—	—	79	395
Securities arising from trading activities	13	13	—	—	144	157
Loans and advances to customers	16 744	641	16 103	(187)	—	16 557
Other loans and advances	118	—	118	—	—	118
Other securitised assets	2	2	—	—	65 <sup>^</sup>	67
Investment portfolio	—	—	—	—	405*	405
Interest in associated undertakings and joint venture holdings	—	—	—	—	857	857
Current taxation assets	—	—	—	—	31	31
Deferred taxation assets	—	—	—	—	120	120
Other assets	33	—	33	—	693**	726
Property and equipment	—	—	—	—	73	73
Goodwill	—	—	—	—	69	69
Software	—	—	—	—	5	5
Other acquired intangible assets	—	—	—	—	—	—
<b>Total on-balance sheet exposures</b>	<b>27 637</b>	<b>1 195</b>	<b>26 442</b>	<b>(187)</b>	<b>2 541</b>	<b>29 991</b>
Guarantees	115	—	115	—	—	115
Committed facilities related to loans and advances to customers	2 327	102	2 225	(8)	—	2 319
Contingent liabilities, letters of credit and other <sup>##</sup>	513	79	434	(3)	112	622
<b>Total off-balance sheet exposures</b>	<b>2 955</b>	<b>181</b>	<b>2 774</b>	<b>(11)</b>	<b>112</b>	<b>3 056</b>
<b>Total exposures</b>	<b>30 592</b>	<b>1 376</b>	<b>29 216</b>	<b>(198)</b>	<b>2 653</b>	<b>33 047</b>

# Includes £13.4 million of ECL held against financial assets held at FVOCI.

\* Relates to exposures that are classified as investment risk.

<sup>^</sup> While the Group manages all risks (including credit risk) from a day-to-day operational perspective, certain assets are within special purpose vehicles that ring-fence the assets to specific credit providers and limit security to the assets in the vehicle. This balance reflects the credit exposure to credit providers external to the Group. The credit exposure that the Group has in the vehicles is reflected in the 'total gross credit and counterparty exposure' for other securitised assets.

\*\* Other assets include settlement debtors which we deem to have no credit risk exposure as they are settled on a delivery against payment basis.

<sup>##</sup> Includes the notional exposure to credit risk resulting from credit derivative instruments of £52 million which are newly included in prior year reporting.

<sup>^^</sup> Restated as detailed in note 59.

## NOTES TO RISK AND CAPITAL MANAGEMENT

### CONTINUED

#### **(A)** Gross credit and counterparty exposures by industry

£'million	High net worth and other professional individuals	Lending collateralised by property	Agriculture	Electricity, gas and water (utility services)	Public and non-business services	Business services	Finance and insurance
<b>At 31 March 2025</b>							
Cash and balances at central banks	—	—	—	—	4 192	—	—
Loans and advances to banks	—	—	—	—	—	—	860
Reverse repurchase agreements and cash collateral on securities borrowed	—	—	—	—	—	—	1 641
Sovereign debt securities	—	—	—	—	2 366	—	159
Bank debt securities	—	—	—	—	—	—	324
Other debt securities	—	—	—	—	2	15	689
Derivative financial instruments	—	2	1	10	1	16	216
Securities arising from trading activities	—	—	—	—	—	—	1
Loans and advances to customers	5 861	2 366	20	849	288	911	2 457
Other loans and advances	—	—	—	—	—	—	139
Other securitised assets	—	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	26
<b>Total on-balance sheet exposures</b>	<b>5 861</b>	<b>2 368</b>	<b>21</b>	<b>859</b>	<b>6 849</b>	<b>942</b>	<b>6 512</b>
Guarantees	14	—	—	—	—	—	73
Committed facilities related to loans and advances to customers	226	371	—	493	47	94	762
Contingent liabilities, letters of credit and other	39	—	—	237	—	—	484
<b>Total off-balance sheet exposures</b>	<b>279</b>	<b>371</b>	<b>—</b>	<b>730</b>	<b>47</b>	<b>94</b>	<b>1 319</b>
<b>Total gross credit and counterparty exposures</b>	<b>6 140</b>	<b>2 739</b>	<b>21</b>	<b>1 589</b>	<b>6 896</b>	<b>1 036</b>	<b>7 831</b>
<b>At 31 March 2024*</b>							
Cash and balances at central banks	—	—	—	—	5 662	—	—
Loans and advances to banks	—	—	—	—	—	—	676
Reverse repurchase agreements and cash collateral on securities borrowed	—	—	—	—	131	—	1 009
Sovereign debt securities	—	—	—	—	1 902	—	26
Bank debt securities	—	—	—	—	—	—	297
Other debt securities	—	—	—	—	3	24	596
Derivative financial instruments	—	1	1	7	1	2	278
Securities arising from trading activities	—	—	—	—	—	—	13
Loans and advances to customers	5 736	2 521	19	790	234	734	2 767
Other loans and advances	—	—	—	—	—	—	118
Other securitised assets	—	—	—	—	—	—	—
Other assets	5	—	—	—	—	—	27
<b>Total on-balance sheet exposures</b>	<b>5 741</b>	<b>2 522</b>	<b>20</b>	<b>797</b>	<b>7 933</b>	<b>760</b>	<b>5 807</b>
Guarantees	12	—	—	—	—	—	81
Committed facilities related to loans and advances to customers	215	300	—	433	62	76	929
Contingent liabilities, letters of credit and other <sup>^</sup>	39	—	—	268	—	3	187
<b>Total off-balance sheet exposures</b>	<b>266</b>	<b>300</b>	<b>—</b>	<b>701</b>	<b>62</b>	<b>79</b>	<b>1 197</b>
<b>Total gross credit and counterparty exposures</b>	<b>6 007</b>	<b>2 822</b>	<b>20</b>	<b>1 498</b>	<b>7 995</b>	<b>839*</b>	<b>7 004*</b>

\* Includes a reclassification of exposures totalling £532 million from business services to finance and insurance.

<sup>^</sup> Includes the notional exposure to credit risk resulting from credit derivative instruments of £52 million which are newly included in prior year reporting.

# Restated as detailed in note 59.

## NOTES TO RISK AND CAPITAL MANAGEMENT

### CONTINUED

Retailers and wholesalers	Manufacturing and commerce	Construction	Other residential mortgages	Corporate commercial real estate	Mining and resources	Leisure, entertainment and tourism	Transport	Motor finance	Communication	Total
—	—	—	—	—	—	—	—	—	—	4 192
—	—	—	—	—	—	—	—	—	—	860
—	—	—	—	—	—	—	—	—	—	1 641
—	—	—	—	—	—	—	—	—	—	2 525
—	—	—	—	—	—	—	—	—	—	324
—	—	—	39	—	—	—	27	—	—	772
10	10	1	—	1	—	—	15	—	5	288
—	—	—	—	—	—	—	—	—	—	1
290	829	159	—	121	4	109	890	1 119	683	16 956
—	—	—	—	—	—	—	—	—	—	139
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	2	28
<b>300</b>	<b>839</b>	<b>160</b>	<b>39</b>	<b>122</b>	<b>4</b>	<b>109</b>	<b>932</b>	<b>1 119</b>	<b>690</b>	<b>27 726</b>
—	—	—	—	3	—	—	18	—	—	108
15	194	1	—	8	—	2	97	—	167	2 477
—	39	—	—	—	—	—	1	—	—	800
<b>15</b>	<b>233</b>	<b>1</b>	<b>—</b>	<b>11</b>	<b>—</b>	<b>2</b>	<b>116</b>	<b>—</b>	<b>167</b>	<b>3 385</b>
<b>315</b>	<b>1 072</b>	<b>161</b>	<b>39</b>	<b>133</b>	<b>4</b>	<b>111</b>	<b>1 048</b>	<b>1 119</b>	<b>857</b>	<b>31 111</b>
—	—	—	—	—	—	—	—	—	—	5 662
—	—	—	—	—	—	—	—	—	—	676
—	—	—	—	—	—	—	—	—	—	1 140
—	—	—	—	—	—	—	—	—	—	1 928
—	—	—	—	—	—	—	—	—	—	297
—	—	—	51	—	—	—	34	—	—	708
6	12	—	—	1	—	—	6	—	1	316
—	—	—	—	—	—	—	—	—	—	13
246	860	143	—	120	36	87	811	1 122	518	16 744
—	—	—	—	—	—	—	—	—	—	118
—	—	—	2	—	—	—	—	—	—	2
1	—	—	—	—	—	—	—	—	—	33
<b>253</b>	<b>872</b>	<b>143</b>	<b>53</b>	<b>121</b>	<b>36</b>	<b>87</b>	<b>851</b>	<b>1 122</b>	<b>519</b>	<b>27 637</b>
—	—	—	—	3	—	—	19	—	—	115
12	135	1	—	7	—	3	30	—	124	2 327
—	14	—	—	—	—	—	2	—	—	513
<b>12</b>	<b>149</b>	<b>1</b>	<b>—</b>	<b>10</b>	<b>—</b>	<b>3</b>	<b>51</b>	<b>—</b>	<b>124</b>	<b>2 955</b>
<b>265</b>	<b>1 021</b>	<b>144</b>	<b>53</b>	<b>131</b>	<b>36</b>	<b>90</b>	<b>902</b>	<b>1 122</b>	<b>643</b>	<b>30 592</b>

## NOTES TO RISK AND CAPITAL MANAGEMENT

### CONTINUED

#### **(A)** Gross credit and counterparty exposures by residual contractual maturity

<b>At 31 March 2025</b>								
<b>£'million</b>	Up to three months	Three to six months	Six months to one year	One to five years	Five to 10 years	>10 years	<b>Total</b>	
Cash and balances at central banks	4 192	—	—	—	—	—	4 192	
Loans and advances to banks	860	—	—	—	—	—	860	
Reverse repurchase agreements and cash collateral on securities borrowed	1 319	272	50	—	—	—	1 641	
Sovereign debt securities	945	944	133	462	41	—	2 525	
Bank debt securities	3	—	14	307	—	—	324	
Other debt securities	9	4	7	51	248	453	772	
Derivative financial instruments	80	35	74	93	1	5	288	
Securities arising from trading activities	1	—	—	—	—	—	1	
Loans and advances to customers	1 497	1 291	1 972	8 934	1 744	1 518	16 956	
Other loans and advances	2	—	—	48	89	—	139	
Other securitised assets	—	—	—	—	—	—	—	
Other assets	28	—	—	—	—	—	28	
<b>Total on-balance sheet exposures</b>	<b>8 936</b>	<b>2 546</b>	<b>2 250</b>	<b>9 895</b>	<b>2 123</b>	<b>1 976</b>	<b>27 726</b>	
Guarantees	87	—	18	3	—	—	108	
Committed facilities related to loans and advances to customers	128	95	315	1 591	334	14	2 477	
Contingent liabilities, letters of credit and other	406	15	55	318	6	—	800	
<b>Total off-balance sheet exposures</b>	<b>621</b>	<b>110</b>	<b>388</b>	<b>1 912</b>	<b>340</b>	<b>14</b>	<b>3 385</b>	
<b>Total gross credit and counterparty exposures</b>	<b>9 557</b>	<b>2 656</b>	<b>2 638</b>	<b>11 807</b>	<b>2 463</b>	<b>1 990</b>	<b>31 111</b>	

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### 61. Additional credit and counterparty risk information

#### Credit risk classification and provisioning policy

IFRS 9 requirements have been embedded into our Group credit risk classification and provisioning policy. A framework has been established to incorporate both quantitative and qualitative measures.

→ For further detail on our credit risk classification and provision policy please refer to pages 79.

#### Internal credit rating models and ECL methodology

Internal credit rating models cover all material asset classes. These internal credit rating models are also used for IFRS 9 modelling after adjusting for key differences. Internal credit models calculate through the economic cycle losses whereas IFRS 9 requires 12-month or lifetime point-in-time losses based on conditions at the reporting date and multiple economic scenario forecasts of the future conditions over the expected lives.

→ Further information on internal credit ratings is provided on page 170.

#### A<sub>x</sub> Key judgements

The measurement of ECL has reliance on expert credit judgement. Key judgemental areas are highlighted below and are subject to robust governance processes. Key drivers of measurement uncertainty include:

- The assessment of a significant increase in credit risk
- A range of forward-looking probability weighted macro-economic scenarios
- Estimations of probabilities of default, loss given default and exposures at default using models.

→ For further detail on our process for determining ECL please refer to page 80.

#### Key judgements at 31 March 2025

Key judgemental areas under IFRS 9 are subject to robust governance processes. At 31 March 2025, the composition and weightings of the forward-looking macro-economic scenarios were revised to reflect the current pressures in the macro-economic environment, however there remains reliance on expert credit judgements to ensure that the overall level of ECL is reasonable.

We continue to hold a management overlay of £3.7 million at 31 March 2025 (31 March 2024: £3.7 million) which captures the uncertainty that remains in the model's predictive capability. The overlay is apportioned to Stage 2 assets.

#### Macro-economic sensitivities

Changes in macro-economic scenarios and weightings may result in the volatility of provisions, particularly to Stage 1 and 2 assets. Sensitivities to macro-economic scenarios and factors form part of our overall risk monitoring, in particular the Bank's potential ECLs if each scenario were given a 100% weighting. In these instances all non-modelled ECLs, including credit assessed ECLs and other management judgements remain unchanged.

The total reported ECL at 31 March 2025 amounted to £176 million (31 March 2024: £198 million). The table below summarises the variance from reported ECL should the base case and two downside cases be weighted by 100%. Whilst the outputs from these 100% weighted scenarios are consistent with the macro-economic factor inputs set out in the context of each scenario, in practice the outcome could differ due to management actions or other key judgements applied.

	Change in reported ECL £'million
<b>At 31 March 2025</b>	
Base case (100%)	9.1
Downside 1 - trade war (100%)	(26.5)
Downside 2 - global synchronised downturn (100%)	(16.8)
<b>At 31 March 2024</b>	
Base case (100%)	5.7
Downside 1 - inflation (100%)	(4.9)
Downside 2 - global stress (100%)	(22.0)

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### Forward-looking macro-economic scenarios

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

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

For Investec plc, four macro-economic scenarios were used in the measurement of ECL. These scenarios incorporate a base case, an upside case and two downside cases.

As part of the annual scenario review and in light of the current macro-economic environment, the composition of the downside scenarios have been adjusted to incorporate downside 1 – trade war scenario which replaces the downside 1 – inflation scenario that was used at 31 March 2024. The downside 2 – global stress (cautious easing, severe recession scenario), has also been replaced, in this case with the downside 2 – global synchronised downturn scenario. This is designed as a severe economic shock to act as a proxy for a variety of unforeseen tail risks.

In addition to the assessment of the macro-economic scenarios, weightings are also reviewed taking into account the latest economic developments and the associated risks to the outlook. In light of recent global events, emphasis was placed on the downside 1 – trade war scenario which was allocated a 20% weighting, the downside 2 – global synchronised downturn scenario was given a 10% weight, whilst the base case and upside case were judged at 60% and 10% respectively. The risks to economic activity remain skewed to the downside, with the weightings calibrated to consider the risk of an escalated global trade war and the ramifications for inflation, monetary policy and activity. The risk of an unanticipated global demand shock is taken into account with downside 2 – global synchronised downturn scenario.

The base case envisages a recovery in the UK economy following the stagnation seen in the second half of 2024. This is driven by a solid pace of household disposable income growth and lower interest rates, whilst a strengthening in investment is expected to provide support in the medium-term. Over the five-year horizon, annual gross domestic product (GDP) growth is expected to average 1.6%, whilst UK consumer price index (CPI) inflation is assumed to remain on a path to the 2% target, allowing for a further easing in monetary policy. The Bank rate is assumed to reach 3.75% by the end of 2025 and 3% in 2026. The global outlook is in keeping with the UK, in that GDP growth is expected to strengthen, inflation to moderate and policy rates to be lowered further. The Euro area is expected to see a GDP growth average of 1.3%. The US economy is assumed to see a modest slowdown near-term given still restrictive policy rates and negative effects from tariffs. Across the medium-term, GDP growth is expected to strengthen and average at 1.9%.

