

World of possibilities

Investec integrated and
strategic annual report 2022



**Alternative performance measures**

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

**Audited information**

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

**Page references**

Refers readers to information elsewhere in this report.

**Integrating sustainability**

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

**Website**

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

**Group sustainability**

Refers readers to further information in the Investec Group's 2022 sustainability report which will be available on our website at the end of June 2022: www.investec.com

**Reporting standard**

Denotes our consideration of a reporting standard.

**Unaudited information**

Indicates information which has not been audited.

**Reasonable assurance**

Denotes information in the sustainability summary that has been reasonably assured by KPMG Inc.

**Strategic report**

Section 414A of the UK Companies Act 2006 (the UK Companies Act) requires the directors to present a strategic report in the annual report and accounts.

This document, the strategic report, should be read in conjunction with the Investec Group's 2022 risk and governance report and the Investec Group's 2022 remuneration report, which elaborate on some of the aspects highlighted in the strategic report.

Feedback

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

For queries regarding information in this document:

Investor relations

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www.investec.com/en_gb/welcome-to-investec/about-us/investor-relations.html

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OUR REPORTING SUITE

We produce a full suite of reports to cater for the diverse needs of our stakeholders.

As a requirement of our dual-listed company (DLC) structure, we comply with the disclosure obligations contained in the applicable listing rules of the UK Listing Authority (UKLA), the JSE Limited (JSE) and other exchanges on which our shares are listed. We further comply with any public disclosure obligations as required by the UK regulators and the South African Prudential Authority, as well as the recommendations of the King IV Code and the UK Governance Code 2018.

Annual integrated report

This report covers the period 1 April 2021 to 31 March 2022 and includes material issues up to the date of Board approval on 22 June 2022.

This report covers all our operations across the various geographies in which we operate and has been structured to provide stakeholders with relevant financial and non-financial information.

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

The Investec Group annual reporting suite comprises the following documents:



Investec integrated and strategic report

Strategic report incorporating a business overview and a summary of our risk, sustainability, governance and remuneration practices



Investec risk and governance report

Sets out the more detailed management of risks relating to Investec's Group operations and the governance committee reporting



Investec annual financial statements

Sets out the full DLC audited annual financial statements



Investec remuneration report

Sets out the full remuneration practices of Investec including implementation of policies and the directors' remuneration report

The following reports will be available on our website at the end of June 2022:

Group sustainability report

This report provides a holistic view of Investec Group's social and environmental impact within our operations including our contribution to the Sustainable Development Goals (SDGs). We incorporate material information from the main geographies in which we operate.

Group climate-related financial disclosures report

This report provides our progress on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We incorporate material climate-related matters in this report.

Pillar III disclosure reports

These reports provide disclosures that allow market participants to assess the scope of application by banks of the Basel committee's framework and the rules in their jurisdiction – their capital condition, risk exposure, risk management process and capital adequacy.

Our business overview



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OUR BUSINESS AT A GLANCE

One Investec

Our purpose

Our purpose is to create enduring worth – living in, not off, society.

Our mission

Investec is a distinctive bank and wealth manager, driven by commitment to our core philosophies and values. 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 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-tech and high-touch approach and our positive contribution to society, macro-economic stability and the environment. Ours is a culture that values innovative thinking and stimulates extraordinary performance. We take pride in the strength of our leadership team and we employ passionate, talented people who are empowered and committed to our mission and values.

Our strategic direction

The One Investec strategy is, first and foremost, a commitment to drawing on the full breadth and depth of relevant capabilities to meet the needs of each and every client, regardless of specialisation or geography.

One Investec is also about improving internal operating efficiencies; ensuring that investments in infrastructure and technology support our differentiated service offering across the entire Group, not just within specific operating units or geographies.

And in our allocation of capital, the One Investec strategy demands a disciplined approach to optimising returns, not merely for one region or business area but for the Group as a whole.

Our values

Our purpose is expressed in four key values that shape the way that we work and live within society.

Distinctive performance

- We employ talented people with passion, energy and stamina, who exercise common sense in achieving effective performance in a high pressure, multi-task environment
- We promote innovation and entrepreneurial freedom to operate within the context of risk consciousness, sound judgement and an obligation to do things properly
- We show concern for people, support our colleagues and encourage growth and development.

Dedicated partnership

- We believe that open and honest dialogue is the appropriate process to test decisions, seek consensus and accept responsibility
- We are creative individuals who co-operate and collaborate unselfishly in pursuit of group performance
- We respect the dignity and worth of the individual through encouraging openness and embracing difference and by the sincere, consistent and considerate manner in which we interact.

Client focus

- We break china for the client, having the tenacity and confidence to challenge convention
- We thrive on change, continually challenging the status quo and recognising that success depends on flexibility, innovation and enthusiasm in meeting the needs of our changing environment.

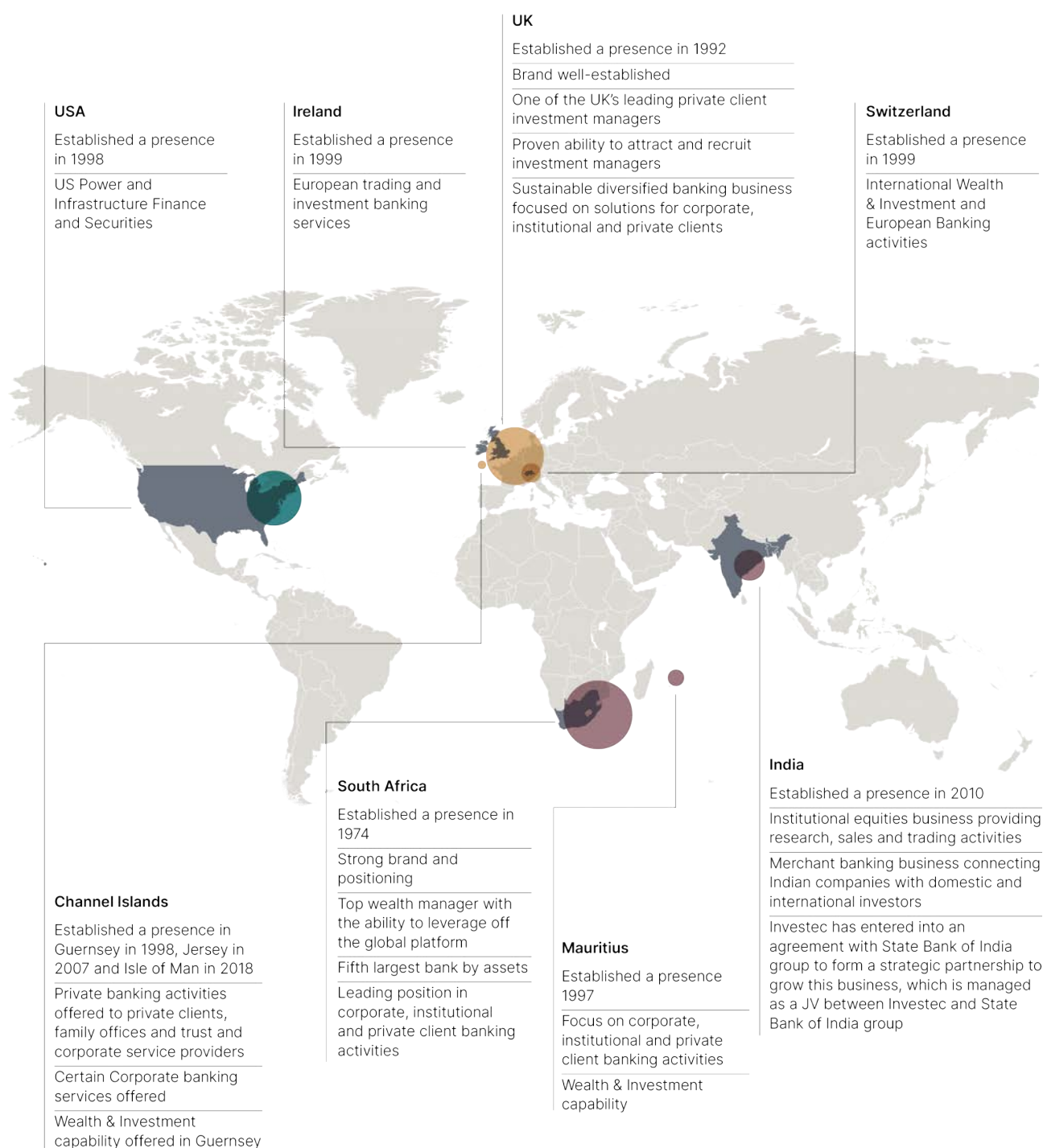
Cast-iron integrity

- We demand cast-iron integrity in all internal and external dealings, consistently and uncompromisingly displaying moral strength and behaviour which promotes trust.