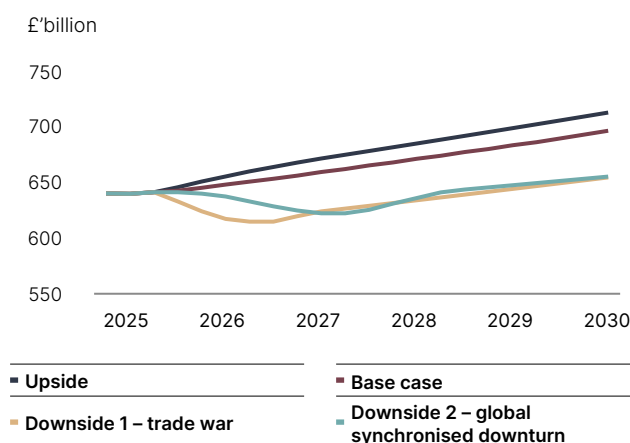
Downside 1 – trade war scenario, assumes an escalated global trade war, initially triggered by a US 20% universal tariff and a 100% tariff on China. Retaliatory measures see further levies applied. Inflation rises, monetary policy remains more restrictive, confidence falls sharply, investment is curtailed and credit conditions tighten. In a UK context, CPI inflation rises to 4.7%, bank rate rises to 5.50% and the economy contracts by 3%. The combination of higher inflation and interest rates prompts more severe affordability issues for households and corporates. A recovery is envisaged over the later part of the scenario horizon, but across the whole five-year period, annual UK GDP growth averages 0.4%.

Downside 2 – global synchronised downturn scenario, a severe hypothetical scenario designed as a proxy for economic tail risks. The scenario assumes a deep global economic downturn, of a similar severity as the 2008/2009 global financial crisis. The broad context is a significant global demand shock in the first year of the scenario, prompting a sharp repricing in assets, tightening financial conditions and a material downturn in economic activity where UK GDP falls 4.1%. Central banks are assumed to undertake aggressive monetary policy easing in response. In the UK, the BoE is expected to cut the bank rate to 0.75%. Similarly severe recessions are seen in other key jurisdictions; Euro area GDP falls 4.7% and the US 4.2%.

In the upside case, economic activity proves more resilient, and the pace of recovery more robust as stronger confidence and lower interest rates prompt a pickup in investment. Ultimately, through the scenario horizon productivity growth is expected to support stronger levels of economic growth. Accordingly medium-term GDP growth averages 2% per annum. The relatively swift rebound in activity is experienced globally, and monetary policy normalises gradually enough so as to not subdue growth.

The graph below shows the forecasted UK GDP under each macro-economic scenario applied at 31 March 2025.

#### UK GDP Forecast



## NOTES TO RISK AND CAPITAL MANAGEMENT

### CONTINUED

The table that follows shows the key factors that form part of the UK and Other macro-economic scenarios and their relative applied weightings.

Macro-economic scenarios	At 31 March 2025 average 2025 – 2030				At 31 March 2024 average 2024 – 2029			
	Upside %	Base case %	Downside 1 trade war %	Downside 2 global synchronised downturn %	Upside %	Base case %	Downside 1 inflation %	Downside 2 global stress %
<b>UK</b>								
GDP growth	2.1	1.7	0.4	0.4	1.9	1.6	(0.1)	0.2
Unemployment rate	4.1	4.7	6.7	6.8	3.5	4.4	5.5	6.5
CPI inflation	2.0	2.1	2.7	1.6	1.9	2.0	4.1	2.4
House price growth	3.6	2.9	(2.3)	(0.9)	3.0	2.5	(0.6)	(1.6)
BoE – Bank rate (end year)	3.0	3.1	3.9	1.7	3.1	3.2	5.4	2.5
<b>Euro area</b>								
GDP growth	2.0	1.3	0.3	0.2	1.9	1.5	0.4	0.3
<b>US</b>								
GDP growth	2.4	1.9	0.6	0.6	2.5	1.9	0.7	0.8
<b>Scenario weightings</b>	<b>10</b>	<b>60</b>	<b>20</b>	<b>10</b>	<b>10</b>	<b>60</b>	<b>15</b>	<b>15</b>

The following table shows annual averages of economic factors for the base case over a five-year period based on the economic forecasts in place as at 31 March 2025.

Base case %	Financial years				
	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030
<b>UK</b>					
GDP growth	1.0	1.7	1.8	1.8	1.9
Unemployment rate	4.9	5.0	4.7	4.5	4.5
CPI inflation	2.6	2.1	2.0	2.0	2.0
House price growth	4.2	3.1	2.5	2.4	2.4
BoE – Bank rate (end year)	3.5	3.0	3.0	3.0	3.0
<b>Euro area</b>					
GDP growth	1.1	1.3	1.4	1.4	1.4
<b>US</b>					
GDP growth	1.5	1.7	2.1	2.0	2.0

The following table outlines the extreme point forecast for each economic factor across the scenarios as at 31 March 2025. Baseline represents the five-year base case average. Upside scenario values represent the best outcomes, namely the highest quarterly level of GDP, house price growth (year on year), lowest level of unemployment and Bank rate. Upside scenario value for CPI inflation is represented by the five-year average. Downside scenario values represent the worst outcomes being lowest quarterly level of GDP, house price growth (year on year). For Bank rate and CPI inflation the most extreme point is listed, the highest level reflective in downside 1 – trade war scenario and the lowest in downside 2 – global synchronised downturn scenario.

Five-year extreme points At 31 March 2025	Upside %	Baseline: Base case five-year average %	Downside 1 trade war %	Downside 2 global synchronised downturn %
<b>UK</b>				
GDP growth	2.9	1.7	(3.0)	(4.1)
Unemployment rate	3.8	4.7	8.5	8.0
CPI inflation	2.0	2.1	4.7	0.8
House price growth	5.7	2.9	(25.5)	(18.0)
BoE – Bank rate (end year)	3.0	3.1	5.5	0.8
<b>Euro area</b>				
GDP growth	2.2	1.3	(3.4)	(4.7)
<b>US</b>				
GDP growth	2.6	1.9	(4.0)	(4.2)

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED



### 62. Sustainability risk

Investec's sustainability strategy aligns with a selection of United Nations Sustainable Development Goals (SDGs), providing a solid framework to assess, align, and prioritise activities. Two SDGs are fundamental to Investec: Reduced inequalities (SDG 10), and Climate action (SDG 13), with a further six SDGs core to our sustainability strategy:

- Quality education (SDG 4)
- Clean water and sanitation (SDG 6)
- Affordable and clean energy (SDG 7)
- Decent work and economic growth (SDG 8)
- Industry innovation and infrastructure (SDG 9)
- Sustainable cities and communities (SDG 11).

#### Risk governance structure

The Investec Group's DLC Executive Sustainability Committee, mandated by the Investec Group's executive directors, reports relevant matters to the DLC SEC and Investec Group ERC. The main objectives of the committee are to align and integrate sustainability activities across the organisation while focusing on business opportunities across Investec's priority SDGs and escalating significant matters for consideration. The committee provides feedback to the DLC SEC on current and emerging sustainability matters and identifies relevant external factors that could negatively impact the organisation's reputation, while also considering Investec's impact on people and planet, reflecting a double materiality perspective.

#### Risk management

We integrate sustainability considerations into our daily operations and credit and investment decision-making processes, and we adopt a precautionary approach to managing sustainability risks within our decision-making frameworks.

We encourage our clients to adopt and adhere to best practices and standards regarding sustainability matters, as well as to report on their sustainability performance and impact where appropriate. Additionally, our due diligence processes are embedded in our operations, with transparency maintained via disclosures to our stakeholders and regulators. We believe that one of the most significant socio-economic and environmental impacts we can achieve is through partnering with our clients and stakeholders to foster a cleaner, more resilient, and inclusive world.

We use various tools and frameworks to assess the sustainability performance and impact of our clients and transactions, including the Equator Principles, Partnership for Carbon Accounting Financials (PCAF), the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises.

Our strategy for managing and measuring sustainability risk is ultimately informed by our consideration of Investec's priority SDGs.

### Reduced inequalities (SDG 10)

The Group is dedicated to addressing reduced inequalities within our operations, communities, and business activities. We recognise the importance of fostering an inclusive environment that promotes equal opportunities for all individuals.

#### Within our own operations

The Group is dedicated to cultivating a purposeful and inclusive culture, which we achieve through our workplace environment and the Investec experience.

Furthermore, we recognise that no single business can address the myriad socio-economic needs present in society. Therefore, our focus is directed towards education and learnerships, entrepreneurship and job creation, environmental sustainability, and philanthropy.

In principle, we are committed to:

- Encouraging a sense of belonging for all people, irrespective of difference
- Focusing on creating education and learnership opportunities within our communities
- Creating jobs for young people through quality work experience placements.

At 20 June 2025 we had 45% representation of women and 36% ethnic diversity, as defined by the UK listing rule, on the Board.

We continue to improve our gender pay gap in the UK, with a mean hourly pay gap of 17.5%, and we voluntarily disclose our ethnicity pay gap.

Our community initiatives form the cornerstone of our commitment to creating enduring worth, reinforcing our overarching goal of fostering corporate responsibility. We are currently in the process of developing a comprehensive social impact strategy and framework to consolidate and enhance our community initiatives.

#### Within our lending and investment activities

We support a number of internationally recognised principles, guidelines and voluntary standards which reflect our commitment to respecting human rights, building inclusive communities, and supporting activities that reduce inequalities. Investec prioritises the development of the mid-market sector, a crucial driver of job creation and economic growth.

The Investec Group's Sustainable and Transition Finance Classification Framework and associated target drive financing for commercial activities that support social outcomes (as well as environmental outcomes), most of which are in pursuit of reducing inequalities.

In principle, we will not engage in activities:

- that do not respect human rights and the rights of local communities and indigenous peoples
- that are in non-compliance with minimum standards for occupational health and safety and the relevant local legislation.

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

Investec places significant importance on addressing modern slavery according to the UK Modern Slavery Act 2015. This extends to screening third parties' modern slavery policies at the time of onboarding.

The considerations outlined above are integrated into the sustainability screening processes applied across our business activities. Transactions are classified as high, medium, or low risk in accordance with the European Bank for Reconstruction and Development (EBRD) classification using the International Finance Corporation (IFC) guidelines. Those identified in high-risk industries undergo a comprehensive screening process conducted by the Group Sustainability team. The assessment of a transaction's social impact may include evaluating policies related to human rights, health and safety, and modern slavery, as well as adherence to Minimum Social Safeguards.

### Climate action (SDG 13)

Our environmental policy and climate change statement reflect our commitment to achieving a net-zero carbon economy by 2050. In addition, our biodiversity statement reinforces our dedication to safeguarding the natural environment. We acknowledge the interconnectedness of climate change and biodiversity loss, as well as the exposure of our business and operational activities to various climate and nature-related risks. The Group positively impacts biodiversity through environmental philanthropy activities and reduces negative effects by addressing financial crimes related to illegal wildlife trade.

In principle:

- We are committed to integrating climate change and nature-related risk considerations into our day-to-day operations and into our lending and investment decisions
- We have a Group environmental and climate change statement that guides credit decision-making from a sustainability perspective
- We support the key provisions of the Equator Principles (EP). All transactions in non-designated countries are EP monitored and compliant. We will not engage in activities that negatively impact conservation areas or have an irreversible negative impact on the environment, indigenous people or natural assets.

Climate risk, a key component of sustainability risk, is becoming increasingly material for banks. In our assessments of the impact of climate change on our business, we consider both physical risks and transition risks. While we continue to integrate climate risk considerations into our risk management frameworks, we also recognise the commercial opportunities that climate action presents.

### Our approach to net-zero

We support the Paris Agreement aims of holding the increase in global average temperature to well below 2°C above pre-industrial levels and continue to pursue efforts towards limiting it to 1.5°C

Investec's pathway to net-zero comprises three channels of impact:

- Meeting our fossil fuel exposure commitments
- Driving sustainable and transition finance activities
- Influencing and advocating for our clients and suppliers to effectively pursue decarbonisation.

### Within our own operations

We embrace our responsibility to understand and manage our carbon footprint. We have upheld our commitment to carbon neutrality in our direct operational emissions for the seventh consecutive financial year by sourcing 100% of our Scope 2 energy consumption from renewable energy sources through the purchase of Renewable Energy Certificates. We have offset the remaining unavoidable residual emissions of 91% at 31 March 2025 (31 March 2024: 89%) by acquiring verified, high-quality carbon credits. Climate risk assessments are conducted in accordance with the requirements of the BoE.

### Within our lending and investment activities

We acknowledge that one of the widest and most impactful influences we can have on the environment is to manage and reduce the carbon emissions associated with our business activities, particularly within our lending and investment portfolios (Scope 3 financed activities). As such, we continue to work with the PCAF to measure our financed emissions and are actively enhancing data collection efforts and refining assumptions for the Scope 3 emissions calculations.

As part of the sustainability screening process, the assessment of a transaction's environmental impact may include evaluating policies related to the environment, waste management, and rehabilitation, as well as environmental impact assessments.

### Climate and nature-related financial disclosures

In our ongoing commitment to transparency and sustainability, we continue to publish a separate climate and nature-related report while we await the implementation of IFRS S1 and IFRS S2 in our jurisdictions. This approach ensures alignment with best practices in climate-related financial disclosures and provides our stakeholders with pertinent information regarding climate risks and opportunities. We are dedicated to enhancing our reporting framework and look forward to integrating these new standards into our compliance processes as they take effect. In addition to our climate reporting, we started incorporating certain recommendations from the Taskforce on Nature-related Financial Disclosures (TNFD). While this integration is still a work in progress and not yet fully embedded, we recognise the importance of addressing nature-related risks and opportunities as part of our commitment to sustainability.



Refer to detailed information in the Investec Group's 2025 climate and nature-related disclosures which are published and available on our website: [www.investec.com](http://www.investec.com)

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### Sustainability risk positioning and integration

	Governance	Strategy	Risk management	Metrics
Achievements in prior years	<ul style="list-style-type: none"> <li>Established an Investec Group DLC Executive Sustainability Committee to align and monitor the Investec Group's sustainability activities</li> <li>Engaged with stakeholders through conducting a double materiality assessment</li> <li>Four members of the Investec Group Executive Team, including the Investec Group CE, completed external sustainability training</li> <li>Activated a focused learning pathway for management and employees, targeted towards their unique requirements within their respective areas.</li> </ul>	<ul style="list-style-type: none"> <li>Acknowledged the Paris Agreement's aim of holding the increase in the global average temperature to well below 2°C compared to pre-industrial levels and of pursuing efforts towards limiting it to 1.5°C</li> <li>Supported the Partnership for Biodiversity Accounting Financials (PBAF)</li> <li>Enhanced our sustainable finance framework to include transition and social finance.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened our climate focus in the Investec plc and IBP risk appetite assessment resulting in a net-zero aligned target set towards zero coal exposure by 31 March 2027</li> <li>Reviewed and updated our fossil fuel policy with the primary changes being managing our thermal coal exposure to zero by 31 March 2030 for the Investec Group, and no new financing for oil and gas exploration, extraction or production projects directly, regardless of jurisdiction, from 1 January 2035</li> <li>Identified and disclosed material sustainability-related matters as a result of our double materiality assessment.</li> </ul>	<ul style="list-style-type: none"> <li>Achieved carbon neutrality across our direct operational activities</li> <li>Joined PCAF and measured our Scope 3 emissions within our lending and investing activities</li> <li>Assessed net-zero pathways according to Science Based Targets Initiative (SBTi) guidance</li> <li>Engaged with SBTi on their recommendations for Financial Institutions with the aim of setting verified climate-related targets</li> <li>Automated our Scope 3 financed emission calculations.</li> </ul>
Achievements for the financial year ended March 2025	<ul style="list-style-type: none"> <li>At Board level, evaluated and reaffirmed our commitment to the aims of the Net-Zero Banking Alliance (NZBA)</li> <li>Linked Investec Group executive remuneration to the Investec Group's inaugural sustainable and transition finance target</li> <li>Hosted a Director's Development session on topical sustainability matters</li> <li>Established a governance process around the Scope 3 financed emissions results within the business and risk teams</li> <li>Complied with the Corporate Sustainability Reporting Directive (CSRD) requirements for IBP.</li> </ul>	<ul style="list-style-type: none"> <li>Focused on shifting our commercial strategy to drive more sustainable and transition finance activities</li> <li>Incorporated into the annual budget process the determination of business unit contributions to the Investec Group's sustainable and transition finance target</li> <li>Hosted an IBP town hall for all colleagues, titled 'Sustainable finance: an opportunity for growth'.</li> </ul>	<ul style="list-style-type: none"> <li>Incorporated into the annual risk appetite review process the consideration of business activities eligible for the Investec Group's sustainable and transition finance target</li> <li>Conducted climate risk assessments in accordance with the requirements of the BoE</li> <li>Achieved our commitment to eliminate coal exposure from the Investec plc loan book in September 2024, more than two years ahead of schedule.</li> </ul>	<ul style="list-style-type: none"> <li>Developed and announced the Investec Group's inaugural sustainable and transition finance target</li> <li>Continued to enhance our data collection processes and refine our assumptions for our Scope 3 financed emission calculations</li> <li>Expanded our Scope 3 financed emissions coverage for energy lending, beyond power generation.</li> </ul>
Looking forward	<ul style="list-style-type: none"> <li>Increase focus on sustainability matters in the DLC BRCC and DLC Audit Committee, as well as in management forums across the Group</li> <li>Incorporate sustainability disclosure requirements from emerging regulations when applicable (including IFRS S1, S2)</li> <li>Continue to strengthen the Investec Group's sustainability and climate-related disclosures.</li> </ul>	<ul style="list-style-type: none"> <li>Grow our provision of sustainable products and solutions within our client ecosystem</li> <li>Support transition finance within our high-emitting client ecosystem where applicable</li> <li>Actively engage with our clients and suppliers to promote decarbonisation and broader sustainability agendas</li> <li>Develop a client engagement strategy that supports our transition plan</li> <li>Understand and assess our impacts and dependencies on biodiversity</li> <li>Continue to embed the assessment of climate-related matters into business strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance screening on biodiversity and nature-related risks according to the TNFD recommendations</li> <li>Embed monitoring and managing of Scope 3 emissions within the risk management process across our business</li> <li>Establish a transition plan and set decarbonisation targets.</li> </ul>	<ul style="list-style-type: none"> <li>Track clients who publicly disclose their net-zero pathways to achieve a clear aggregated downward trend of emissions towards net-zero by 2050</li> <li>Work with business teams to set appropriate emission reduction targets for our transition plan</li> <li>Measure, monitor, and report progress against sustainable and transition finance targets.</li> </ul>

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### **63. Investment risk**

#### Overview

Investment risk in the banking book comprises 1.5% of total assets at 31 March 2025. We have refocused our principal investment activities on clients where we have and can build a broader relationship through other areas of activity in the Group.

We partner with clients and other co-investors by bringing capital raising expertise, working capital management, merger and acquisition and investment experience into client-driven private equity transactions as well as leveraging third party capital into the Group's funds that are relevant to the Group's client base. Investments are selected based on:

- Track record and credibility of management
- Attractiveness of the industry and the positioning therein
- Valuation/pricing fundamentals
- Sustainability analyses
- Exit possibilities and timing thereof
- Ability to build value by implementing an agreed strategy.

Investments in listed shares may arise on an IPO, or sale of an investment to a listed company. There is limited appetite for listed investments.

Additionally, from time to time, the manner in which certain lending transactions are structured results in equity, warrants or profit shares being held, predominantly in unlisted companies.

#### Analysis of investments

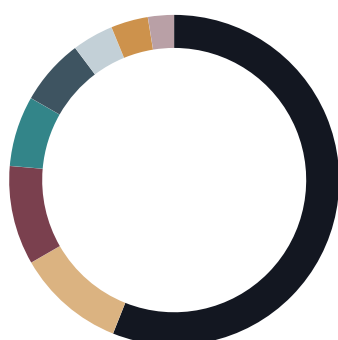
£'million Category	On-balance sheet value of investments 31 March 2025	On-balance sheet value of investments 31 March 2024
Unlisted investments	213	245
Listed equities	1	1
Ninety One	134	159
<b>Total investment portfolio</b>	<b>348</b>	<b>405</b>
Trading properties	85	63
Warrants and profit shares	4	4
<b>Total</b>	<b>437</b>	<b>472</b>

Note: IW&I UK was previously 100% consolidated in the Group. The Group's investment in Rathbones will be equity accounted for on a statutory basis and recognised as an associate. We do not include the investment in Rathbones Group plc as a part of the above analysis due to the nature of this strategic transaction.

#### An analysis of the investment portfolio (excluding Ninety One), warrants and profit shares

31 March 2025

£218 million



Finance and insurance	56.1%
Transport	10.6%
Retailers and wholesalers	9.7%
Other	6.9%
Electricity, gas and water (utility services)	6.5%
Business services	4.0%
Real estate	3.6%
Leisure, entertainment and tourism	2.6%

We also source development, investment and trading opportunities to create value within agreed risk parameters.

Following the distribution that took place on 31 May 2022, Investec plc retains a c.10% shareholding in Ninety One.

#### Risk management

As investment risk arises from a variety of activities conducted by the Group, the monitoring and measurement thereof varies across transactions and/or type of activity.

Investment committees exist in the UK which provide oversight of the regions where we assume investment risk.

Risk appetite targets and limits are set to manage our exposure to investment risk. An assessment of exposures against limits and targets is reported to IBP and DLC BRCCs.

As a matter of course, concentration risk is avoided and investments are spread across geographies and industries.

#### Valuation and sensitivity assumptions and accounting methodologies

→ For a description of our valuation principles and methodologies refer to pages 77 to 84 and pages 110 to 117 for factors and sensitivities taken into consideration in determining fair value.

→ An analysis of income and revaluations of these investments can be found in the investment income note on page 93.

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### A 64. Securitisation/structured credit activities exposures

#### Overview

The Group's definition of securitisation/structured credit activities is wider than the definition applied for regulatory capital purposes. The regulatory capital definition focuses largely on positions we hold in an investor capacity and includes securitisation positions we have retained in transactions in which the Group has achieved significant risk transfer. We believe, however, that the information provided below is meaningful in that it groups all these related activities in order for a reviewer to obtain a full picture of the activities that we have conducted in this space. Some of the information provided below overlaps with the Group's credit and counterparty exposure information.

In the UK, capital requirements for securitisation positions are calculated using either the standardised approach (SEC-SA) or the external ratings-based approach (SEC-ERBA). Given risk-weightings under the SEC-SA approach do not rely on external ratings, an analysis by risk-weightings has been provided below.

Securitisation transactions provide the bank with a cost-effective, alternative source of financing either through sale to the market or through use of the notes issued as collateral for other funding mechanisms.

We hold rated structured credit instruments. These are UK, US and European exposures and amounted to £813 million at 31 March 2025 (31 March 2024: £703 million) all of which are AAA and AA rated.

→ For accounting methodologies refer to page 81.

#### Risk management

All existing or proposed exposures to a securitisation are analysed on a case-by-case basis, with approval required from the appropriate credit committee. The analysis looks through to the historical and expected future performance of the underlying assets, the position of the relevant tranche in the capital structure as well as analysis of the cash flow waterfall under a variety of stress scenarios. External ratings and risk-weightings are presented, but only for information purposes since the Group principally relies on its own internal risk assessment. Overarching these transaction level principles is the Board-approved risk appetite policy, which details the Group's appetite for such exposures, and each exposure is considered relative to the Group's overall risk appetite. We can use explicit credit risk mitigation techniques where required; however, the Group prefers to address and manage these risks by approving exposures for which the Group has explicit appetite through the consistent application of the risk appetite policy.

→ In addition, securitisations of Investec own originated assets are assessed in terms of the credit risk management philosophies and principles as set out above.

#### Securitisation/structured credit analysis

In terms of our analysis of our credit and counterparty risk, exposures arising from securitisation/structured credit activities reflect only those exposures to which we consider ourselves to be at risk. 'Other loans and advances' refer to exposures that do not relate to the Group's core loan activity.

Nature of exposure/activity	31 March 2025 £'million	31 March 2024 £'million	Balance sheet and credit risk classification
Structured credit (gross exposure)	838	738	
<40% RWA	797	736	Other debt securities and other loans and advances
>40% RWA	41	2	

#### Analysis of gross structured credit exposure

£'million	AAA	AA	A	BBB	BB	B and below	Total rated	Total unrated	Total
US corporate loans	579	126	—	—	—	—	705	25	730
UK RMBS	35	3	—	—	—	—	38	—	38
European corporate loans	42	28	—	—	—	—	70	—	70
<b>Total at 31 March 2025</b>	<b>656</b>	<b>157</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>813</b>	<b>25</b>	<b>838</b>
<40% RWA	652	120	—	—	—	—	772	25	797
>40% RWA	4	37	—	—	—	—	41	—	41
<b>Total at 31 March 2024</b>	<b>607</b>	<b>95</b>	<b>1</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>703</b>	<b>35</b>	<b>738</b>

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### 65. Market risk in the trading book

#### Overview

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

#### Year in review

The year in review has been characterised by a fall in yields across the shorter end of the yield curves and a rise in longer term yields, which has largely unwound the inversion in global yield curves. The UK, US and European central banks cut interest rates as growth slowed and inflation was shown to be under control. In equity markets, the FTSE100 and FTSE250 had divergent performance, ending +8% and -2% respectively at 31 March 2025 (having peaked at +12% and +9%). Uncertainty, driven by the new US administration's tariff policy, drove equity markets lower and increased volatility during first quarter of 2025. The structured products book continues to wind down and has reduced substantially in size. Over the year, a macro hedge has remained in place, providing downside protection in the event of an extreme market dislocation.

The primary focus of all trading activity continues to be managing and hedging the market risk arising from client-related activity, and directional exposures remain at a minimum. Utilisation of risk limits have remained consistently moderate.

#### Risk governance structure

Traded market risk is governed by policies that cover the management, identification, measurement and monitoring of market risk. We have independent market risk teams to identify, measure, monitor and manage market risk.

The market risk teams have reporting lines that are separate from the trading function, thereby ensuring independent oversight. The Market Risk Forum, mandated by the IBP ERC, manages market risk in accordance with approved principles, policies and risk appetite. Trading desk risk limits are reviewed by the Market Risk Forum and approved by IBP ERC in accordance with the risk appetite defined by the Board. Any significant changes in risk limits are then reviewed and approved by Investec Group ERC, IBP and DLC BRCCs as well as IBP and DLC Boards. The appropriateness of limits is continually reassessed, with limits reviewed at least annually, in the event of a significant market event or at the discretion of senior management.

#### Risk management

Market risk limits are set according to our risk appetite policy. Limits are set at trading desk level with aggregate risk across all desks also monitored against overall market risk appetite limits. Current market conditions, as well as stressed market conditions, are taken into account when setting and reviewing these limits.

Market risk teams review the market risks in the trading book, with detailed risk reports produced daily for each trading desk and for the aggregate risk of the trading book. The material risks identified are summarised in daily reports that are distributed to, and discussed with senior management when required. The production of risk reports allows for the monitoring of all positions in the trading book against prescribed limits. Documented policies and procedures are in place to ensure there is a formal process for recognition and authorisation for risk excesses incurred.

The risk management software is fully integrated with source trading systems, allowing valuation in risk and trading systems to be fully aligned. All valuation models are subject to independent validation by market risk, ensuring models used for valuation and risk are validated independently of the front office.

#### Risk measurement

A number of quantitative measures are used to monitor and limit exposure to traded market risk. These measures include:

- Value at Risk (VaR), expected shortfall (ES) and stressed VaR (sVaR) as portfolio measures of market risk exposure
- Scenario analysis, stress tests and tools based on extreme value theory (EVT) that measure the potential impact of extreme market moves on portfolio values
- Sensitivity analysis that measures the impact of individual market risk factor movements on specific instruments or portfolios, including interest rates, foreign exchange rates, equity prices, credit spreads and commodity prices. We use sensitivity measures to monitor and limit exposure across portfolios, products and risk types.

Stress and scenario analyses are used to add insight into the possible outcomes under severe market disruptions. The stress testing methodology assumes that all market factors move adversely at the same time and that no actions are taken during the stress events to mitigate risk. Stress scenarios based on historical experience, as well as hypothetical scenarios, are considered and reviewed regularly for relevance in the ever-changing market environment. Stress scenarios are run daily with analysis presented to IBP Review Executive Risk Review Forum (IBP Review ERRF) weekly and IBP BRCC when the committees meet or more often should market conditions require this.

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### Value at Risk (VaR)

VaR is a technique that estimates the potential losses as a result of movements in market rates and prices over a specified time horizon at a given level of confidence. The VaR model derives future scenarios from a historic time series of market rates and prices, taking into account inter-relationships between the different markets such as interest rates and foreign exchange rates. The VaR model is based on a full revaluation historical simulation and incorporates the following features:

- Two-year historical period based on an unweighted time series
- Daily movements in each risk factor including foreign exchange rates, interest rates, equity prices, credit spreads

and associated volatilities, are simulated with reference to historical market rates and prices, with proxies only used when no or limited historical market data is available

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

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

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

95% one-day VaR £'000	31 March 2025				31 March 2024			
	Year end	Average	High	Low	Year end	Average	High	Low
Interest rates	19	30	43	19	43	45	60	31
Foreign exchange	16	10	34	3	12	10	98	—
Equities	154	170	309	94	173	225	641	117
Commodities	4	4	9	2	8	9	15	5
Credit	—	8	38	—	36	32	85	—
<b>Consolidated*</b>	<b>155</b>	<b>172</b>	<b>327</b>	<b>95</b>	<b>186</b>	<b>238</b>	<b>612</b>	<b>137</b>

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

### Expected shortfall (ES)

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

95% one-day ES £'000	31 March 2025	31 March 2024
Interest rates	29	59
Foreign exchange	22	29
Equities	199	210
Commodities	5	13
Credit	—	48
<b>Consolidated*</b>	<b>203</b>	<b>224</b>

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

### Stressed VaR (sVaR)

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

£'000	31 March 2025	31 March 2024
<b>99% one-day sVaR</b>	<b>1 019</b>	<b>694</b>

NOTES TO RISK AND CAPITAL MANAGEMENT  
CONTINUED

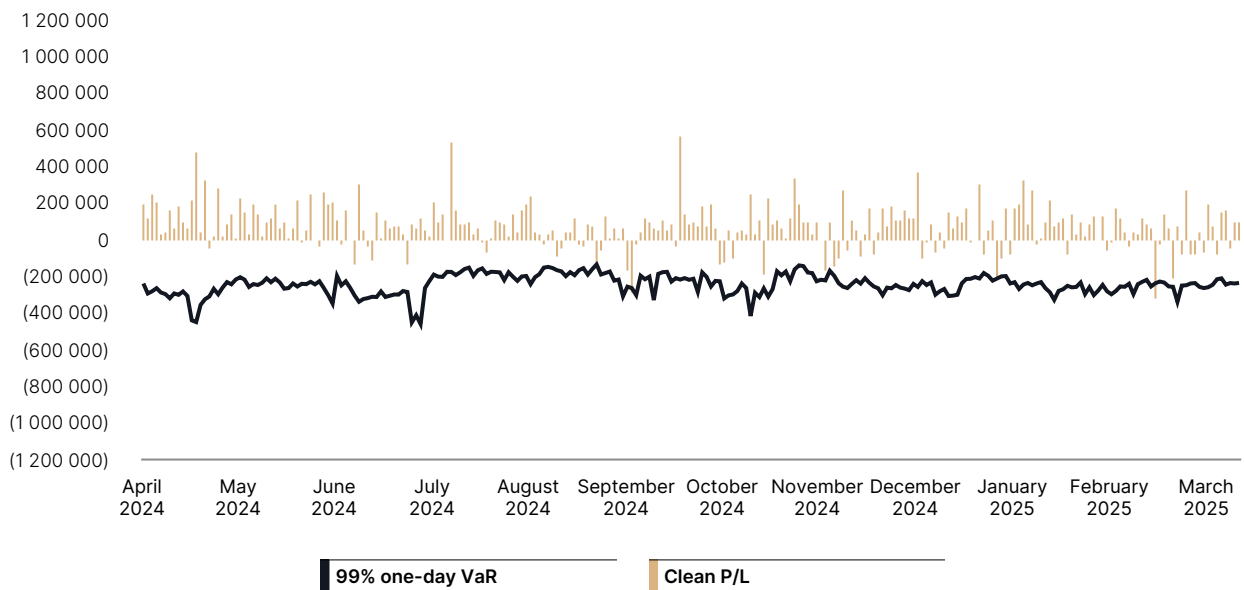
**Backtesting**

The performance of the VaR model is regularly monitored through backtesting. This is done by comparing daily clean profit and loss against one-day VaR based on a 99% confidence level. Clean profit and loss excludes items such as intra-day transactions, valuation adjustments, provisions, recoveries, commission, fees and hedge costs included in the new trade revenue. If a loss exceeds the one-day VaR, a backtesting exception is considered to have occurred. Over time we expect the average rate of observed backtesting exceptions to be consistent with the percentile of the VaR statistic being tested. This is conducted at an aggregate and desk level on a daily basis.