OUR BUSINESS AT A GLANCE

CONTINUED

Since inception, we have expanded through a combination of substantial organic growth and a series of strategic acquisitions. Our focus today is on growth in our chosen markets.



OUR BUSINESS AT A GLANCE

CONTINUED

Our journey so far

1974	Founded as a leasing company in Johannesburg
1980	We acquired a banking licence
1986	We were listed on the JSE Limited South Africa
2002	In July 2002, we implemented a dual-listed companies (DLC) structure with linked companies listed in London and Johannesburg
2003	We concluded a significant empowerment transaction in which our empowerment partners collectively acquired a 25.1% stake in the issued share capital of Investec Limited
2020	We successfully completed the demerger of Investec Asset Management which separately listed as Ninety One in March 2020
2022	Today, we have an efficient, integrated international business platform, offering all our core activities in the UK and South Africa



Refer to the Divisional review section (page [43](#)) for more information on where we operate.

Investment proposition

Well positioned to pursue long-term growth

Well capitalised and highly liquid balance sheet

Improved capital allocation – operating with excess capital in South Africa

Diversified mix of earnings by geography and business, with significant annuity income underpin from leading wealth business

Clear growth opportunities through reinforcement of existing linkages across geography and business and new profit pool strategies which are underway

Our clients have historically shown resilience through difficult macro environments

Rightsized the cost structure of the business

OUR BUSINESS AT A GLANCE
CONTINUED

45+ years of heritage.
Two core geographies.
One Investec.

The One Investec strategy is, first and foremost, a commitment to drawing on the full breadth and depth of relevant capabilities to meet the needs of each and every client, regardless of specialisation or geography.

Whether you are an individual, a business, or an intermediary acting for clients, our aim is to create and manage your wealth and fuel your business growth.



Adjusted operating profit
£'million

£687.4mn



■	Southern Africa	£387.5mn
■	UK and Other	£299.9mn

Total assets
£'billion

£58.8bn



■	Southern Africa	£31.0bn
■	UK and Other	£27.8bn

Note: Figures on these pages relate to the financial year ended 31 March 2022.

OUR BUSINESS AT A GLANCE
CONTINUEDSouthern
Africa

Net core loans

£15.5bn

Customer deposits

£21.8bn

Funds under management

£19.4bn

Total employees

4 871



ROE

11.7%



ROTE

11.7%



Cost to income ratio

53.9%

Allocated capital

£2.3bn

UK and
Other

Net core loans

£14.4bn

Customer deposits

£18.3bn

Funds under management

£44.4bn

Total employees

3 465



ROE

11.2%



ROTE

12.9%



Cost to income ratio

70.5%

Allocated capital

£2.3bn

Total
Group

Net core loans

£29.9bn

Customer deposits

£40.1bn

Funds under management

£63.8bn

Total employees

8 336



ROE

11.4%



ROTE

12.3%



Cost to income ratio

63.3%

Allocated capital

£4.6bn

A key competitive advantage is our ability to service clients seamlessly across all business areas and geographies. This approach is embodied in our One Investec philosophy, which places the client at the centre of our operating model.

SA Wealth & Investment annuity clients who are also SA Private Bank clients

44%

Incremental FUM referred to UK Wealth & Investment from UK Bank

£473mn

CASE STUDY

International collaboration

As our global footprint continues to grow, our corporate finance business is collaborating and connecting across more borders, delivering a true One Investec service to clients.

In a connected world where cross-border expansion sits at the heart of many clients' ambitions, it's increasingly important for our corporate finance team to offer seamless support across multiple geographies.

During the year, we continued to expand our global footprint – with key deals boosting our presence in many regions. In continental Europe, for example, we acquired a 30% stake in Capitalmind, an M&A advisory firm with offices in Benelux, Germany, France, Scandinavia and Switzerland and a team of over 70 dealmakers. We've also formed a partnership with Regions-BlackArch, one of the top 15 banks in the USA giving us access to buyers and sellers of businesses across North America. Elsewhere, we enhanced our ability to serve clients in Sub-Saharan Africa, India, Australia and New Zealand. Our network now extends across both developed and emerging markets, giving us a broad global perspective and an ability to bring highly creative solutions to our clients.

This broader, more connected corporate finance capability is in line with our One Investec strategy – a capability that collaborates across locations, sharing expertise and knowledge to maximise revenue from cross-border M&A and equity capital markets (ECM) opportunities.

A great example of this joined up thinking was when our specialists in London and Johannesburg came together to form a single cohesive team that provided the regional shopping centre company Capital & Regional plc with financial, strategic and tactical advice on all aspects of the restructuring of its balance sheet and its capital raise – including acting as sponsor to the capital raising on both the LSE and JSE.

"Delivering a solution to Capital & Regional required a highly integrated approach across the United Kingdom and South African capital markets. Our unique position straddling these geographies, with the ability to work together as a single unified team, is what made this possible." – Charles Barlow, head of cross border corporate finance.

“Delivering a solution to Capital & Regional required a highly integrated approach across the United Kingdom and South African capital markets.”

Charles Barlow
Head of cross border
corporate finance



OUR BUSINESS MODEL

A distinctive banking and wealth management business creating sustainable, long-term value for our stakeholders

Key highlights

Principal geographies

2

Core areas of activity

2

Total employees

8 300+

Net core loans

£29.9bn

Customer deposits

£40.1bn

Funds under management

£63.8bn

Our clients and offering

One Investec

- Corporate
- Intermediary

- Institutional
- Government

- Private client (HNW / high income)

- Charities
- Intermediaries
- Trusts

Specialist Banking

Lending
Transactional banking
Treasury solutions
Advisory
Investment activities
Deposit raising activities

Wealth & Investment

Discretionary wealth management
Investment advisory services
Financial planning
Stockbroking

Our approach

We have market-leading, distinctive client franchises

We provide a high level of client service enabled by comprehensive digital platforms

We are a people business backed by our Out of the Ordinary culture and entrepreneurial spirit

Our stakeholders

Our clients

We support our clients to grow their businesses by leveraging our financial expertise to provide bespoke solutions that are profitable, impactful and sustainable.

Our people

We continue to build a diverse and representative workforce, employing people who are passionate and empowered to perform extraordinarily.

Our communities

We unselfishly contribute to communities by helping people become active economic participants, focusing on education and economic inclusion.

Our planet

We aim to operate sustainably, within our planetary boundaries and funding activities that support biodiversity and a zero-carbon world.

Our shareholders

We regularly engage with our shareholders and seek their input on strategic matters. We strive to maximise shareholder returns and to build and maintain strong, lasting relationships.

OUR BUSINESS MODEL

CONTINUED

Our inputs



Human capital

We invest significantly in our people to grow talent and leadership. We provide a safe and healthy work environment that values physical as well as psychosocial wellbeing.



Intellectual capital

We leverage our expertise and specialist financial skills to provide bespoke solutions for clients. We maintain a diversified portfolio of businesses to support performance through varying economic cycles.