The graph that follows shows the result of backtesting the total daily 99% one-day VaR against the clean profit and loss data for our trading activities over the reporting period. Based on these graphs, we can gauge the accuracy of the VaR figures, i.e. 99% of the time, losses are not expected to exceed the 99% one-day VaR.

The average VaR for the year ended 31 March 2025 was lower than for the year ended 31 March 2024. Using clean profit and loss data for backtesting resulted in two exceptions over the period at the 99% confidence level, i.e. where the loss was greater than the 99% one-day VaR, which is in line with the two to three exceptions expected at this confidence level.

**99% one-day VaR backtesting (£)**



## NOTES TO RISK AND CAPITAL MANAGEMENT

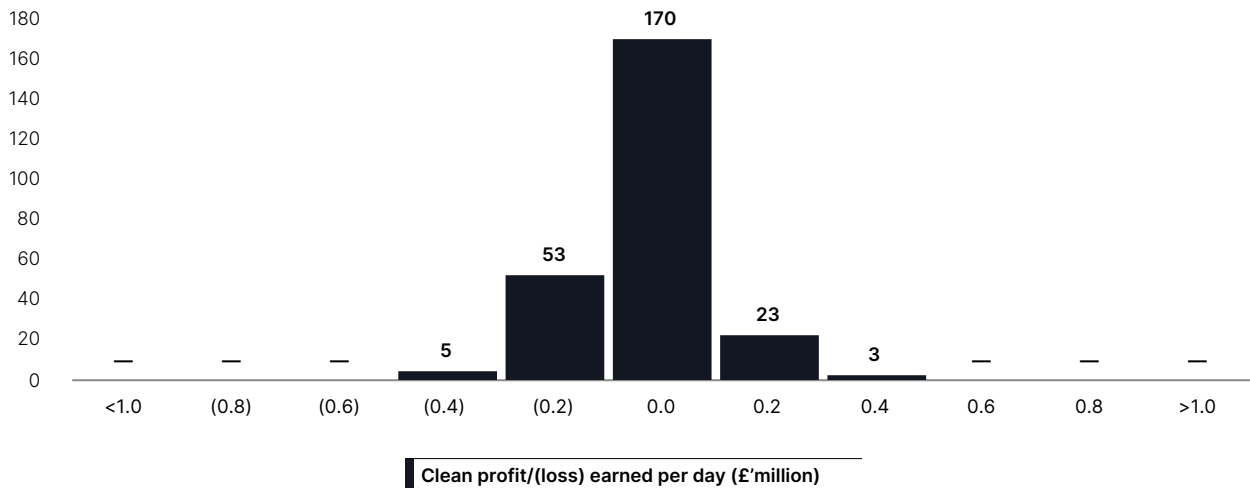
### CONTINUED

#### Clean profit and loss histogram

The histogram below illustrates the distribution of clean profit and loss during the financial year for our trading businesses. The graph shows that a clean profit was realised on 196 days out of a total of 254 days in the trading business. The average daily clean profit and loss generated for the year to 31 March 2025 was £72 098 (31 March 2024: £70 355).


#### Clean profit and loss

Frequency: Days in the year



#### Market risk – derivatives

The Group enters into various derivative contracts, largely on the back of customer flow. These are used for hedging foreign exchange, interest rates, commodity, equity and credit exposures and to a small extent as principal for trading purposes. Traded instruments include contract for differences, financial futures, options, swaps and forward rate agreements.

 Information showing our derivative trading portfolio over the reporting period on the basis of the notional principal and the fair value of all derivatives can be found on page 124.

The notional principal indicates our activity in the derivatives market and represents the aggregate size of total outstanding contracts at year end. The fair value of a derivative financial instrument represents the present value of the positive or negative cash flows which would have occurred had we closed out the rights and obligations arising from that instrument in an orderly market transaction at year end. Both these amounts reflect only derivatives exposure and exclude the value of the physical financial instruments used to hedge these positions.

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### **A<sub>X</sub>** 66. Balance sheet risk

#### Overview

The balance sheet risk framework continually ensures that a comprehensive approach is taken to the management and mitigation of liquidity, funding and IRRBB risks, while ensuring adherence to regulatory requirements and internal risk appetite and policies.

#### Risk management

Investec plc (and its subsidiaries, including IBP) are ring-fenced from Investec Limited (and its subsidiaries), and vice versa. Both legal entities (and their subsidiaries) are therefore required to be self-funded, and manage their funding, liquidity and IRRBB risk as separate entities.

Each banking entity must have its own Board-approved balance sheet risk management policies. Risk appetite limits are set at the relevant Board level and reviewed at least on an annual basis. The size, materiality, complexity, maturity and depth of the market as well as access to stable funds are all inputs considered when establishing the risk appetite for each relevant region. Specific regulatory requirements may further dictate additional restrictions to be adopted in a region.

Under delegated authority of the respective Boards, the Group has established ALCOs within each banking entity, using regional expertise and local market access as appropriate. The ALCOs are mandated to ensure independent oversight of liquidity risk and IRRBB.

ALCOs assess balance sheet exposures and market conditions to develop strategies for risk mitigation. The Treasury function within each banking entity is mandated to holistically manage the risk on a day-to-day basis.

The Treasury function, by banking entity, is required to exercise tight control of all balance sheet risks (liquidity, funding, concentration, encumbrance and IRRBB) within the Board-approved risk appetite limits. IRRBB and asset funding requirements are transferred from the originating business to the Treasury function.

The Treasury function, by banking entity, directs pricing for all deposit products, establishes and maintains access to stable funds with the appropriate tenor and pricing characteristics, and manages liquid securities and collateral.

Balance sheet risk management is based within Group risk management and is responsible for identifying, quantifying, monitoring and communicating risks while providing independent oversight of the treasury activities and guaranteeing the adherence to the Group's policies.

Daily, weekly and monthly reports are independently produced highlighting Group activity, exposures and key measures against thresholds and limits and are distributed to management, ALCO, Treasury, IBP Review ERRF, IBP ERC, IBP BRCC, and DLC BRCC as well as summarised reports for Board meetings.

There is a regular internal audit of the processes and policies within the balance sheet risk management function, the frequency of which is determined by internal audit.

#### Liquidity risk

##### Overview

Cohesive liquidity management is vital for protecting our depositors, preserving market confidence, safeguarding our reputation and ensuring sustainable growth with established funding sources. Through active liquidity management, we seek to preserve stable, reliable and cost-effective sources of funding.

##### Risk management and measurement

A suite of internal and regulatory metrics are used on a current and forward-looking basis to manage liquidity risk and funding risk. Future cash flows are monitored on a contractual, business-as-usual and stressed basis. Stress testing is based on a range of historical and hypothetical scenarios.

We further carry out reverse stress tests to identify business model vulnerabilities which tests 'tail risks' that can be missed in normal stress tests.

Additionally, the Group maintains a contingency funding plan which details the course of actions that can be taken in the event of a liquidity stress. The plan helps to ensure that cash flow estimates and commitments can be met in the event of general market disruption or adverse bank-specific events, while minimising detrimental long-term implications for the business.

The plans are tested internally to assess the Group's readiness and ability to adequately contain a liquidity stress.



Further information on recovery and resolution planning can be found on page 201.

To protect against potential shocks, we hold a liquidity buffer in the form of cash, unencumbered high-quality liquid assets (typically in the form of government or rated securities eligible for repurchase with the central bank). The liquidity buffer is well in excess of regulatory requirements as protection against disruptions in cash flows. The liquidity buffer is managed within Board-approved targets. The Group remains a net liquidity provider to the interbank market, placing significantly more funds with other banks than our short-term interbank borrowings. We do not rely on overnight interbank deposits to fund term lending.

For non-cash items, prudent market risk limits are in place to control the market volatility of securities and the amount of cash that can be generated by those securities under a market stress.

From 1 April 2024 to 31 March 2025 average cash and near cash balances over the period amounted to £9.9 billion.

## NOTES TO RISK AND CAPITAL MANAGEMENT

### CONTINUED

#### Liquidity mismatch

The following tables show the contractual and behavioural liquidity gaps.

The contractual liquidity table records all assets and liabilities with the underlying contractual maturity.

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

- **Liquidity buffer:** the actual contractual profile of the assets in the liquidity buffer is of little consequence, as practically the Group would meet any unexpected net cash outflows by repo'ing or selling these highly liquid securities. Consequently, for the liquidity buffer:

- The time horizon to monetise our regulatory liquid assets which are guaranteed by the central bank has been adjusted to 'on demand'
- The time horizon for the near cash portfolio of discretionary treasury assets has been set to one month where there are deep secondary markets for this elective asset class.
- **Customer deposits:** historical observations were used to model the behavioural maturity profile, and this analysis has identified significant additional sources of structural liquidity in the form of core deposits that exhibit stable behaviour.

#### Contractual liquidity at 31 March 2025

£'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	>Five years	Total
Cash and short-term funds – banks	5 032	20	—	—	—	—	—	5 052
Investment/trading assets	476	923	1 161	1 213	289	947	1 881	6 890
Securitised assets	—	—	—	—	—	—	—	—
Advances	193	623	650	1 296	1 938	8 901	3 352	16 953
Other assets excluded above	59	347	37	45	150	266	25	929
<b>Assets</b>	<b>5 760</b>	<b>1 913</b>	<b>1 848</b>	<b>2 554</b>	<b>2 377</b>	<b>10 114</b>	<b>5 258</b>	<b>29 824</b>
Deposits – banks	(189)	—	—	—	(705)	(584)	—	(1 478)
Deposits – non-banks	(7 192)	(1 340)	(5 976)	(3 492)	(2 304)	(1 148)	(4)	(21 456)
Negotiable paper	(2)	(1)	(13)	(17)	(84)	(1 185)	—	(1 302)
Securitised liabilities	—	—	—	—	—	—	—	—
Investment/trading liabilities	(98)	(125)	(43)	(26)	(53)	(88)	(36)	(469)
Subordinated liabilities	—	—	—	—	(41)	(641)	—	(682)
Other liabilities excluded above	(244)	(161)	(178)	(57)	(144)	(143)	(21)	(948)
<b>Liabilities</b>	<b>(7 725)</b>	<b>(1 627)</b>	<b>(6 210)</b>	<b>(3 592)</b>	<b>(3 331)</b>	<b>(3 789)</b>	<b>(61)</b>	<b>(26 335)</b>
Total equity	—	—	—	—	—	—	(3 489)	(3 489)
<b>Contractual liquidity gap</b>	<b>(1 965)</b>	<b>286</b>	<b>(4 362)</b>	<b>(1 038)</b>	<b>(954)</b>	<b>6 325</b>	<b>1 708</b>	<b>—</b>
Cumulative liquidity gap	(1 965)	(1 679)	(6 041)	(7 079)	(8 033)	(1 708)	—	—

#### Behavioural liquidity at 31 March 2025

£'million	Demand	Up to one month	One to three months	Three to six months	Six months to one year	One to five years	>Five years	Total
<b>Behavioural liquidity gap</b>	<b>5 271</b>	<b>(209)</b>	<b>(5 583)</b>	<b>(2 060)</b>	<b>(1 038)</b>	<b>1 942</b>	<b>1 677</b>	<b>—</b>
Cumulative	5 271	5 062	(521)	(2 581)	(3 619)	(1 677)	—	—

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### Funding strategy

#### Overview

We maintain a funding structure of stable customer deposits and long-term wholesale funding well in excess of funded assets. We target a diversified funding base, avoiding undue concentrations by investor type, maturity, market source, instrument and currency.

We acknowledge the importance of our retail deposit client base as the principal source of stable and granular funding. We continue to develop products to attract and service the investment needs of our client base in line with our risk appetite.

Entities within the Group actively participate in global financial markets and our relationships are continuously enhanced through regular investor engagements. Entities are only allowed to have funding exposure to wholesale markets where they can demonstrate that the market is sufficiently deep and liquid, and then only relative to the size and complexity of their business as part of a diversified funding mix.

The Group's ability to access funding at cost-effective levels is influenced by maintaining or improving the entity's credit rating. A reduction in credit ratings could have an adverse effect on the Group's funding costs, and on access to wholesale term funding; however, our diversified funding base places limited reliance on wholesale funding and protects our ability to raise sufficient funding under both business as usual and stressed market conditions.

Funding continues to be dynamically raised through a mix of customer liabilities diversified by customer type, currency, channel and tenor, avoiding reliance on any particular source and ensuring continued access to a wide range of depositors. Those diversified funding channels have proven to be capable of raising funding throughout the year to support asset growth despite the uncertain macro-economic environment, persistent market volatility and increased competition for deposits.

We have limited reliance on wholesale funding but we maintain access and presence, using such wholesale issuance to strategically diversify our funding base and complement the other liability channels by focusing, where appropriate, on tenor and currency as part of a longer term strategic plan.

Funding consists primarily of customer deposits, with loans and advances to customers as a percentage of customer deposits at 78.4% at 31 March 2025 (31 March 2024: 79.7%). We are therefore well positioned from a funding and liquidity perspective if there were to be further disruption to financial

markets given both the highly diversified nature of Investec plc's deposit base and the reliance on term and notice deposits rather than demand deposits. Deposits grew by 3.2% over the year from £20.8 billion to £21.5 billion at 31 March 2025. Granularity of deposits is a key area of focus and Investec plc has a substantial portion of eligible deposits that are covered by FSCS protection. The FSCS is a UK government-backed scheme designed to provide protection to eligible customers, to the maximum value of £85 000, in the event that a financial institution is unable to meet its financial obligations. The PRA has proposed to raise the deposit protection limit to £110 000 from 1 December 2025.

As at 31 March 2025, the preferred resolution strategy for IBP remained bank insolvency procedure with no MREL requirement in excess of its minimum capital requirements. The BoE formally notified Investec plc on 28 June 2023 that the preferred resolution strategy will change from bank insolvency procedure to bail-in and as such Investec plc, and IBP as a material subsidiary, will be subject to a revised MREL requirement.

The MREL transition will commence from 1 January 2026 in a phased manner with end-state MREL applying from 1 January 2032. Wholesale issuance in the year took advantage of market windows to focus on refinancing upcoming calls to lengthen term, with the added benefit of continuing to diversify the debt capital markets investor base and support the MREL transition. Any additional MREL requirements will be met over time as part of increasing wholesale market issuance from the existing established base and we will continue to evaluate issuance opportunities in the near term as part of this glide path.