Social and relationship capital

We engage with our key stakeholders to better our contribution to the improvement of the socio-economic environment in which we operate. We contribute to society through our community programmes and are committed to transformation and youth employment in South Africa.



Natural capital

We support the transition to a low-carbon economy. We recognise the complexity and urgency of climate change and actively seek opportunities that have a meaningful impact in addressing climate change.



Technological capital

We leverage technology to modernise the business and create a digital, connected workplace. We have digitalised client platforms and drive innovation by partnering with fintechs.



Financial capital

We create sustained long-term wealth by building resilience in earnings and growing our core businesses.

Our outputs

Learning and development spend as a % of staff costs is 1.6% against a target of >1.5% (March 2021: 1.3%)

49.7% female employees (March 2021: 48.8%), 36% female Board representation (against our target of 33% female board representation) and 43% Board members are persons of colour (measured in terms of the Parker Review)

Annuity income as a percentage of operating income is 76.2% (2021: 77.6%)

Created a sustainable finance framework aligned to our two impact SDGs: SDG 13 (climate change) and SDG 10 (reduced inequalities)

Customer accounts up 16.5% (up 12.9% in neutral currency)

1.3% community spend as a % of operating profit* of which 79% was on education, entrepreneurship and job creation

Arranged €215 million financing for two major state-of-the-art hospitals in Ghana

Our banking fossil fuel exposures is 1.99% of loans and advances at March 2022 (March 2021: 1.92%)

We are sourcing 100% of our Scope 2 energy from renewable sources through renewable energy certificates

Protect biodiversity through various conservation activities and stop illegal wildlife trade in endangered species through our work with the South African Anti-Money Laundering Integrated Task Force (SAMLIT)

Implemented a focused project to understand our Scope 3 financed emissions and establish a baseline, strategy and targets to reach net zero

17.4% of total operating costs relate to IT spend (2021: 17.4%); 21% of staff have IT specialist skills

Partnered with Monese, a leading pan-European fintech, to evolve and transform our transactional banking offering. The transition of our retail funding to more digital and scalable platforms has continued with pace

Operating income up 21.3% to £1 990 million and adjusted earnings per share up 90.7% to 55.1p

Core loans up 13.2% (up 10% in neutral currency), customer deposits up 16.5% and net inflows of £1.9 billion

Common Equity Tier 1 (CET1) ratio of 11.7% for Investec plc and 14.0% for Investec Limited

Credit loss ratio decreased to 0.08% from 0.35%

Our outcomes

Learning is directly linked to the strategic business needs, helping to equip our people to deliver an Out of the Ordinary experience for the client

Diversity, equity, inclusion and belonging at all levels

Diversified revenue streams that support long-term performance

Investec Bank plc (IBP) and Investec Bank Limited (IBL) each closed a \$600 million sustainability-linked term loan facility. IBL launched a R1 billion green bond (2.8x oversubscribed)

Deep durable relationships with our clients and new client relationships

Equipping and enabling young people to become active economic participants in society

Contributed to society through our numerous community programmes

Applying our fossil fuel policy within our investment and lending activities thereby supporting the transition to a low-carbon economy

Limit our direct operational carbon impact

Signatory to United for Wildlife. Key contributor to the SAMLIT report titled 'Financial flows associated with illegal wildlife trade in South Africa'

Signed up to the UN-convened Net-Zero Banking Alliance; Wealth & Investment signed up to Climate Action 100+

International platform for clients with global access to products and services which is both high-tech and high-touch

Driving a digitally connected ecosystem to leverage efficiencies and deliver enhanced value to clients and staff

Effectively supported our clients and benefitted from post-pandemic economic recovery

Residential mortgage and corporate lending growth in both geographies

Strong balance sheet with robust capital levels

Maintained a level of post-model overlays given the uncertain economic outlook

SDGs



* Before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests.

OUR OPERATIONAL STRUCTURE

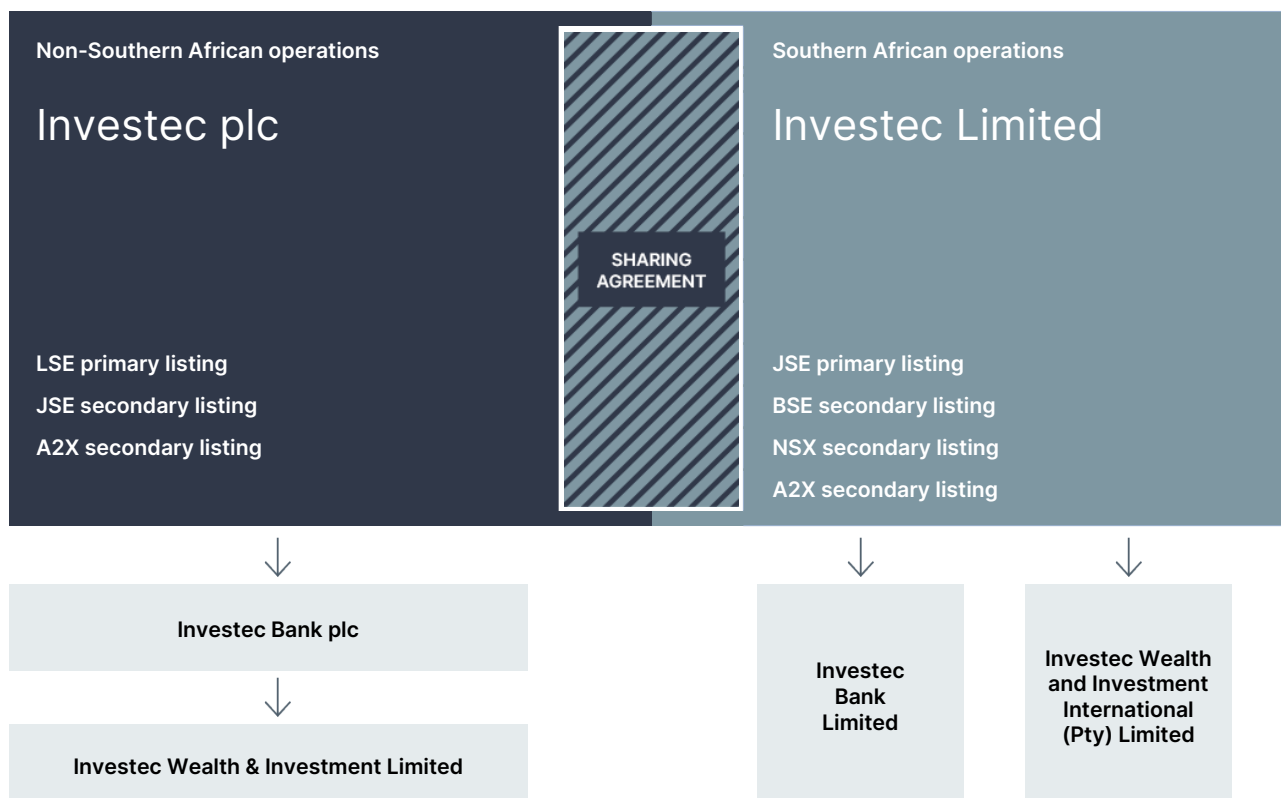
During July 2002, Investec Group Limited (since renamed Investec Limited) implemented a dual listed companies (DLC) structure and listed its offshore business on the London Stock Exchange (LSE).

In terms of our DLC structure, Investec Limited is the holding company of our businesses in Southern Africa, and Investec plc is the holding company of our non-Southern African businesses. Investec Limited is listed on the Johannesburg Stock Exchange Limited (JSE) South Africa (since 1986) and Investec plc on the LSE (since 2002).



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

Our DLC structure and main operating subsidiaries



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.

Our performance



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CHIEF EXECUTIVE'S REPORT



“ There is no passion to be found in playing small – in settling for a life that is less than the one you are capable of living.”

Nelson Mandela

At Investec's Capital Markets Day in February 2019, we laid out a comprehensive strategic plan to focus and simplify the business, and to position it for long-term growth.

At the time, nobody could have foreseen the sweeping external shocks that lay ahead: a devastating pandemic whose human and economic costs are still being counted; supply-chain disruptions on a global scale; and, more recently, Russia's invasion of Ukraine that threatens to reverse the gains achieved in geopolitics since the fall of the Berlin Wall. Localised shocks in our core geographies included the uneven path of Brexit in the UK and the impact of social instability and power shortages in South Africa.

But the hallmark of a resilient and robust business is its ability to thrive under changing and adverse circumstances. We are encouraged by the progress we've made, as evidenced by a very credible set of financial results for the year under review. While there are certainly significant areas for improvement – as highlighted further on in this report – we have accomplished much of what we set out to do three years ago.

Fani Titi
Chief Executive

CHIEF EXECUTIVE'S REPORT

CONTINUED

Simplify, focus and position for growth

The demerger of Investec Asset Management, successfully listed as Ninety One in March 2020, represented the first major milestone on the path to a more simplified and focused Investec. Despite the tumultuous market conditions under which the listing of Ninety One took place, it is clear that the demerger has delivered significant value to shareholders while achieving its intended purpose of enabling each business to pursue its own growth path. With the distribution of a further 15% of Ninety One to shareholders, Investec would have returned an aggregate value of approximately £1.6 billion¹ to shareholders through the demerger and distribution on successful completion. We further simplified the Group structure by exiting businesses that were subscale, non-core or fell outside our refined risk appetite, including the difficult but necessary decision to wind down our Australian operations. This has resulted in a more focused Group, with client franchises operating in markets where we have meaningful scale and relevance. In the UK, we refocused the banking business on the core domestic market and rightsized its cost base to improve operating efficiency. Unfortunately, this required significant headcount reduction in our London office.

The One Investec strategy outlined three years ago embodies our obsession with client service and our continuous drive to deliver innovative and responsive solutions. It's an approach that places the client at the centre of our ecosystem, enabling us to offer them seamless access to relevant and specialised service offerings across operating divisions and geographies. The close collaboration between our Banking and Wealth & Investment businesses is a key example of the strategy in action. 44% of SA Wealth & Investment's annuity clients are also clients of the SA Private Bank. And £473 million of gross funds under management were referred to our UK Wealth & Investment business from our UK Bank in the financial year.

We are proud to have been recognised by both the Financial Times of London and Euromoney for the ninth and tenth year respectively as the best private bank and wealth manager in South Africa. We regard these accolades as an endorsement of our integrated banking and wealth management offering. Our uncompromising client service standards

were further bolstered by the formation of specialised client service groupings in the corporate bank – an initiative that is clearly bearing fruit. We are delighted that the FT's The Banker recognised Investec as the best-performing bank in the UK for the first time and the best-performing bank in South Africa for the second consecutive year. But we still have some way to go. There is scope for closer integration across our private client and corporate banking propositions, as well as improved collaboration between our core geographies. We expect to make further headway on these objectives in the coming year.

Alongside our client ecosystem, digitalisation sits at the foundation of our strategy. Extensive investment in this aspect of the business has enabled us to differentiate our service offering with a client experience that is high-touch, supported by high-tech. By leveraging common platforms across businesses and geographies, we have managed over the past three years to optimise technology spend while improving the quality of our systems and channels.

Notwithstanding our successes, progress in some areas has been slower than we would have hoped. While the transition to a cloud environment and a single client data platform is well underway, parts of the business remain constrained by legacy systems and processes. Addressing these issues is a priority as we embark on a new, transformative phase in our digital evolution, which will see a higher proportion of our technology investments directed at innovative applications – including extensive use of cloud computing and artificial intelligence (AI) – that actively support our growth ambitions.

Our capability to generate strong capital flows is reflected in robust liquidity levels, affording the business a high degree of optionality in capital deployment decisions, whether supporting the accelerated growth of existing lending operations, taking advantage of new market opportunities, or, where appropriate, returning capital directly to shareholders.

Our balance sheet remains well-capitalised, considerably above Board-guided target ranges. CET1 ratios are now 11.7% and 14% for the UK and South African businesses respectively, comfortably above their 10% target. Capital ratios in South Africa have benefitted from the adoption of the Advanced Internal Ratings-Based (AIRB)

approach. With expected full adoption in the coming year, the pro-forma CET1 ratio at 31 March 2022 would improve to c.16%. The resulting level of surplus capital should be further bolstered in the near- to medium-term as we continue to realise the value in our South African investment portfolio. We have thus far fallen short of ambitions to unlock the value in these holdings and hope to make more meaningful progress in the year ahead.

→ For more information on our strategic objectives, refer to pages 24 to 25.

People and culture

Three years ago, Investec transitioned from a founder-led business to an entrepreneurial professional management team. The success of this transition is testament to the strength of our organisational culture. Throughout the journey, the spirit of apprenticeship within our organisation came to the fore, deepening the bedrock of talent that underpins our sustainable competitive advantage. This wealth of intellectual and cultural capital is not only performance-enhancing in the near term, but also reduces the risk of disruptive leadership transitions in the future.

The values and behaviours that set Investec's people apart include an unwavering focus on client relationships and a high degree of autonomy and accountability at all levels. These tenets stood us in good stead as we shifted to remote work during the pandemic. We are now navigating the challenges of a return to physical premises, conscious that the needs and expectations of both clients and staff have evolved and will continue to do so.

Investec has long embraced the benefits of a flexible work environment and we welcome recent advances in remote interaction technologies. At the same time, as an organisation built on the strength of personal relationships and high levels of engagement, we believe that the physical proximity to teams and clients that comes from being together in person is essential to our cultural fabric. As we look ahead to the exciting possibilities of a post-pandemic workplace, we will continue to hone and articulate a hybrid employee value proposition that attracts the best people in the world.

Operating environment

Following a sudden and severe contraction at the height of the pandemic, the pace of the global

1. or c.R32 billion per Ninety One closing share price on 16 May 2022.

CHIEF EXECUTIVE'S REPORT

CONTINUED

economic recovery surprised on the upside. This was aided by the remarkable speed of vaccine development and stimulus measures by governments and central banks.

But history has taught us that large-scale fiscal and monetary interventions are seldom without unintended consequences. The rapid rise of global inflation in the second half of the year is due in part to the same accommodative policies that helped accelerate the economic recovery. Spending and demand for goods has far outpaced production, placing global supply chains under intense strain. A recent report by the CIOs of Bridgewater Associates sums up the situation rather well: "We now have an excess of money, credit and income financing an excessive level of nominal spending in relation to output, with the mechanical result being higher prices on the given quantity of goods and services consumed."²

Misguided hopes that market forces would quickly correct this inflationary imbalance have given way to expectations of a rapid swing towards restrictive monetary policies, borne out by recent rate hikes in the US as well as the UK and South Africa, Investec's two core geographies.

In the face of higher inflation and rising interest rates, global growth forecasts have been revised lower and market sentiment has deteriorated on fears of stagflation and, more recently, global recession. The prices of most asset classes, apart from commodities, declined during the first quarter of 2022, and a continued downturn could weigh on the nominal value of Investec's funds under management in the coming year. And while a rising interest rate cycle is positive for Investec from an endowment perspective, quicker and more aggressive hikes could constrain economic activity and client appetite for borrowing.

We decry the conflicts, both civil and transnational, that continue to threaten lives and livelihoods in various hotspots across the globe, including the invasion of Ukraine by Russia. Apart from the human costs, the war raises the spectre of a return to fragmented trading blocks, threatening to undo gains in global trade and supply chain efficiencies since the end of the Cold War. The war has exacerbated levels of geopolitical uncertainty and added to inflationary pressures, with the greatest impact being felt in commodity prices, notably for energy and food. While Investec has no direct exposure to Russia or Ukraine,

the knock-on effects of the war pose a significant risk to financial markets and global economic growth.