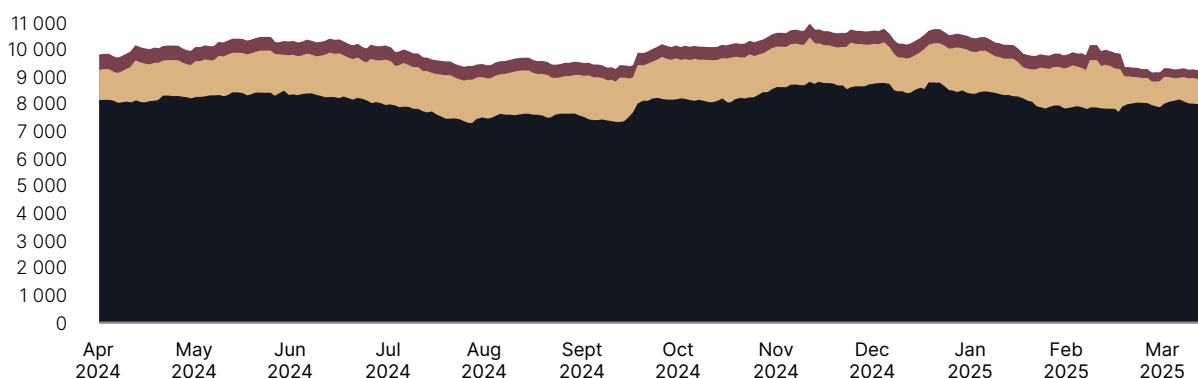
The UK Bank repaid £0.5 billion of drawings under the BoE Term Funding Scheme with additional incentives for Small and Medium Enterprises (TFSME) during the year. As at 31 March 2025, the UK Bank had £0.7 billion of remaining drawings outstanding. These mature in late 2025.

Looking forward, the focus remains on maintaining a strong liquidity position to protect from overall market volatility. Funding continues to be actively raised, across a diverse funding base, in line with a medium- to long-term strategy to reduce the overall tenor-adjusted cost of the liability base, supported by both Investec plc and Investec Bank plc's stable credit ratings.

→ Refer to page 27 for further detail on credit ratings.

### Cash and near cash trend

£'million



Central bank cash placements and other HQLA

Cash

Near cash

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### An analysis of cash and near cash at 31 March 2025

£9 090 million



Central bank cash placements and other HQLA	87.3%
Cash	9.2%
Near cash	3.5%

### Customer accounts (deposits) by type at 31 March 2025

£21 456 million



Individuals	63.6%
Other financial institutions and corporates	29.4%
Small business	7.0%

### Asset encumbrance

An asset is defined as encumbered if it has been pledged as collateral against an existing liability and, as a result, is no longer available to the Group to secure funding, satisfy collateral needs or be sold to reduce funding requirement.

Encumbered assets are identified in accordance with the definitions under European Capital Requirements Regulation (CRR), and regular reporting is provided to the PRA.

Risk management monitors and manages total balance sheet encumbrance within a Board-approved risk appetite limit. Asset encumbrance is one of the factors considered in the discussion of new products or new funding structures, and the impact on risk appetite is assessed.

The Group uses secured transactions to manage short-term cash and collateral needs, and utilises securitisations in order to raise external term funding as part of its diversified liability base. Securitisation notes issued are also retained by the Group which are eligible for the BoE's Single Collateral Pool to support central bank liquidity facilities.

Further disclosures on encumbered and unencumbered assets can be found within the Investec plc Pillar 3 document.

→ On page 122 we disclose further details of assets that have been received as collateral under reverse repurchase agreements and securities borrowing transactions where the assets are allowed to be resold or pledged.

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### Interest rate risk in the banking book (IRRBB)

#### Overview

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

The aim of IRRBB management is to protect net interest earnings and economic value of equity in accordance with the Board-approved risk appetite.

Sources of IRRBB include:

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

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

#### Risk management and measurement

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

Operationally, daily management of interest rate risk is centralised within the Treasury of each banking entity and is subject to local independent risk and ALCO review. Treasury mitigates any residual undesirable risk where possible, by changing the duration of the banking book's discretionary liquid asset portfolio, or through derivative transactions. The Treasury mandate allows for a tactical response to market volatility which may arise during changing interest rate cycles, in order to hedge residual exposures. Any resultant interest rate position is managed under the IRRBB risk limits. Balance sheet risk management independently monitors a broad range of interest rate risk metrics to changes in interest rate risk factors, detailing the sources of interest rate exposure.

Automatic optionality arising from variable rate products with an embedded minimum lending rate serves as an income protection mechanism for the Group against falling interest rates, while behavioural optionality risk from customers of fixed rate products is mitigated by early repayment charges.

The UK Bank maintains a structural hedging programme to reduce the sensitivity of earnings to short-term interest rate movements. An amortising profile of £1.8 billion tangible equity has been assigned with an average duration of 2.5 years evenly distributed over the period. The termed equity is then hedged and managed within the overall interest rate risk appetite.

IRRBB is measured and analysed by utilising standard tools of traditional interest rate repricing mismatch and net present value (NPV) sensitivity to changes in interest rate risk factors:

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

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

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

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

The repricing gap provides a simple representation of the balance sheet, with the sensitivity of fair values and earnings to changes to interest rates calculated off the repricing gap. This also allows for the detection of interest rate risk concentration in specific repricing buckets. Net interest income sensitivity measures the change in accruals expected over the specified horizon in response to a shift in the yield curve. Economic value sensitivity and stress testing to macro-economic movement or changes to the yield curve measures the interest risk implicit change in net worth as a result of a change in interest rates on the current values of financial assets and liabilities. Economic value measures have the advantage that all future cash flows are considered and therefore assess the risk beyond the earnings horizon.

### Net interest income sensitivity

IRRBB is measured and monitored using an income sensitivity approach. The tables below reflect an illustrative annualised net interest income value sensitivity to a 0.25% parallel shift in interest rates, based on modelled assumptions, assuming no management intervention.

£'million	31 March 2025	31 March 2024
25bps down	<b>(9.3)</b>	(8.0)
25bps up	<b>7.9</b>	7.2

### Economic value (EV) sensitivity

IRRBB is measured and monitored using the EV sensitivity approach. The tables below reflect an illustrative economic value sensitivity to a 2% parallel shift in interest rates, based on modelled assumptions, assuming no management intervention. This sensitivity effect would only have a negligible direct impact on our equity.

£'million	31 March 2025	31 March 2024
200bps down	<b>(5.8)</b>	2.8
200bps up	<b>(8.2)</b>	(9.1)

## Regulatory requirements

### Liquidity risk

The two minimum BCBS standards for funding liquidity are:

- The Liquidity Coverage ratio (LCR) which is designed to ensure that banks have sufficient high-quality liquid assets to meet their liquidity needs throughout a 30-calendar day severe stress
- The Net Stable Funding ratio (NSFR) which is designed to capture structural issues over a longer time horizon by requiring banks to have a sustainable maturity structure of assets and a stable liability base.

The Investec plc and IBP (solo basis) LCRs are calculated based on the rules contained in the PRA rulebook overlaid with our own interpretations where the regulation requires. Banks are required to maintain a minimum LCR of 100%. As at 31 March 2025 the LCR was 409% for Investec plc and 418% for IBP (solo basis).

Within the UK, the NSFR has become a binding requirement for banks since January 2022. Banks are now required to maintain a minimum NSFR of 100%. The NSFR at 31 March 2025 was 145% for Investec plc and 144% for IBP (solo basis).

Investec plc undertakes an annual ILAAP which documents the approach to liquidity management across the firm.

This document is approved by the IBP and DLC Boards before being provided to the PRA for use, alongside the Liquidity Supervisory Review and Evaluation Process, to determine the bank's Individual Liquidity Guidance, also known as a Pillar II requirement.

### IRRBB

In 2016, the BCBS finalised their standards for IRRBB which recommended the risk is assessed as part of the Bank's capital requirements, outlined six prescribed shock scenarios, and recommended enhanced disclosure requirements for supervisors to implement.

The regulatory framework requires banks to assess their Pillar II requirements, including those related to IRRBB, as part of their ICAAP in accordance with PS22/21 and SS31/15. This is reviewed on at least an annual basis and reviewed and approved by IBP BRCC, DLC BRCC and by the IBP and DLC Boards.

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### **Ax** 67. Operational risk

#### Overview

Operational risk is an inherent risk in the ordinary course of business activity. The impact could be financial as well as non-financial. Possible non-financial impacts could include customer detriment, reputational or regulatory consequences.

#### Risk management and measurement

The operational risk governance structures form an integral part of the operational risk management framework.

The Group, in keeping with sound governance practices, has defined roles and responsibilities for the management of operational risk in accordance with the three lines of defence model, i.e. business line management, an independent operational risk function and an independent internal audit function.

Specialist control functions are responsible for the management of key operational risks. These include, but are not limited to: compliance (including financial crime compliance), cyber, finance, fraud, legal, technology and information security risks.

Operational risk is managed and monitored through various governance forums and committees that are integrated with the Group's risk management governance structure and report to Board level committees.

The Group's operational risk profile is reported to the governance forums and committees on a regular basis, which contributes to sound risk management and decision-making by the Board and management.

Management forums and committees are in place at each entity level. Key responsibilities include the monitoring of operational risk and oversight of the operational risk management

framework, including approval of the operational risk management policies.

The DLC IT Risk and Governance Committee is responsible for the monitoring of current and emerging technology and information security risks. In addition, this committee considers the strategic alignment of technology within the business.

The UK Technology Management Committees monitor technology risks for the UK entities and escalate current and emerging risks to the DLC IT Risk and Governance Committee and relevant local risk governance forums and committees.

Operational risk appetite is defined as the level of risk exposure that is acceptable to the Board in order to achieve its business and strategic objectives. The Board is responsible for setting and regularly reviewing the risk appetite. The operational risk appetite policy defines the amount of operational risk exposure, or potential adverse impact of a risk event, that the Group is willing to accept through qualitative and quantitative measures.

Operational risks are managed in accordance with the approved risk appetite. Any breaches of limits are escalated in accordance with the appropriate governance structures.

The Group manages operational risk through an operational risk management framework that is embedded across all levels of the organisation and is supported by a strong risk management culture. The key purpose of the operational risk management framework is to define the policies and practices that provide the foundation for a structured and integrated approach to identify, assess, mitigate/manage, monitor and report on operational risks.

The key operational risk practices are as follows:

Identify and assess	
<b>Risk and control assessments</b>	<ul style="list-style-type: none"> <li>Risk and control assessments are forward-looking, qualitative assessments of inherent and residual risk that are performed on key business processes using a centrally defined risk framework</li> <li>These assessments enable business to identify, manage and monitor operational risks, incorporating other elements of the operational risk management framework such as risk events and key indicators</li> <li>Detailed control evaluations are performed, and action plans developed and implemented where necessary to ensure that risk exposure is managed within acceptable levels.</li> </ul>
<b>Internal risk events</b>	<ul style="list-style-type: none"> <li>Internal risk events provide an objective source of information relating to failures in the control environment</li> <li>The tracking of internal risk event data provides an opportunity to improve the control environment and to minimise the occurrence of future risk events</li> <li>In addition, internal risk event data is used as a direct input into the Pillar II capital modelling process.</li> </ul>
<b>External risk events</b>	<ul style="list-style-type: none"> <li>External risk events are operational risk related events originating outside the organisation</li> <li>The Group is an active member of a global external data service used to benchmark our internal risk event data against other local and international financial service organisations</li> <li>The external data is analysed to enhance the control environment, inform scenario analysis and provide insight into emerging operational risks.</li> </ul>
Mitigate/manage	
<b>Risk exposures</b>	<ul style="list-style-type: none"> <li>Risk exposures are identified through the operational risk management processes, including but not limited to risk assessments, internal risk events, key indicators and audit findings</li> <li>Residual risk exposure is evaluated in terms of the Group's risk appetite and mitigated where necessary by improving the control environment, transferring through insurance, terminating the relevant business activity or accepting the risk exposure for a period of time subject to formal approval and monitoring.</li> </ul>
Monitor	
<b>Key risk indicators</b>	<ul style="list-style-type: none"> <li>Indicators are metrics used to monitor risk exposures against identified thresholds</li> <li>The output provides predictive capability in assessing the risk profile of the business.</li> </ul>

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### Year in review

During the year the Group remained focused on the management of the following key operational risks:

#### Business disruption and operational resilience risk

- Investec's resilience capabilities are regularly exercised through rigorous testing against severe but plausible scenarios
- Significant planning and testing have been performed to ensure recovery time objectives and impact tolerances are achievable and mitigate against client harm and maintain overall operational soundness and safety
- We remain actively involved with key industry regulatory bodies, participating in relevant discussions, testing exercises and initiatives
- Investec remains committed to upholding global regulatory requirements for operational resilience, whilst delivering value to our stakeholders.

#### Information security and cyber risk

- Information and cyber security were a key focus for the Group, cognisant of their dynamic nature and evolving sophistication
- The use of AI by threat actors to automate and enhance attack techniques was observed, including AI-driven phishing campaigns and deepfake fraud
- Cyber threats linked to geopolitical tensions were monitored, with isolated cases of financial institutions being impacted by state-sponsored attacks. Threat simulations with independent specialists were conducted to stress-test security controls and provide insights to enhance our defences. The Group's risk exposure was effectively managed and external cyber security ratings placed Investec's cyber posture above industry peers.

#### Technology risk

- High rates of technology change and increased cloud adoption were observed as part of the Group's modernisation programmes
- A global technology command centre was established, supporting proactive monitoring, response to, and management of technology disruptions
- Rapid technological developments such as those related to generate AI were closely tracked and associated risks were actively monitored.

#### Third party risk

- As part of our strategic modernisation initiatives and cloud-first approach, an increasing use of third party providers was noted. Associated risks were well-managed
- We focused on better understanding our third parties and their supply chain to support comprehensive review and management of our third party risks to safeguard the organisation

- Review and management of third party concentration risks was a key priority for the Group, and further enhanced visibility of potential systemic concentration risk within the financial sector
- Continuous enhancements in third party due diligence and reporting practices aligned with evolving regulatory requirements and facilitated effective risk mitigation strategies
- We observed an increasing number of third parties introducing artificial intelligence capabilities into their services and operations, and considered the risks that this may introduce.

#### Processing and execution risk

- Processing and execution risks identified through internal risk event monitoring remain a significant operational risk theme due to the frequency and monetary impact of reported operational risk loss events
- Loss events have been observed across various processes, predominantly resulting from factors such as unintentional human error, ineffective change management, inadequate process design, and insufficient management oversight
- Operational risk loss events are thoroughly investigated and appropriate actions are taken to improve controls
- Despite the Group's commitment to digitalisation, there is still a reliance on manual processes. When automation is not possible, process redesign is undertaken to address control gaps. Additionally, there is a strong emphasis on monitoring key controls through collaborative assurance initiatives
- Every effort is made to minimise the impact of processing and execution risks on clients by promptly implementing recovery measures.

#### External fraud

- Practices that align with updated regulations, industry guidance, and best practices are firmly established within the Group
- Our focus is on enhancing stringent fraud prevention and detection controls, which are continuously improved in response to evolving regulatory requirements and the rising incidence of fraud across the industry, driven by both existing and emerging methods of operation. Ongoing collaboration within the industry supports our fraud prevention efforts and aids in the recovery of funds related to fraudulent pay-outs.

#### Insurance

The Group maintains adequate insurance to cover key insurable risks. The insurance process and requirements are managed by the Group insurance risk manager. Regular interaction between operational risk management and insurance risk management ensures that there is an exchange of information in order to enhance the mitigation of operational risk.

→ Please refer to pages 83 to 87 of the Investec Group's 2025 risk and governance report for additional information regarding compliance, reputational risk and legal risk.

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### **Ax** 68. Recovery and resolution planning

The purpose of the recovery plans are to document how the Board and management will plan for Investec plc to recover from extreme financial stress to avoid liquidity and capital difficulties. The plans are reviewed and approved by the Board on an annual basis.

The recovery plan:

- Identifies roles and responsibilities
- Identifies early warning indicators and trigger levels
- Analyses how the Group could be affected by the stresses under various scenarios
- Includes potential recovery actions available to the Board and management to respond to the situation, including immediate, intermediate and strategic actions
- Identify the recovery capacity available to avoid resolution actions
- Integrates with existing contingency planning
- Run externally facilitated simulations or fire drill exercises as required by the regulations.

The Bank Recovery and Resolution Directive (BRRD) was implemented in the UK via the UK Banking Act 2009. It was amended by the BRRD (Amendment) (EU Exit) Regulation 2020, which implemented into UK law certain amendments to the BRRD.