United Kingdom

The UK economy staged an impressive recovery from the initial shock of the pandemic. This rebound was aided by a vaccine rollout programme that has seen 92.4% of the population aged 12 and over receiving at least one immunisation. The spread of the more transmissible Omicron variant did, however, dampen activity around the turn of the year and Q2 looks set for a contraction. Still, we expect to see positive GDP growth in 2022.

A noteworthy success story of the economic recovery has been the resilience of the labour market. When furlough employment support was introduced in March 2020, some predicted a rise in unemployment once the schemes expired. However, these fears proved unfounded, as unemployment has declined to 3.7%, which is below pre-pandemic levels. An unexpected consequence of the pandemic is that more people are opting for early retirement and further study, while the end of the Brexit transition period has triggered an exodus of EU workers living in the UK.

A key factor in the inflation outlook is whether these tight labour market conditions will translate into sustained wage growth. CPI inflation hit 9.0% in April, the fastest pace of annual price growth since 1982, partly on the hike in the Ofgem energy price cap. Assuming the government's mitigation measures for households are treated as not affecting consumer prices, our forecasts envisage CPI inflation peaking at 10.2% in the fourth quarter of 2022 and remaining well above the Bank of England's 2% inflation target until late 2023. The BoE has already increased the Bank rate from its low of 0.1% in five successive moves and has begun the process of quantitative tightening. We forecast two additional hikes, resulting in a Bank rate of 1.75% by year end, but with a risk that rates rise beyond this level. But with such frontloaded tightening, we see rates on hold through 2023, with the risk of a policy easing next year.

South Africa

South Africa entered the pandemic with an economy in recession and an unsustainable national debt trajectory. Successive lockdowns further impaired the economic outlook and borrowings to fund relief efforts placed additional strain on the fiscus. By the second

quarter of 2020, business confidence was testing historic lows. In early 2021, economic activity rebounded strongly following the partial lifting of COVID-related restrictions, while elevated commodity prices benefitted both terms of trade and tax receipts.

Fitch and Moody's both changed their outlook from negative to stable, signalling heightened confidence in the country's economic prospects. While this still leaves South Africa's rating below investment grade, it is an endorsement of National Treasury's use of windfall revenues from the commodity boom to ease the country's debt burden.

However, 2021 was a testing year, marred by social instability, an ongoing health crisis and continuing structural constraints to economic growth. The rollout of the vaccine programme was slower than anticipated, and just as business confidence began to recover in July it was dented by a spate of coordinated looting and vandalism in KwaZulu Natal and parts of Gauteng, which regrettably claimed 354 lives and over R16 billion in damages to property and stock. The ease with which the desperation of marginalised communities was exploited to incite violence on this scale was a stark reminder of the untenable inequality of South African society. The poor preparedness of intelligence and security services was concerning, and there is thus far little momentum to prosecute the instigators.

We commend the ongoing work of the judiciary, whose fierce independence is a critical bulwark against the forces that would seek to plunge the country into a state of lawlessness. While the scourge of corruption remains a blot on South Africa's political and social landscape, we welcome the findings of the Zondo Commission and hope that the National Prosecuting Authority will act swiftly in bringing to book those who have been implicated in state capture.

On the economic front, the government was able to push through several necessary and long-delayed structural reforms. The invitation to the private sector to participate in rail logistics, the loosening of restrictions on embedded power generation and the auction of prime spectrum, which should result in more ubiquitous and affordable broadband internet access, are all promising developments. But far more needs to be done.

Electricity supply remains a binding constraint on economic growth. Some

2. Bridgewater Associates, An Update from Our CIOs: What Was Coming Is Now Upon Us, April 2022.

CHIEF EXECUTIVE'S REPORT

CONTINUED

progress has been made on initiatives to bolster the power grid while reducing South Africa's reliance on coal-powered electricity generation. The successful adjudication of bid window 5 of the Renewable Independent Power Producer Programme (REIPP) and the publication of the Electricity Regulation Amendment Bill go some way towards enabling a more competitive and cleaner energy market. We are also heartened by the pledge made at COP26 by the UK and EU partners to mobilise \$8.5 billion in support of efforts to decarbonise South Africa's electricity sector.

These developments notwithstanding, power shortages and load shedding will continue to cap economic growth in the near- to medium-term.

Eskom, the state electricity utility, is sadly not the only state-owned utility impeding South Africa's economic growth. Following a decade of corruption and neglect, the country's transport networks, once the envy of the continent, are now in a state of decay. The lack of efficient transport options raises the cost of doing business and jeopardises the export revenues so critical for the country's balance of payments. It also places yet another burden on the poorest in society who are forced to rely on less reliable and more expensive forms of commuter transport.

A further localised operating risk is a finding by the Financial Action Task Force (FATF) that the South African financial sector needs to improve its processes to prevent money laundering and terrorist financing. The country has until August 2022 to present progress. A key requirement is that the National Prosecuting Authority (NPA) must bolster its ability to enforce anti-money laundering laws and to successfully prosecute perpetrators. The reputation for good governance that South Africa's banks have worked hard to earn is thus dependent on the authorities' capacity to uphold the law. Should the NPA fail to meet the FATF deadline, South Africa will be 'grey-listed' and the ability of its banks to raise funds on global markets will be restricted, to the detriment of our country's financial system.

The need to overcome these hurdles to inclusive growth could not be more urgent. According to a recent World Bank report³, South Africa is the most unequal society in the world. Unemployment climbed to an historic high of 35.3% in the fourth quarter of 2021. We forecast positive GDP growth in 2022 and subsequent years as

growth-enhancing reforms gather pace. Our base case for interest rates is an additional hike this year – as the SARB seeks to avoid inflation expectations becoming embedded significantly higher than the midpoint of the 3%-6% target band – followed by further interest rate hikes in 2023.

Until the economy can escape its modest growth trajectory, the high risk of social instability will continue to hamper efforts to build a cohesive and equitable constitutional democracy. We are of the view that the only way to achieve faster and more inclusive economic growth is through private sector participation in national infrastructure projects. We thus strongly support efforts like Project Vulindlela, a joint initiative by the President and Treasury to eradicate the red tape and policy flaws holding up efforts to address the country's massive infrastructure backlog. Investec stands ready to do its part. Together with our clients, we look forward to participating in bankable infrastructure projects that harness private sector capital and skills to unlock South Africa's economic growth potential.

Financial performance

The Group's performance for the 2022 financial year is testament to the strength of our client franchises, disciplined strategic execution, and the commitment of our people to support our clients. We achieved adjusted earnings per share of 55.1p (FY2021: 28.9p) which is at the top end of previous guidance and ahead of comparable pre-COVID levels. Our return on equity was 11.4% (FY2021: 6.6%) and return on tangible equity was 12.3% (FY2021: 7.2%).

In the context of an operating environment that was mostly supportive of growth, Investec delivered a creditable performance across all client franchises in both core geographies. Across our Wealth businesses, funds under management (FUM) increased 9.2% to £63.4 billion (31 March 2021: £58.0 billion) underpinned by net inflows of £1.9 billion and improved market levels. Market volatility in the last quarter negatively impacted FUM at year end. Our banks saw net core loans grow 13.2% to £29.9 billion (31 March 2021: £26.4 billion), driven largely by residential mortgage and corporate lending growth in both geographies.

Pre-provision adjusted operating profit increased 50.1% to £716.2 million, 7.9% ahead of a comparable March 2019 (pre-

COVID) period; this growth was primarily revenue driven. Revenue grew 21.3% as our franchises effectively supported our clients and benefitted from a post-pandemic economic recovery. Operating costs increased 6.0%, largely driven by higher variable remuneration, with fixed cost growth of 1.1% over the period. Our focus on costs and robust revenue growth resulted in an improved cost to income ratio of 63.3% (FY2021: 70.9%).

The credit loss ratio improved to 8bps (FY2021: 35bps). Expected credit loss impairment charges were 71.0% lower, due to limited default experience in both geographies, and good recoveries in South Africa. The Group has maintained a level of post-model overlays given the uncertain economic outlook.

The Group generated strong value for its stakeholders – as demonstrated by the net asset value per share increasing 11.4% to 510.0p (FY2021: 458.0p). This is further evidenced by the distribution of a further 15% of Ninety One to shareholders, coupled with a Board proposed final dividend of 14.0p per share, resulting in a full year dividend of 25.0p per share (FY2021: 13.0p).

→ Refer to the CFO report on page 38 for more on financial performance.

Growth initiatives showing traction

As we heighten our strategic focus on growth, I'm encouraged to report that new and existing growth initiatives are gathering pace across all client franchises and geographies.

The UK Bank continues to build scale and relevance in its market, reflected in strong loan book growth, increased client activity and new client acquisition. International partnerships in continental Europe and the USA are bolstering cross-border M&A advisory services revenues. We are also making inroads into the underserved UK private companies segment. We're proud to report that we achieved breakeven in our UK high net worth (HNW) banking business this year, ahead of our target date of March 2022. Client acquisition is also ahead of schedule and continues to accelerate. In addition, we're pursuing tighter integration between our UK bank and wealth offerings as well as closer collaboration with our franchises outside the UK.

The bank in South Africa benefitted from increased client activity. We expect further growth in the corporate and institutional lending book in 2023, as we look to grow market share in the large

3. The World Bank, Inequality in Southern Africa : An Assessment of the Southern African Customs Union, March 2022.

CHIEF EXECUTIVE'S REPORT

CONTINUED

and mid-tier corporate sectors. Investec for Your Business, a new mid-market offering, is seeing steadily growing penetration in a segment where we can competitive client proposition. We're also growing our nascent life insurance business and look forward to broadening the target market for this well-differentiated offering in the coming year. The Private Bank increased its core client base and lending turnover significantly, and we anticipate that this momentum will carry into the new year. Furthermore, we are growing capital light revenues through the 'My Investments' platform, which provides investment services to private clients not serviced by Wealth & Investment.

Our Wealth & Investment businesses are revising their asset allocation strategies to provide clients with enhanced access to global market opportunities and a wider range of differentiated asset classes. A key aspect of this approach involves closer integration of our UK, South African and Swiss wealth management operations. Efforts to increase higher-margin discretionary FUM inflows are gaining traction and will continue to drive higher operating profits.

Sustainability

Investec is deeply invested in creating enduring worth for all our stakeholders. Acting in the interests of the communities in which we operate and the planet we all inhabit is integral to our long-term success. To this end, we have looked to the United Nations Sustainable Development Goals (SDGs) and identified where we are best positioned to contribute by virtue of our operating model and core geographies. While we have much work to do, I'm encouraged by the progress we've made this year in both of our key impact SDGs: climate action and reducing inequalities.

As a multi-national financial services company with a strong brand and substantial influence in our markets, we have a fundamental obligation to address the urgent issue of climate change. Our potential impact is greatest where we partner with our clients to help decarbonise their operations. We joined the Net-Zero Banking Alliance at the end of 2021, committing to specific and measurable targets that challenge us to direct financial flows towards positive outcomes for our planet and society. Our Wealth & Investment business signed up to Climate Action 100+, an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

We have embarked on a focused project to understand our Scope 3 financed emissions and establish a baseline, strategies and targets to reach net-zero.

We are particularly encouraged to report that coal as a percentage of core loans and advances reduced last year to 0.1%, from 0.17% in March 2021.

In line with the consensus view of the COP26 conference, we remain conscious that the transition to a zero-carbon economy needs to be a just one, giving due regard to socio-economic constraints, particularly in emerging markets like South Africa, which relies on coal to supply most of its energy needs. With this in mind, we will continue to work with and assist our clients in their path to net-zero, ever conscious of the profound impact that this transition will have on local economies and communities.

Our aspiration for a more equitable and sustainable world should be embodied first and foremost in our internal culture and values, and we believe that learning is a powerful tool for redress wherever potential has been deprived of opportunity. Last year our learning and development spending increased from 1.3% to 1.6% of staff costs and we expect this to grow further in the year ahead. We have also made progress in diversifying our workforce to be more representative of broader society. At the time of writing, 49.7% of Investec employees are women, up from 48.8% last year, while women and people of colour make up 40% of the Group Board.

In the UK, we signed up to the Race at Work Charter, pledging to further improve equality of opportunity in the workplace, while our UK wealth business joined the #100 Black Interns initiative, which works to transform the prospects of black people in the United Kingdom through paid work experience and training opportunities. In South Africa, we continued our support of the YES Initiative, providing young South Africans with valuable paid work experience, as well as the Startup School, which offers mentorship and opportunities to entrepreneurs (refer to case study on page 36). We have also added an online component to our flagship Promaths initiative – a partnership between Investec and Kutlwano Maths, Science and Technology Centre. We call on government to emulate and amplify the impact of such programmes, partnering with the private sector to transform South Africa's education system.



Further information can be found in the Group's 2022 sustainability report – available on our website at the end of June 2022.

In conclusion

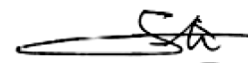
I wish to thank my colleagues for the passion and discipline they have shown over a difficult year to enable us to deliver this strong set of results. I am also grateful to our clients, whose continued trust in us is the prerequisite to our future success.

The Group has successfully navigated the uncertain macro backdrop that has persisted since the onset of the pandemic and has made significant progress against the strategic goals outlined at the 2019 Capital Markets Day. However, we are mindful of the uncertain external environment and expect a slowdown in economic growth following the strong recovery of the past 18 months. Nevertheless, we remain confident that our distinctive offering – Out of the Ordinary client relationships underpinned by innovative, world-class technology platforms – will continue to deliver sustainable shareholder returns.

I am encouraged by the momentum across our client franchises. Earnings are now above pre-pandemic levels and should continue to build as we enter the coming year with a clear set of strategic growth initiatives. The business has proven its ability to generate capital. As a result, we now have options as to how group resources may be deployed in the best interests of shareholders. This capital optionality supports the accelerated growth of existing lending operations, ensures that we are nimble enough to take advantage of new market opportunities, and, where appropriate, allows us to return capital directly to shareholders. We are firmly committed to our medium-term targets, and are well positioned to pursue growth opportunities in our chosen markets (refer to the CFO report on page 38 for FY2023 guidance).

Since its founding in 1974, Investec has been a forward-looking, optimistic organisation. This drive to contribute to a better future for all our stakeholders enables us to be an agent for change. Now, as ever, we are invested in transformational growth, creating enduring worth wherever we operate.