The BoE, the UK resolution authority has the power to intervene in and resolve a financial institution that is no longer viable. This is achieved through the use of various resolution tools, including the transfer of business and creditor financed recapitalisation (bail-in within resolution) that allocates losses to shareholders and unsecured and uninsured creditors in their order of seniority, at a regulator determined point of non-viability that may precede insolvency.

The PRA has made rules that require authorised institutions to draw up recovery plans and resolution packs. Recovery plans are designed to outline credible recovery options that authorised institutions could implement in the event of severe stress in order to restore their business to a stable and sustainable condition. The resolution pack contains detailed

information on the services provided, as well as the structure and operation of the authorised institution in question which will be used by the BoE to develop resolution strategies for that specific institution, assess its current level of resolvability against the strategy, and to inform work on identifying barriers to the implementation of operational resolution plans.

In line with PRA and onshored EU requirements, Investec plc maintains a resolution pack and a recovery plan. Even though the recovery plan is framed at Investec plc level, given that IBP constitutes over 78% of Investec plc's balance sheet, the focus of this document is the recovery of IBP and the protection of its depositors and other clients. In the UK, the contingency funding plan is included in the recovery plan and details the course of actions that can be taken in the event of a liquidity stress.


Similarly, the resolution pack is drafted for Investec plc. As Investec plc is an approved UK Financial Holding Company (FHC) and IBP is its most significant entity, the Investec plc resolution strategy is expected to be driven and determined by IBP's resolution strategy. The resolution pack contains essential information that enables regulators to understand the firm's structure, operations, and potential resolution strategies.

As of March 2025, the preferred resolution strategy for IBP remained bank insolvency procedure with no Minimum Requirements for Own Funds and Eligible Liabilities (MREL) requirement in excess of its minimum capital requirements. However, the BoE formally notified Investec plc on 28 June 2023 that the preferred resolution strategy will change from bank insolvency procedure to bail-in and as such Investec plc, and IBP as a material subsidiary, will be subject to a revised MREL requirement. The MREL transition will commence from 1 January 2026 in a phased manner with end-state MREL applying from 1 January 2032. Any additional MREL requirements will be met over time as part of increasing wholesale market issuance from the existing established base and we will continue to evaluate issuance opportunities in the near term as part of this glide path.

As a bail-in firm, Investec plc will come into scope of the BoE's Resolvability Assessment Framework and is committed to ensuring its resolution capabilities meet the required regulatory standards.

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

### 69. Capital management and allocation

The content presented within this section is unaudited unless denoted with the following 

#### Overview

Investec plc is an approved UK Financial Holding Company (FHC), responsible for ensuring compliance with consolidated prudential requirements on a consolidated basis. Investec Bank plc, the main banking subsidiary of the Investec plc Group, continues to be authorised by the PRA and regulated by the FCA and the PRA. Investec plc calculates capital resources and requirements using the Basel III framework, as implemented in the European Union through the CRR and CRD IV, as amended by CRR II and CRD V. Following the end of the Brexit transitional period, the EU rules (including binding technical standards) were onshored and now form part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018.

Investec plc applies the Standardised Approach to calculate credit risk and counterparty credit risk, credit valuation adjustment (CVA) risk, securitisation risk, operational risk and market risk capital requirements. Since 1 January 2022, Investec plc adopted the outstanding CRR II changes to be implemented in the UK, most notably the new Standardised Approach for measuring Counterparty Credit Risk (SA-CCR) and changes to the large exposure regime.

Investec plc is not subject to the minimum leverage ratio requirement of 3.25% under the UK leverage ratio framework, but is subject to a 'supervisory expectation' to manage excessive leverage by ensuring the leverage ratio does not fall below 3.25%. For simplicity, the same leverage ratio exposure measure and capital measure applies to all UK banks (including the exemption of central bank reserves and reflect updated international standards).

Subsidiaries of Investec plc may be subject to additional regulations as implemented by local regulators in their respective jurisdictions. Where capital is a relevant consideration, management within each regulated entity pays close attention to prevailing local regulatory rules as determined by their respective regulators.

#### A summary of capital adequacy and leverage ratios

	31 March 2025*	31 March 2024*
Common Equity Tier 1 ratio**	12.3%	12.1%
Common Equity Tier 1 ratio (fully loaded)***	12.3%	12.0%
Tier 1 ratio**	14.1%	14.6%
Total Capital ratio**	17.8%	18.4%
Risk weighted assets (£'million)**	19 221	18 509
Leverage exposure measure (£'million)	28 089	27 015
Leverage ratio	9.6%	10.0%
Leverage ratio (fully loaded)***	9.6%	9.9%

\* The capital adequacy and leverage disclosures for Investec plc includes the deduction of foreseeable charges and dividends when calculating CET1 and Tier 1 capital. These disclosures differ from the disclosures included in Investec Group's year-end results booklet 2025, which follow our normal basis of presentation and do not include this deduction. Investec plc's CET1 ratio would be 33bps (31 March 2024: 30bps) and the leverage ratio 23bps (31 March 2024: 21 bps) higher, on this basis.

\*\* The CET1, Tier 1, Total Capital ratios and RWAs are calculated applying the IFRS 9 transitional arrangements.

\*\*\* The CET1 ratio (fully loaded) and the leverage ratio (fully loaded) assumes full adoption of IFRS 9.

#### Philosophy and approach

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

We intend to maintain a sufficient level of capital to satisfy regulatory requirements and our internal target ratios. On a consolidated basis for Investec plc and Investec Limited, we target a Total Capital ratio range of between 14% and 17%, and we target a minimum Tier 1 ratio of 11% and a CET1 ratio above 10%.

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

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

- Maintain sufficient capital to satisfy the Board's risk appetite across all risks faced by the Group
- Provide protection to depositors against losses arising from risks inherent in the business
- Provide sufficient capital surplus to ensure that the Group is able to retain its going concern basis under relatively severe operating conditions
- Inform the setting of minimum regulatory capital through the ICAAP and subsequent Supervisory Review and Evaluation Process (SREP). The ICAAP documents the approach to capital management, including the assessment of the regulatory and internal capital position of each Group
- The ICAAP is reviewed and approved by DLC BRCC and the Board.

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

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

### Capital planning and stress/scenario testing

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

Capital plans are prepared and presented to the Capital Committees on a monthly basis. The plans are updated with the actual month-end position and forecast out to the end of the fiscal year, taking into account updated profit and loss and asset growth forecasts.

The goal of capital planning is to provide insight into potential sources of vulnerability of capital adequacy by way of market, economic or internal events. As such, the three-year capital plans are stressed based on conditions most likely to cause Investec plc duress. The conditions are agreed by the Investec plc Capital Committee after the key vulnerabilities have been determined through the stress testing workshops. Such plans are used by management to formulate balance sheet strategy and agree management actions, trigger points and influence the determination of our risk appetite. At a minimum level, each capital plan assesses the impact on our capital adequacy in an expected case and in downturn scenarios. On the basis of the results of this analysis, the Investec plc Capital Committee, DLC Capital Committee and DLC BRCC are presented with the potential variability in capital adequacy and are responsible, in consultation with the Board, for considering the appropriate response.

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

### Year in review

During the year under review, Investec plc complied with the capital adequacy requirements imposed on it by the PRA. Investec plc continues to hold capital in excess of all the capital and buffer requirements. At 31 March 2025, the CET1 ratio increased to 12.3% from 12.1% at 31 March 2024. CET1 capital increased by £123 million to £2.4 billion, mainly as a result of CET1 capital generation of £332 million through profit after taxation and a £42 million share-based payment adjustment. The increases are partially offset by:

- Dividends paid to ordinary shareholders and Additional Tier 1 security holders of £144 million
- An increase in the treasury shares deduction of £45 million
- A net decrease in other comprehensive income of £39 million, which includes the fair value decrease in our investment in Ninety One of £25 million and the reversal of the cash flow hedge reserve which is not recognised in CET1 capital of £11 million
- A decrease of £17 million in the IFRS 9 transitional add-back adjustment
- An increase in the foreseeable dividends and charges deduction of £7 million.

Risk weighted assets (RWAs) increased by 3.8% or £712 million to £19.2 billion over the period, predominantly within credit risk and operational risk RWAs.

Credit risk RWAs, which includes equity risk, increased by £186 million. The increase reflects asset growth in Fund Finance, Asset Finance and Credit Investments, offset by redemptions across multiple business lines.

Counterparty credit risk RWAs (including CVA risk) increased by £94 million compared to 31 March 2024. The increase in RWAs is driven by exposure at default (EAD) increases across foreign exchange and interest rate derivatives and commodity swaps. The EAD increases have been caused by currency fluctuations and geopolitical risks which have led to greater price volatility.

Market risk RWAs increased by £18 million, due to increases in banking book foreign exchange risk, driven by increases in net open position across multiple currencies.

Operational risk RWAs increased by £414 million to £2.3 billion, driven by an increase in the the three-year average operating income used to determine the capital requirement, with approximately half of the increase attributable to the inclusion of Investec's proportionate 41.25% share of Rathbones gross income in the three-year average.

The Group's leverage ratio decreased to 9.6% from 10.0% at 31 March 2024.

Tier 1 capital increased by £15 million, driven by a £123 million increase in CET1 capital, which was partially offset by the redemption of £108 million AT1 instruments in December 2024.

The leverage exposure measure increased by £1.1 billion, driven by asset growth across multiple balance sheet line items, most notably increases in sovereign debt securities of £576 million and reverse repurchase agreements of £481 million, partially offset by a reduction in derivative financial instruments of £478 million. In addition off-balance sheet exposures increased by £411 million, with the majority of the increase attributable to credit investments.

### Minimum capital requirement

Investec plc's Pillar 2A requirement expressed as a percentage of RWAs was reset by the PRA in March 2025. At 31 March 2025 the Pillar 2A requirement amounted to 0.52% of RWAs, of which 0.29% has to be met with CET1 capital. This is down from 0.55% of RWAs at 31 March 2024 (of which 0.31% had to be met from CET1 capital).

Investec plc's minimum CET1 requirement at 31 March 2025 is 8.7% comprising a 4.5% Pillar 1 minimum requirement, a 2.5% Capital Conservation Buffer (CCB), a 0.29% Pillar 2A requirement and a 1.4% Countercyclical Capital Buffer (CCyB). The Group's institution-specific CCyB requirement is calculated based on the relevant exposures held in jurisdictions in which a buffer rate has been set. As at 31 March 2025 the UK CCyB rate is 2%.

### Regulatory developments

#### Basel 3.1 standards

The UK Basel 3.1 proposals were first released by the PRA in November 2022. The Basel 3.1 reforms aim to restore credibility in risk-weighted ratios, by introducing more robust and risk-sensitive SAs, whilst curtailing the RWA benefits Internal Models can provide. The proposals aim to advance the PRA's primary objective to promote the safety and soundness of the firms that it regulates. By improving the measurement of risk, the PRA are of the view that it will help ensure firms are adequately capitalised given the risks they are exposed to. Whilst the PRA was proposing limited adjustments to the international standards in order to adhere to the global reforms,

## NOTES TO RISK AND CAPITAL MANAGEMENT CONTINUED

they did propose to remove several onshored EU discretions, such as the small and medium-sized enterprise (SME) and infrastructure lending supporting factors.

The first policy statement on the Basel 3.1 reforms were published in December 2023 and covered market risk, counterparty credit risk, credit valuation adjustment risk and operational risk. Subsequently, on 12 September 2024, the PRA published its second near-final policy statement which provides feedback to responses received from industry on specific policy areas, namely credit risk (standardised and internal ratings-based approaches), credit risk mitigation, the output floor, Pillar 3 disclosures and reporting. The statement also provided feedback on parts of the Pillar 2 framework relating to the Pillar 2A credit risk methodology, use of internal based approach benchmarks and the interaction with the output floor.

The PRA had initially confirmed in a statement released in September 2023, that the implementation date would be delayed by six months to 1 July 2025, with full compliance required by 1 January 2030. Since that statement and the publication of the first policy statement in December 2023, the PRA has continued to monitor the implementation times of other jurisdictions and the adequacy of the period between publication of the PRA rules and their implementation and confirmed in the September 2024 policy statement that the implementation date will be moved out by a further six months to 1 January 2026 with a transitional period of 4 years to ensure full implementation by 1 January 2030 in line with the original proposals. The policy statement also confirmed that the SME and infrastructure supporting factor will be removed, however, to ensure overall capital requirements do not increase for SME and infrastructure exposures, the PRA will introduce a new firm-specific structural adjustment to Pillar 2A (the 'SME lending adjustment'). How the structural adjustment will be managed in practice is currently unclear and the industry is waiting for the PRA to provide further clarification.

The PRA have also confirmed that an off-cycle review of firm-specific Pillar 2 capital requirements will be conducted ahead of day 1 implementation. The PRA is conducting a data collection exercise to inform this assessment, which will look to address double counting and unwarranted increases or decreases in capital arising from changes in RWAs as a result of the Basel 3.1 reforms, and plan to apply firm-specific structural adjustments to Pillar 2A to ensure overall capital for SME and infrastructure

lending do not increase as result of the removal of the Pillar 1 supporting factors. The deadline for the data collection exercise was 31 March 2025, but this was paused.

Once HM Treasury has passed legislation to revoke the relevant parts of the onshored CRR, the PRA will issue a final policy statement, covering the entire Basel 3.1 package.

The PRA announced on 17 January 2025 a further delay to the UK implementation of the Basel 3.1 reforms. Following consultations with HM Treasury, the PRA confirmed the implementation date is now scheduled for 1 January 2027, with full compliance still expected by 1 January 2030. The delay is attributed to ongoing uncertainty regarding the timing of the Basel 3.1 implementation in the US and considerations related to competitiveness and growth within the UK banking sector. The PRA have also paused the data collection exercise, originally due by 31 March 2025. The PRA will continue to monitor developments, particularly in the US, and will adjust its approach as necessary.

### UK leverage ratio framework

On 10 September 2024, the PRA confirmed it will be reviewing the leverage ratio requirements thresholds, in line with the commitment made in policy statement 21/21. The leverage ratio is an indicator of a firm's solvency and the minimum leverage ratio of 3.25% plus buffers is currently only applicable to firms with more than £50 billion retail deposits or £10 billion non-UK assets. Until the review is complete, the PRA are offering a modification by consent to not apply these rules, until the completion of the review. In March 2025 the PRA issued consultation paper 2/25 recommending the retail deposit threshold increase to £70 billion, £20 billion higher than the current threshold. The increase proposed is based on the growth in nominal UK GDP observed between Q1 2016 (point threshold was first applied) and Q2 2024 (latest point in time official statistics were available). No changes are proposed to the £10 billion non-UK asset threshold, which was implemented more recently in 2023. The consultation remains open for comment until 5 June 2025.

### Pillar 3 disclosure requirement



The 31 March 2025 Pillar 3 disclosures for the Investec plc Group are published in a standalone disclosure report and can be found on the Investec Group's website.