On behalf of the Board of Investec plc and Investec Limited

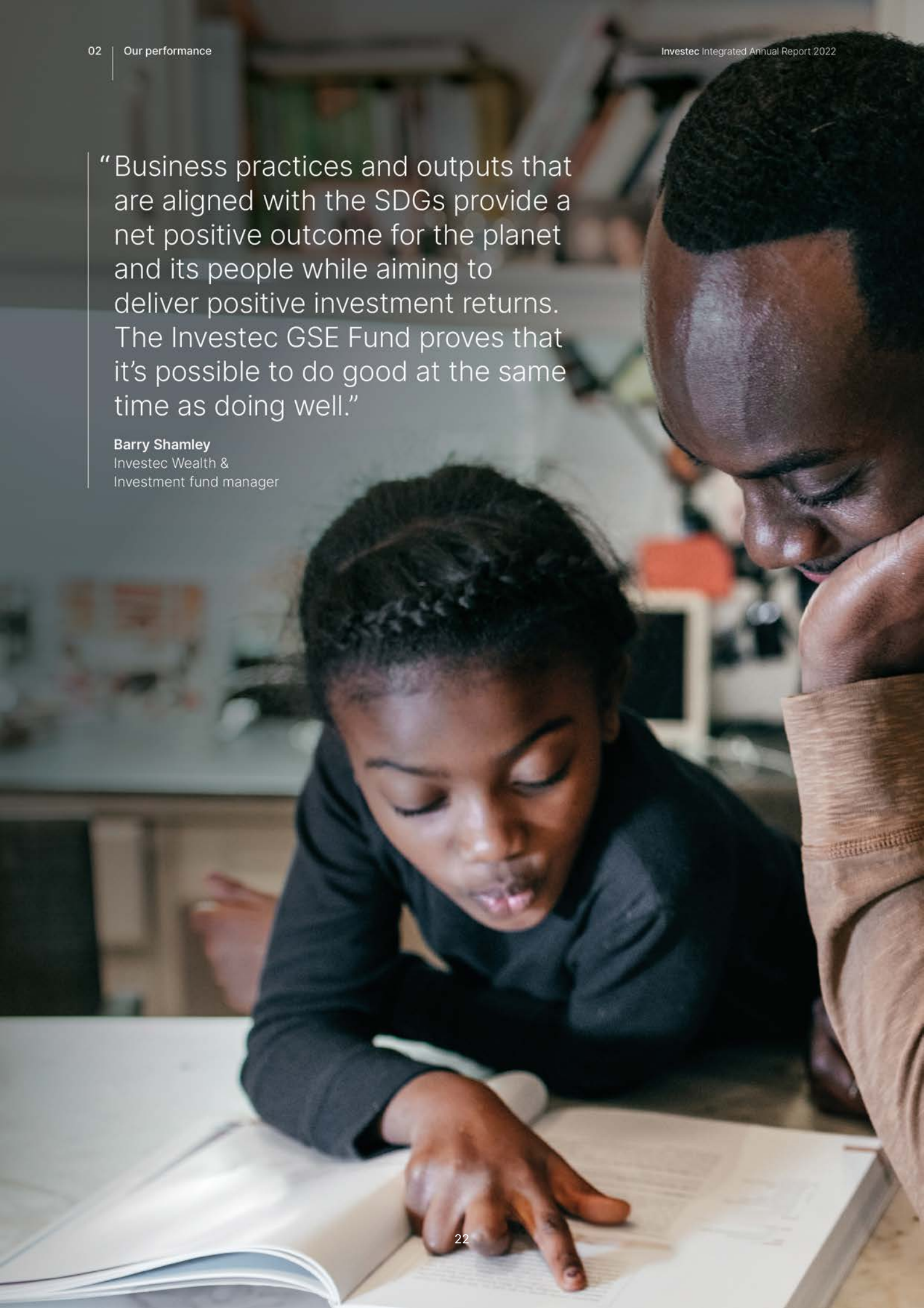


Fani Titi
Chief Executive

“Business practices and outputs that are aligned with the SDGs provide a net positive outcome for the planet and its people while aiming to deliver positive investment returns. The Investec GSE Fund proves that it’s possible to do good at the same time as doing well.”

Barry Shamley

Investec Wealth &
Investment fund manager



CASE STUDY



Living up to our purpose

Launched publicly in August 2021, our new Global Sustainable Equity Fund is demonstrating that sustainability and profitable investment can be good and natural partners.

By investing in companies that contribute on a net positive basis towards the United Nations' 17 Sustainable Development Goals (SDGs), our new Global Sustainable Equity (GSE) Fund is helping us deliver on our purpose of creating enduring worth – living in, not off, society.

The Fund aims to provide attractive investment returns over the long term. Over the course of 2021 the Fund raised new investment of over \$30 million and provided a return of 15.2% in US Dollars.

The impact of the Fund is defined in terms of how companies are contributing to global challenges through the lens of the SDGs as an impact framework. This is calculated using Institutional Shareholder Services' (ISS) SDG Impact methodology, with the scores of individual companies assessed by ISS considering positive and negative contributions of revenue, operations and controversies towards the SDGs. The Fund's overall score is +4.4, against the benchmark MSCI World of 0.5, with 100% of the underlying companies providing a net positive impact in terms of their contribution to the SDGs.

Investec has a 20-year history of robust, sustainable internal practices which recognise that our planet and communities are key stakeholders and have shone an increasingly bright light on issues such as inequality, climate change, food security and access to healthcare. The pandemic accelerated the need for action as the interdependency of societal and planetary wellbeing and economic prosperity was made clear. With this as our foundation, we were able to take the next step in our sustainability journey through a commitment to integrating ESG considerations into the core of our fundamental investment process as well as providing sustainability focused investment solutions to our clients – starting with the launch of the GSE Fund.

The Fund has been awarded the coveted '5 globes' Sustainability rating by Morningstar which indicates that the fund is positioned in the top 10% of its peer group in terms of its management of ESG risk.

"The link between sustainability and performance is closer than many think," says Investec Wealth & Investment fund manager Barry Shamley.

OUR STRATEGIC OBJECTIVES

Driving sustainable long-term growth



" Our strategic framework has remained largely unchanged as we make progress toward our short, medium and long-term goals. We continue to strengthen our position as a domestically relevant, internationally connected banking and wealth management group."

Fani Titi

Our long-term strategic focus:

We are committed to delivering exceptional service to our clients, creating long-term value for our shareholders and contributing meaningfully to our people, communities and the planet

All relevant Investec resources and services are on offer in every single client transaction

We aim to sustain our distinctive, Out of the Ordinary culture, entrepreneurial spirit and freedom to operate, with the discipline and obligation to do things properly for the whole of Investec.

Our strategic direction

Our long-term commitment is to One Investec; a client-focused strategy where, irrespective of specialisation or geography, we commit to offering our clients the full breadth and scale of our products and services. We are focused on delivering profitable, impactful and sustainable solutions to our clients. To deliver on One Investec, we will focus on collaboration between the Specialist Banking and Wealth & Investment businesses, and across geographies, and continue to invest in and support these franchises. This will position Investec for sustainable long-term growth.

OUR STRATEGIC OBJECTIVES CONTINUED



Growth initiatives

Clear set of opportunities to deliver disciplined revenue growth

Progress for FY2022

- Ahead of our breakeven target for UK Private Banking
- Pivoting from platform-build to driving scale and client acquisition in Investec Life, Business transactional banking and My Investments
- SA Wealth & Investment launched the Investec Global Sustainable Equity Fund, raising R0.7 billion of funds under management (FUM)
- UK Wealth & Investment formed a new Investment & Research Office to improve the consistency and quality of the investment offering, and is broadening exposure to global market opportunities.

Looking ahead

With an optimised platform and capital flexibility, we are driving a robust growth agenda, focusing on client centricity and continued investment into new capabilities to drive competitive strength.



Cost management

Enhanced management of the cost base through operational leverage

Progress for FY2022

- The Group's cost to income ratio improved to 63.3% (31 March 2021: 70.9%)
- Fixed operating expenditure was well contained, increasing by 1.1%, reflecting ongoing cost discipline
- Increased variable remuneration was in line with improved business performance
- Technology investment grew 4.0%.

Looking ahead

Our disciplined approach to investment spend supports our digital transformation strategy and other growth initiatives. We expect the cost to income ratio to be within the Group target of <63% in FY2023.

UNDERPINNED BY



Capital discipline

A more disciplined approach to capital allocation and focus on capital optimisation

Progress for FY2022

- Strong capital generation from underlying businesses
- Investec Limited continued migration from the Foundation Internal Ratings Based (FIRB) approach to the AIRB approach
- Effective 30 May 2022, the Group successfully distributed a 15% holding in Ninety One, returning a cumulative value of c.£1.6 billion (c.R32 billion) to shareholders through the demerger and distribution.