## NOTES TO RISK AND CAPITAL MANAGEMENT

### CONTINUED

#### Capital structure

£'million	31 March 2025*	31 March 2024*
<b>Shareholders' Equity</b>	<b>3 042</b>	<b>2 917</b>
Shareholders' equity excluding non-controlling interests <sup>(A)</sup>	3 138	3 011
Foreseeable charges and dividends	(63)	(56)
Perpetual preference share capital and share premium <sup>(A)</sup>	(25)	(25)
Deconsolidation of special purpose entities	(8)	(13)
<b>Non-controlling interests</b>	<b>—</b>	<b>—</b>
Non-controlling interests per balance sheet <sup>(A)</sup>	1	3
Non-controlling interests excluded for regulatory purposes	(1)	(3)
<b>Regulatory adjustments to the accounting basis</b>	<b>(8)</b>	<b>(3)</b>
Additional value adjustments	(5)	(5)
Cash flow hedging reserve	(6)	(18)
Adjustment under IFRS 9 transitional arrangements	3	20
<b>Deductions</b>	<b>(674)</b>	<b>(677)</b>
Goodwill and intangible assets net of deferred taxation	(673)	(671)
Deferred taxation assets that rely on future profitability excluding those arising from temporary difference	(1)	(2)
Securitisation positions which can alternatively be subject to a 1 250% risk weight	—	(1)
Defined benefit pension fund adjustment	—	(3)
<b>Common Equity Tier 1 capital**</b>	<b>2 360</b>	<b>2 237</b>
Additional Tier 1 instruments <sup>(A)</sup>	350	458
<b>Tier 1 capital **</b>	<b>2 710</b>	<b>2 695</b>
<b>Tier 2 capital**</b>	<b>712</b>	<b>712</b>
Tier 2 instruments	712	712
<b>Total regulatory capital**</b>	<b>3 422</b>	<b>3 407</b>

#### Risk weighted assets and capital requirements

£'million	31 March 2025*	31 March 2024*
<b>Risk weighted assets**</b>	<b>19 221</b>	<b>18 509</b>
Credit risk	15 532	15 278
Equity risk	459	527
Counterparty credit risk	461	370
Credit valuation adjustment risk	30	27
Market risk	446	428
Operational risk	2 293	1 879
<b>Capital requirements**</b>	<b>1 538</b>	<b>1 481</b>
Credit risk	1 243	1 223
Equity risk	37	42
Counterparty credit risk	37	30
Credit valuation adjustment risk	2	2
Market risk	36	34
Operational risk	183	150

\* The capital adequacy and leverage disclosures for Investec plc includes the deduction of foreseeable charges and dividends when calculating CET1 and Tier 1 capital. These disclosures differ from the disclosures included in Investec Group's year-end results booklet 2025, which follow our normal basis of presentation and do not include this deduction. Investec plc's CET1 ratio would be 33bps (31 March 2024: 30bps) and the leverage ratio 23bps (31 March 2024: 21bps) higher, on this basis.

\*\* The CET1, Tier 1, Total Capital ratios and RWAs are calculated applying the IFRS 9 transitional arrangements.

## NOTES TO RISK AND CAPITAL MANAGEMENT

### CONTINUED

#### Leverage

£'million	31 March 2025*	31 March 2024*
Total exposure measure	28 089	27 015
Tier 1 capital**	2 710	2 695
<b>Leverage ratio</b>	<b>9.6%</b>	<b>10.0%</b>
Total exposure measure (fully loaded)	28 085	26 995
Tier 1 capital (fully loaded)	2 707	2 675
<b>Leverage ratio (fully loaded)***</b>	<b>9.6%</b>	<b>9.9%</b>

#### Total regulatory capital flow statement

£'million	31 March 2025	31 March 2024
<b>Opening Common Equity Tier 1 capital</b>	<b>2 237</b>	<b>2 071</b>
Dividends paid to ordinary shareholders and Additional Tier 1 security holders	(144)	(117)
Profit after taxation	332	706
Foreseeable charges and dividends	(7)	(1)
Treasury shares^	(45)	(64)
Share-based payment adjustments^	42	40
Net equity impact on non-controlling interest movement	2	—
Transaction with equity holders	—	(3)
Movement in other comprehensive income	(50)	(22)
Cash flow hedging reserve	11	10
Net equity movements in associates and joint ventures	(8)	—
Goodwill and intangible assets (deduction net of related taxation liability)	(2)	(359)
Deferred tax that relies on future profitability (excluding those arising from temporary differences)	1	—
Deconsolidation of special purpose entities	5	2
IFRS 9 transitional arrangements	(17)	(29)
Other, including regulatory adjustments and other transitional arrangements	3	3
<b>Closing Common Equity Tier 1 capital</b>	<b>2 360</b>	<b>2 237</b>
<b>Opening Additional Tier 1 capital</b>	<b>458</b>	<b>250</b>
Issued capital	—	350
Redeemed capital	(108)	(142)
<b>Closing Additional Tier 1 capital</b>	<b>350</b>	<b>458</b>
<b>Closing Tier 1 capital</b>	<b>2 710</b>	<b>2 695</b>
<b>Opening Tier 2 capital</b>	<b>712</b>	<b>739</b>
Redeemed capital	—	(43)
Other, including regulatory adjustments and other transitional arrangements	—	17
<b>Closing Tier 2 capital</b>	<b>712</b>	<b>712</b>
<b>Closing total regulatory capital</b>	<b>3 422</b>	<b>3 407</b>

\* The leverage disclosures for Investec plc include the deduction of foreseeable charges and dividends when calculating Tier 1 capital. These disclosures differ from the leverage disclosures included in Investec Group's year-end results booklet 2025, which follow our normal basis of presentation and do not include this deduction. Investec plc's leverage ratio would be 23bps (31 March 2024: 21bps) higher, on this basis.

\*\* The CET1, Tier 1, Total Capital ratios and RWAs are calculated applying the IFRS 9 transitional arrangements.

\*\*\* The CET1 ratio (fully loaded) and the leverage ratio (fully loaded) assumes full adoption of IFRS 9.

^ Treasury shares and share-based payment adjustments have been restated due to realised gains and losses on treasury shares, predominately held in respect of share schemes, being inconsistently presented between Group entities. Treasury shares are now reflected at cost and all realised gains and losses on treasury shares recognised in retained income.

## PARENT COMPANY ANNUAL FINANCIAL STATEMENTS

**Balance sheet**

At 31 March £'000	Notes	2025	2024
<b>Assets</b>			
<b>Fixed assets</b>			
Investments in subsidiary undertakings	b	1 701 193	1 701 774
Securities and subordinated liabilities issued by subsidiary undertaking <sup>^</sup>	c	1 302 743	876 208
Other Additional Tier 1 securities issued by subsidiary undertaking <sup>^</sup>	c	350 000	458 108
Amounts owed by group undertakings		566 408	556 753
		<b>3 920 344</b>	<b>3 592 843</b>
<b>Current assets</b>			
Investments in listed equities		134 330	158 889
Taxation		2 124	6 242
Prepayments and accrued income		3 184	4 745
– balances with other banks		465	461
		<b>140 103</b>	<b>170 337</b>
<b>Current liabilities</b>			
<b>Creditors: amounts falling due within one year</b>			
Amounts owed to Group undertakings	i	23 235	7 356
Other liabilities		1 900	3 351
Accruals and deferred income		9 542	10 700
		<b>105 426</b>	<b>148 930</b>
<b>Net current assets</b>			
<b>Creditors: amounts falling due after one year</b>			
Debt securities in issue	d	928 915	492 486
Subordinated liabilities	e	701 259	699 940
		<b>2 395 596</b>	<b>2 549 347</b>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Ordinary share capital	h	198	202
Ordinary share premium	h	555 812	555 812
Capital reserve		173	173
Fair value reserve		(3 011)	21 548
Retained earnings		1 467 630	1 488 710
		<b>2 020 802</b>	<b>2 066 445</b>
<b>Ordinary shareholders' equity</b>			
Perpetual preference share capital and premium	h	24 794	24 794
		<b>2 045 596</b>	<b>2 091 239</b>
<b>Shareholders' equity excluding non-controlling interests</b>			
Other Additional Tier 1 securities in issue	h	350 000	458 108
		<b>2 395 596</b>	<b>2 549 347</b>
<b>Total capital and reserves</b>			

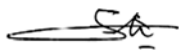
<sup>^</sup> The line item 'securities and subordinated liabilities issued by subsidiary undertaking' in the prior year has been disaggregated to present 'other additional tier 1 securities issued by subsidiary undertaking' separately on the balance sheet.

**The notes on pages 209 to 216 form an integral part of the financial statements.**

The Company's profit for the year, determined in accordance with the Companies Act 2006, was £126,163,024 (2024: £112 679 076).

The Company's distributable reserves as at 31 March 2025 were £1 464 617 665 (2024: £1 510 257 362).

Approved and authorised for issue by the Board of Directors on 20 June 2025 and signed on its behalf by:



**Fani Titi**

Group Chief Executive

20 June 2025

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
<b>At 31 March 2023</b>	<b>202</b>	<b>555 812</b>	<b>180 606</b>	<b>34 943</b>	<b>1 330 990</b>	<b>2 102 553</b>	<b>24 794</b>	<b>2 127 347</b>	<b>250 000</b>	<b>2 377 347</b>
Total comprehensive income	—	—	—	(13 395)	93 784	80 389	—	80 389	—	80 389
Dividends paid to preference shareholders	—	—	—	—	(1 455)	(1 455)	—	(1 455)	—	(1 455)
Dividends paid to ordinary shareholders	—	—	—	—	(94 404)	(94 404)	—	(94 404)	—	(94 404)
Dividends declared to Other Additional Tier 1 security holders	—	—	—	—	(20 638)	(20 638)	—	(20 638)	20 638	—
Dividends paid to Other Additional Tier 1 security holders	—	—	—	—	—	—	—	—	(20 638)	(20 638)
Issue of Other Additional Tier 1 security instruments	—	—	—	—	—	—	—	—	350 000	350 000
Redemption of Other Additional Tier 1 security instruments	—	—	—	—	—	—	—	—	(141 892)	(141 892)
Release of capital reserve to retained earnings <sup>^</sup>	—	—	(180 433)	—	180 433	—	—	—	—	—
<b>At 31 March 2024</b>	<b>202</b>	<b>555 812</b>	<b>173</b>	<b>21 548</b>	<b>1 488 710</b>	<b>2 066 445</b>	<b>24 794</b>	<b>2 091 239</b>	<b>458 108</b>	<b>2 549 347</b>
Total comprehensive income	—	—	—	(24 559)	122 958	98 399	—	98 399	—	98 399
Cancellation of special converting shares	(4)	—	—	—	—	(4)	—	(4)	—	(4)
Dividends paid to preference shareholders	—	—	—	—	(1 780)	(1 780)	—	(1 780)	—	(1 780)
Dividends paid to ordinary shareholders	—	—	—	—	(103 901)	(103 901)	—	(103 901)	—	(103 901)
Dividends declared to Other Additional Tier 1 security holders	—	—	—	—	(38 357)	(38 357)	—	(38 357)	38 357	—
Dividends paid to Other Additional Tier 1 security holders	—	—	—	—	—	—	—	—	(38 357)	(38 357)
Redemption of Other Additional Tier 1 security instruments	—	—	—	—	—	—	—	—	(108 108)	(108 108)
<b>At 31 March 2025</b>	<b>198</b>	<b>555 812</b>	<b>173</b>	<b>(3 011)</b>	<b>1 467 630</b>	<b>2 020 802</b>	<b>24 794</b>	<b>2 045 596</b>	<b>350 000</b>	<b>2 395 596</b>

<sup>^</sup> In the prior year, 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.

## 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.

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 20 June 2026, which is a period of 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).

## PARENT COMPANY ANNUAL FINANCIAL STATEMENTS

### CONTINUED

### Income

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

- 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 amortised cost or fair value through other comprehensive income.

### Financial liabilities

Financial liabilities are recorded at amortised cost applying the effective interest rate method.

## b. Investments in subsidiary undertakings

At 31 March £'000	2025	2024
At the beginning of the year	1 701 774	1 701 774
Disposals	(581)	—
<b>At the end of the year</b>	<b>1 701 193</b>	<b>1 701 774</b>

## c. Securities issued by subsidiary undertaking

On 5 October 2017, the company acquired £200 million Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities issued by Investec Bank plc. The securities were perpetual and paid a distribution rate on 5 March, June, September and December, commencing from 5 December 2017. The distribution rate was 6.75% per annum until 5 December 2024. On 22 January 2019, the company acquired a further £50 million of securities issued by Investec Bank plc which paid a distribution rate of 6.75% per annum quarterly, after the initial short period distribution paid on 5 March 2019. On 1 March 2024, Investec Bank plc bought back £142 million of these securities and redeemed the remaining balance of £108 million on the first optional call date on 5 December 2024.

On 4 October 2021, Investec Bank plc entered into a £350 million 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 9.125% (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%. This loan is subordinated to both depositors and unsubordinated creditors of Investec Bank plc. 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.

## PARENT COMPANY ANNUAL FINANCIAL STATEMENTS

### CONTINUED

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 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.

On 19 February 2025 Investec Bank plc entered into a €500 million senior loan with Investec plc at a fixed interest rate of 3.625%. This loan is subordinated to both depositors and unsubordinated creditors of Investec Bank plc. The loan matures on 19 February 2031 and pays interest at a fixed rate annually in arrears. The borrower may prepay the loan in full on 19 February 2030.

#### **d. Debt securities in issue**

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 2028, 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.

On 19 February 2025, the company issued €500 million 3.625% Senior Unsecured Notes from its European Medium Term Note programme ('EMTN'). The notes mature on 19 February 2031 and pay interest at a fixed rate annually in arrears. The issuer may redeem the notes at par on 19 February 2030.

#### **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 are set out in note 40 of the Group financial statements. Details of the perpetual preference shares are set out in note 41 of the Group financial statements. Details of the Other Additional Tier 1 securities are set out in note 45 of the Group financial statements.

#### **i. 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 Investec Group's integrated annual report for the year ended 31 March 2025.

PARENT COMPANY ANNUAL FINANCIAL STATEMENTS  
CONTINUED

## k. Subsidiaries

At 31 March 2025	Principal activity	Interest held
<b>United Kingdom</b>		
<b>Registered office: 30 Gresham Street, London, EC2V 7QP, UK</b>		
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	Investment holding company	100%
EVO 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%
Investec India Holdco Limited	Investment holding company	86.53%
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.

PARENT COMPANY ANNUAL FINANCIAL STATEMENTS  
CONTINUED

### k. Subsidiaries (continued)

At 31 March 2025	Principal activity	Interest held
<b>United Kingdom</b>		
<b>Registered office: Reading International Business Park, Reading, RG2 6AA, UK</b>		
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%
<b>Australia</b>		
<b>Registered office: Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000, Australia</b>		
Investec Holdings Australia Pty Limited	Holding company	100%
Investec Australia Finance Pty Limited	Lending company	100%
Investec Australia Pty Limited	Financial services	100%
<b>British Virgin Islands</b>		
<b>Registered office: Palm Grove House, PO Box 438, Road Town, Tortola, British Virgin Islands</b>		
Finistere Directors Limited	Corporate director	100%
GFT Directors Limited	Corporate director	100%
<b>France</b>		
<b>Registered office: 27 Rue Maurice Flandin – 69003 Lyon Cedex 03, France</b>		
SCI CAP Philippe	Property company	100%
<b>Registered office: 32 rue de Monceau, 75008 Paris, France</b>		
Investec Advisory SAS	Advisory services	60%
<b>Registered office: 92 Avenue de Wagram, 75017, Paris, France</b>		
Villa Lara Eze SAS	Property company	100%
<b>Germany</b>		
<b>Registered office: Sonnenberger Straße 16, 65193 Weisbaden, Germany</b>		
Investec Advisory GmbH & Co. KG	Advisory services	60%

PARENT COMPANY ANNUAL FINANCIAL STATEMENTS  
CONTINUED

**k. Subsidiaries (continued)**

At 31 March 2025	Principal activity	Interest held
<b>Guernsey</b> <b>Registered office: PO Box 188, Gategny Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 3LP, Channel Islands</b> Investec Asset Finance (Channel Islands) Limited	Leasing company	100%
<b>Registered office: Gategny Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 1WR, Channel Islands</b> Investec Bank (Channel Islands) Limited Investec Bank (Channel Islands) Nominees Limited	Banking institution Nominee	100% 100%
<b>Registered office: PO Box 290, Gategny Court, Gategny Esplanade, St Peter Port, Guernsey, GY1 3RP, Channel Islands</b> Bayeux Limited Finistere Limited Finistere Secretaries Limited ITG Limited	Corporate director Corporate nominee Corporate secretary Corporate director	100% 100% 100% 100%
<b>Registered office: Heritage Hall, Le Marchant Street, St Peter Port, Guernsey, GY1 4JH, Channel Islands</b> Investec Captive Insurance Limited	Captive insurance company	100%
<b>Jersey</b> <b>Registered office: 2nd Floor One The Esplanade, St Helier, Channel Islands, Jersey, JE2 3QA</b> Appleton Resources (Jersey) Limited	Holding company	100%
<b>Registered office: Aztec Group House, IFC6, The Esplanade, St. Helier, JE4 0QH, Jersey</b> REALIS GP Limited	Fund management activities	100%
<b>India</b> <b>Registered office: B Wing, 11th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, India</b> Investec Credit Finance Private Limited	Lending platform	99%
<b>Registered office: 13th floor, Tower 3, NESCO IT Park, NH 8, NESCO, Goregaon, Mumbai, Maharashtra 400063</b> Investec Global Services (India) Private Limited	ITES outsourcing	100%

PARENT COMPANY ANNUAL FINANCIAL STATEMENTS  
CONTINUED

### k. Subsidiaries (continued)

At 31 March 2025	Principal activity	Interest held
<b>Ireland</b>		
<b>Registered office: The Harcourt Building, Harcourt Street, Dublin 2, Ireland</b>		
Investec Holdings (Ireland) Limited	Holding company	100%
Investec Ireland Limited	Group Services Company	100%
Investec International Limited	Aircraft leasing Services	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%
<b>Registered office: 32 Molesworth Street, Dublin 2, Ireland</b>		
Gresham Leasing 2 Limited	Equipment rental and leasing	100%
<b>Luxembourg</b>		
<b>Registered office: 15 Boulevard Friedrich Wilhelm Raiffeisen L-2411 Luxembourg</b>		
PDF II GP s.a.r.l.	Fund management activities	100%
<b>Netherlands</b>		
<b>Registered office: Reitschweg 49, 5232BX's-Hertogenbosch, the Netherlands</b>		
Investec Continental Europe Advisory BV	Non-trading	60%
Investec Advisory B.V	Advisory services	60%
<b>Singapore</b>		
<b>Registered office: 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095</b>		
Investec Singapore Pte Limited	Securities services	100%
<b>Switzerland</b>		
<b>Registered office: 23 Avenue de France, CH – 1202, Geneva, Switzerland</b>		
Reichmans Geneva SA	Trading company	100%
<b>Registered offices: Löwenstrasse 29, CH-8001 Zurich, Switzerland</b>		
Investec Bank (Switzerland) AG	Banking institution and wealth manager	100%
<b>United States of America</b>		
<b>Registered office: 10 E. 53rd St., 22nd Floor, New York, NY 10022, USA</b>		
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%
<b>Registered office: One Carbon Center-Suite 501, 13905 McCorkle Ave. SE, Chesapeake, WV 25315</b>		
Appleton Coal LLC	Investment holding company	100%

PARENT COMPANY ANNUAL FINANCIAL STATEMENTS  
CONTINUED

## k. Subsidiaries (continued)

### Associates and joint venture holdings

At 31 March 2025	Principal activity	Interest held
<b>United Kingdom</b> <b>Registered office: 30 Gresham Street, London, England, EC2V 7QN</b> Rathbones Group Plc	Financial services	41.25%
<b>Registered office: Capital House, Raynham Road, Bishops Stortford, Hertfordshire, CM23 5TT</b> CF Capital Holdings	Holding company	25%
<b>Registered office: 1 Park Row, Leeds, England, LS1 5AB</b> Macdui Topco Limited	Holding company	40%
<b>British Virgin Islands</b> <b>Registered office: Vistra Corporate Service Centre, Wickhams Cay II, Road Town, Tortola VG1110, British Virgin Islands</b> iMarkets (Holdings) Limited	Online trading platform	33%
<b>Registered office: Wattley Building, 2nd Floor, 160 Main Street, PO Box 3410, Road Town, Tortola, British Virgin Islands</b> Templewater Holdings Limited	Holding company	50%
<b>India</b> <b>Registered office: 32/1. 14th Cross, 9th Main, 6th Sector H.S.R. Layout, Bangalore, Karnataka 560102, India</b> JSM Advisers Private Limited	Fund management	55%
<b>Registered office: B Wing, 11th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai-400051</b> Investec Capital Services (India) Private Limited	Merchant banking and stock broking	80.3%

## 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.

The below information is audited unless indicated otherwise

Adjusted earnings attributable to ordinary shareholders	Earnings attributable to shareholders adjusted to remove goodwill, acquired intangibles, strategic actions, including such items within equity accounted earnings, and earnings attributable to perpetual preference shareholders and Other Additional Tier 1 security holders.
Adjusted operating profit	Pro-forma profit before taxation, adjusted to remove goodwill, acquired intangibles and strategic actions, including such items within equity accounted earnings, and non-controlling interests  → Refer to calculation on page 89 for a reconciliation of these items.
Annuity income	Net interest income plus net annuity fees and commissions  → Refer to pages 92 and 93.
Core loans	The table below describes the differences between "loans and advances to customers" as per the balance sheet and gross core loans

£'million	31 March 2025	31 March 2024
Loans and advances to customers per the balance sheet	16 814	16 570
ECL held against FVOCI loans	(23)	(13)
<b>Net core loans</b>	<b>16 791</b>	<b>16 557</b>
of which amortised cost and FVOCI ("subject to ECL")	16 219	15 916
of which FVPL	572	641
Add: ECL	165	187
<b>Gross core loans</b>	<b>16 956</b>	<b>16 744</b>
of which amortised cost and FVOCI ("subject to ECL")	16 384	16 103
of which FVPL	572	641

Cost to income ratio Refer to calculation in the table below

£'000	31 March 2025	31 March 2024 <sup>^</sup>
Operating costs (A)	631 810	656 599
Operating income	1 188 965	1 206 066
Less: Profit attributable to non-controlling interests	(12)	(1 204)
Total (B)	1 188 953	1 204 862
<b>Cost to income ratio (A/B)</b>	<b>53.1%</b>	<b>54.5%</b>

<sup>^</sup> This key metric is based on the pro-forma income statements on page 9.

### The below information is unaudited

Coverage ratio	ECL as a percentage of gross core loans subject to ECL
Credit loss ratio	ECL impairment charges on core loans as a percentage of average gross core loans subject to ECL
Gearing ratio	Total assets divided by total equity
Loans and advances to customers as a % of customer deposits	Loans and advances to customers as a percentage of customer accounts (deposits)
Net interest margin	Interest income net of interest expense, divided by average interest-earning assets  → Refer to calculation on page 92.
Return on average assets	Adjusted earnings attributable to ordinary shareholders divided by average total assets excluding assurance assets
Return on average risk weighted assets	Adjusted earnings attributable to ordinary shareholders divided by average risk weighted assets

## ANNEXURE

**TCFD and CFD mapping table**

As part of our commitment to transparent and decision-useful climate-related disclosures, Investec plc aligns its reporting with both the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the mandatory requirements set out in the UK Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (CFD).

The table below provides a clear mapping between the 11 TCFD recommended disclosures and the corresponding CFD requirements, demonstrating how our disclosures address both voluntary and statutory expectations.

<b>TCFD reference number</b>	<b>TCFD pillar</b>	<b>TCFD disclosure</b>	<b>CFD requirement</b>	<b>CFD reference code</b>
1	Governance	Describe the board's oversight of climate-related risks and opportunities	Description of the governance arrangements	G1
2	Governance	Describe management's role in assessing and managing climate-related risks	Description of management's role	G2
3	Strategy	Describe the climate-related risks and opportunities identified	Description of climate-related risks and opportunities	S1
4	Strategy	Describe the impact of climate-related risks and opportunities on the business	Actual and potential impact on the business model and strategy	S2
5	Strategy	Describe the resilience of the organisation's strategy under different scenarios	Resilience of business model to climate-related scenarios	S3
6	Risk management	Describe processes for identifying climate-related risks	How climate-related risks are identified	RM1
7	Risk management	Describe processes for managing climate-related risks	How climate-related risks are managed	RM2
8	Risk management	Describe how these processes are integrated into the overall risk management	Integration into the overall risk management process	RM3
9	Metrics and targets	Disclose metrics used to assess climate-related risks and opportunities	Metrics and KPIs relevant to strategy and risk management	M1
10	Metrics and targets	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions	GHG emissions data (Scope 1 and 2 mandatory; Scope 3)	M2
11	Metrics and targets	Describe targets used and performance against targets	Climate-related targets and progress against them	M3

## DEFINITIONS

### **Cash and near cash**

Comprises cash, near cash (which largely includes central bank prepositioned collateral), and central bank cash placements and other HQLA

### **ECL**

Expected credit loss

### **Funds under management**

Consists of third party funds managed by the Wealth & Investment business, and by the Property business (which forms part of the Specialist Bank) in the prior year

### **FVOCI**

Fair value through other comprehensive income

### **FVPL**

Fair value through profit and loss

### **Legacy business in the UK Specialist Bank ('Legacy')**

Legacy, as separately disclosed from 2013 to 2018, comprises pre-2008 assets held on the UK bank's balance sheet, that had very low/negative margins and assets relating to business we are no longer undertaking

### **Net-zero**

Balancing the amount of emitted greenhouse gases with equivalent emissions that are either offset or sequestered.

### **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

### **Ongoing basis**

Ongoing information, as separately disclosed from 2013 to 2018, excludes Legacy assets (refer to definition), as well as the following businesses sold in previous years: Investec Bank (Australia) Limited, Kensington Group plc and Start Mortgage Holdings Limited

### **Strategic actions**

Comprises the closure and rundown of the Hong Kong direct investments business and financial impact of group restructures

### **Structured credit**

Reflects the gross exposure of rated and unrated structured credit classified within other debt securities and other loans and advances on the balance sheet.

→ Refer to page 188 for detail.

### **Subject to ECL**

Includes financial assets held at amortised cost and FVOCI

## GLOSSARY

**The following abbreviations have been used throughout this report:**

AGM	Annual general meeting	GDP	Gross domestic product
ALCO	Asset and Liability Committee	GDPR	General Data Protection Regulation
AT1	Additional Tier 1	GFSC	Guernsey Financial Services Commission
BCBS	Basel Committee of Banking Supervision	GM	Guinness Mahon
BCR	Banking Competition Remedies Limited	GMRA	Global Master Repurchase Agreement
BID	Belonging, Inclusion and Diversity	GMSLA	Global Master Securities Lending Agreement
BoE	Bank of England	Group ERC	Group Executive Risk Committee
BRCC	Board Risk and Capital Committee	GRRRMF	Group Risk Review and Reserves Matters Forum
BRRD	Bank Recovery and Resolution Directive	HNW	High net worth
BSE	Botswana Stock Exchange	HR	Human resources
CA	Chartered Accountant	HQLA	High quality liquid assets
CAM	Combined Assurance Matrix	IAM	Investec Asset Management Limited
CCB	Capital Conservation Buffer	IASs	International Accounting Standards
CCyB	Countercyclical Capital Buffer	IBL	Investec Bank Limited
CDO	Collateralised debt obligation	IBOR	Interbank offered rate
CDS	Credit default swap	IBP	Investec Bank plc
CEO	Chief Executive	IBP BRCC	IBP Board Risk and Capital Committee
CET1	Common Equity Tier 1	IBP ERC	IBP Executive Risk Committee
CFP	Contingency Funding Plan	IBP Review ERRF	IBP Review Executive Risk Review Forum
CLO	Collateralised loan obligation	ICAAP	Internal Capital Adequacy Assessment Process
CLR	Credit Loss Ratio	IFA	Independent Financial Adviser
COO	Chief Operating Officer	IFC	International Finance Corporation
COVID	Corona Virus Disease	IFRIC	International Financial Reporting Interpretations Committee
CPI	Consumer Price Index	IFRS	International Financial Reporting Standard
CRD IV	Capital Requirements Directive IV	IIA	Institute of Internal Auditors
CRO	Chief Risk Officer	ILAAP	Internal Liquidity Adequacy Assessment Process
CRR	Capital Requirements Regulation	IRB	Internal Ratings Based
CRS	Common Reporting Standard	IRRBB	Interest Rate Risk in the Banking Book
CSA	Credit Support Annex	ISDA	International Swaps and Derivatives Association
CVA	Credit valuation adjustment	IT	Information technology
DCF	Discounted cash flow	IW&I Group	Investec Wealth & Investment International
DFM	Discretionary Fund Management	JSE	Johannesburg Stock Exchange
DLC	Dual listed company	LCR	Liquidity Coverage ratio
DLC BRCC	DLC Board Risk and Capital Committee	LGD	Loss given default
DLC ITRGC	DLC IT Risk and Governance Committee	LHS	Left hand side
DLC Nomdac	DLC Nominations and Directors Affairs Committee	LIBOR	London Inter-bank Offered Rate
DLC Remco	DLC Remuneration Committee	LSE	London Stock Exchange
DLC SEC	DLC Social and Ethics Committee	LTI	Long-term incentive
EAD	Exposure at default	LTV	Loan-to-value
EBA	European Banking Authority	MDR	Mandatory Disclosure Rules
EC	European Commission	MLRO	Money Laundering Reporting Officer
ECL	Expected credit loss	MREL	Minimum Requirements for Own Funds and Eligible Liabilities
EIR	Effective interest rate	MRT	Material Risk Taker
EP	Equator Principles	NCI	Non-controlling interests
EQAR	Engagement Quality Assurance Review	NSFR	Net Stable Funding ratio
ERV	Expected rental value	NSX	Namibian Stock Exchange
ES	Expected shortfall	NZBA	Net-Zero Banking Alliance
ESG	Environmental, social and governance	OCI	Other comprehensive income
EU	European Union	OD	Organisation development
EVT	Extreme value theory	OECD	Organisation for Economic Co-operation and Development
FATCA	Foreign Account Tax Compliance Act	OTC	Over the counter
FCA	Financial Conduct Authority		
FINMA	Swiss Financial Market Supervisory Authority		
FPC	Financial Policy Committee		
FRC	Financial Reporting Council		
FSCS	Financial Services Compensation Scheme		
FUM	Funds under management		
FVOCI	Fair value through other comprehensive income		
FVPL	Fair value through profit and loss		

## GLOSSARY

### CONTINUED

PBAF	Partnership for Biodiversity Accounting Financials
PCAF	Partnership for Carbon Accounting Financials
PD	Probability of default
PRA	Prudential Regulation Authority
RHS	Right hand side
ROU	Right of use asset
RPA technologies	Robotic Process Automation technologies
RRP	Recovery Resolution Plan
RWA	Risk weighted asset
RFR	Risk-free rate
SA-CCR	Standardised Approach for measuring Counterparty Credit Risk
S&P	Standard & Poor's
SBTi	Science Based Targets initiative
SDGs	Sustainable Development Goals
SICR	Significant increase in credit risk
SIPP	Self Invested Personal Pension
SME	Small and Medium-sized Enterprises
SMMEs	Small, Medium & Micro Enterprises
SPPI	Solely payments of principal and interest
SREP	The Supervisory Review and Evaluation Process
STI	Short-term incentive
sVaR	Stressed VaR
TCFD	Task Force on Climate-related Financial Disclosures
tCO <sub>2</sub> e	Tonnes of CO <sub>2</sub> emissions
TFSME	Bank of England Term Funding Scheme for Small and Medium Enterprises
UN	United Nations
UN GISD	United Nations Global Investment for Sustainable Development
UK	United Kingdom
UKLA	United Kingdom Listing Authority
VaR	Value at Risk
YES	Youth Employment Service

## CORPORATE INFORMATION

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Reg. No. 3633621

Registered in England

**Auditors**

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**Sponsors**

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**Directorate as at 20 June 2025****Executive Directors**

Fani Titi<sup>2</sup> (Chief Executive)  
Nishlan Samujh<sup>2</sup> (Finance Director)

**Non-Executive Directors**

Philip Hourquebie<sup>1, 2</sup> (Chair)  
Henrietta Baldock<sup>1</sup> (Senior Independent Director)  
Vivek Ahuja<sup>3</sup>  
Stephen Koseff<sup>2, 4</sup>  
Nicky Newton-King<sup>1, 2</sup>  
Jasandra Nyker<sup>2</sup>  
Vanessa Olver<sup>2</sup>  
Diane Radley<sup>2</sup>  
Brian Stevenson<sup>1</sup>

1 British  
2 South African  
3 Singaporean  
4 Australian

Zarina Bassa and Philisiwe Sibiyi stepped down from the Board on 8 August 2024.

Vivek Ahuja was appointed to the Board on 6 May 2025.

**Contact details**

Contact details for all our offices can be found on the group's website at: [www.investec.com](http://www.investec.com)

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