Looking ahead

- In South Africa, we will continue to operate with a surplus capital position
- On full adoption of AIRB, Investec Limited's CET1 ratio at 31 March 2022 would, on a pro-forma basis, increase by 200bps to c.16%, expanding capital optionality
- We are committed to optimisation of capital through right sizing the Group Investments portfolio.

AND DELIVERED THROUGH



Digitalisation

Continued investments drive a digitally connected ecosystem to leverage efficiencies and deliver enhanced value to clients and staff

Progress for FY2022

Digitalisation of our DNA:

- For our clients, an integrated experience with frictionless access to products and services
- Developed and executing technology roadmaps that will take us closer to a composable and more agile architecture, decommissioning legacy systems and operationalising our journey to the cloud
- Continued investment in our cyber capability, enhancing security by design and implementing best-in-class tools to protect our clients.

Looking ahead

We are implementing a fully digital, streamlined and simplified client onboarding process. We are also providing clients with a personalised digital experience, leveraging data across the organisation to generate deeper insights, and help determine the next best conversation to have with each client.



Connectivity

Progress for FY2022

Our coordinated approach, with the client at the centre, supports meaningful and long-lasting client partnerships.

- Structural integration of the UK Bank, organising business activities around target client groupings
- Enhanced connectivity with UK Wealth & Investment: UK Bank referred and created £473 million of incremental FUM to the UK Wealth & Investment business
- Continued to cement our competitive advantage through One Place™, deepening the strategic partnership between the South African Private Banking and Wealth & Investment businesses.

Looking ahead

We are accelerating the build-out of our ecosystems, further integrating client value propositions across specialisations. We are focused on a number of initiatives to leverage and optimise our operating platforms.

CASE STUDY

Innovation through strategic partnerships

We're continuing to invest in digitalising our DNA – with the extension of a long-standing partnership providing a real boost to our transactional banking proposition.

We've long understood that world-class digital client experiences and efficient operating platforms aren't just nice-to-haves. They're absolutely essential to our competitiveness and to our clients' ability to seize opportunities.

With the pandemic accelerating the drive towards digitalisation across all sectors, the last 12 months saw a number of milestones in our journey – including through our well-established partnership with Monese, the leading pan-European financial technology company. We have a long-standing relationship with Monese, having invested in them through Outward VC fund and smaller investment vehicles in recent years. We also advise Monese on their ongoing funding and strategic options.

However, we're now building even stronger ties, by adopting Monese's new Banking-as-a-Service (BaaS) platform which will accelerate our private client transactional banking proposition and underpin our launch of a new business current account for private companies. Cost-effective and scalable, the new platform will enable us to develop a world-leading digital banking experience while driving operational efficiencies. Over time, we expect BaaS to help us consolidate our retail savings products.





“ This strategic partnership will enable us to leverage Monese’s scale, expertise and digital capabilities to deliver Investec’s digital current account in the UK,” explains our Group Head of Digital and Technology Lyndon Subroyen, who joined the Monese Board during the year.

Lyndon Subroyen
Group Head of Digital and Technology

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)

Listening to and engaging with our stakeholders

The Board appreciates the importance of meeting the diverse needs and expectations of all the Group's stakeholders and building lasting relationships with them. Effective communication and stakeholder engagement are integral in building stakeholder value. The Board is committed to providing meaningful, transparent, timely and accurate financial and non-financial information to primary stakeholders, enabling them to make meaningful assessments and informed investment decisions about the Group.

In order to achieve these outcomes, the Board addresses material matters of significant interest and concern, highlighting key risks to which the Group is exposed and responses to mitigate these risks.

The Group's DLC structure requires compliance with the disclosure obligations contained in the applicable listing rules of the UK Listing Authority (UKLA), the Johannesburg Stock Exchange (JSE) and other exchanges on which the Group's shares are listed, and with any public disclosure obligations as required by the UK Prudential Regulation Authority, the South African Prudential Authority and other regulatory bodies. From time to time, the Group may be required to adhere to public disclosure obligations in other countries where it has operations.

The Investor Relations division has the overall responsibility for ensuring appropriate communication with stakeholders and, together with the Group Finance, Group Marketing, and Company Secretarial divisions, ensures that we meet our public disclosure obligations.

A Board-approved policy statement is in place to ensure compliance with all relevant public disclosure obligations and to uphold the Board's communication and disclosure philosophy.

Section 172(1) statement

This section of the Strategic Report describes how the directors have had regard to the matters set out in section 172(1), and forms the directors' statement required under the Companies Act 2006. This statement also provides details of how the directors have engaged with and had regard to the interests of our key stakeholders.

Strong partnerships and understanding are essential to the creation of enduring worth. To be the best we can be, and to understand stakeholders' needs, we work hard to establish the most effective ways of engaging with them.

Engagement is important to us because it means we can understand stakeholder views and are able to respond in a meaningful and impactful way.

We gather feedback through continuous dialogue with our stakeholders throughout the year to gain an intimate understanding of their needs. It's only through this varied dialogue that we can improve as a business, consider our strategy and deliver on our purpose.

As detailed on the pages that follow, the Board's oversight of engagement with our stakeholders informs their principal decisions during the year.

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)

CONTINUED

Clients

At Investec, we are all about partnership, striving to build deep and long-lasting relationships with our clients.



What matters to them

- A dependable banking, wealth creation and wealth management partner
- Innovative and creative solutions
- Financial support
- Enhanced cyber security
- Competitive pricing
- Assurance as to the security of their funds.

How we engage

- Client engagement is managed on a day-to-day basis by senior management and client relationship managers. The Board receives regular updates from senior management on key client issues
- Client engagement methods have evolved as a result of the COVID-19 pandemic, with face-to-face meetings becoming less frequent and a greater reliance on digital platforms and services
- Comprehensive, user-friendly website and mobile app
- Regular telephone and email communications
- Industry relevant events and client marketing events, both of which have moved to online platforms while most people continue to work from home for at least some of their working week.

FY2022 highlights

- Continued success in HNW client acquisition, growing our client base by 7% and 18% in South Africa and the UK, respectively
- We have further developed our 'One Investec' approach, which brings all of Investec that is relevant to every client. It is a coordinated approach with the client at the centre. This has enabled us to leverage the whole of our capability to provide solutions most relevant to clients' needs
- Recognised by the Financial Times of London as the best Private Bank and Wealth Manager in South Africa for the ninth consecutive year.

Our people*

Our people are at the heart of our business. We aim to be an organisation that values all of its people for their contributions and celebrates them for who they are.



What matters to them

- Learning, development and career progression
- Belonging, Inclusion and Diversity (BID). Our approach continues building an inclusive working environment, improving representation with respect to gender and ethnicity, particularly at a senior level and enhancing opportunities for progression
- Wellbeing, especially during various COVID-19 lockdowns and extended periods of working from home
- Fair remuneration
- Sustainable working practices
- Flexible working conditions and expectations around the future of work.

How we engage

- Regular staff updates and discussions hosted by the Chief Executive, executive directors and senior management, conducted via digital channels and where possible in person to keep colleagues up to date with strategic priorities and performance
- Regular Chief Executive staff communication including email updates, staff intranet and other digital channels
- Induction training for new joiners including a welcome from the Chief Executive and senior management
- Tailored internal investor relations presentations on Group results, strategy updates and market feedback
- Dedicated, comprehensive intranet including a platform full of resources to support the health and wellbeing of our people called LearnSpace.

FY2022 highlights

- Launched a new app-based healthcare benefit in the UK, providing support to employees through some of life's most difficult personal challenges including menopause, fertility, and early parenthood
- Launch of Allies programme to equip colleagues with the skills to recognise and address micro-aggressions and challenge exclusion
- Supported staff and their families during the civil unrest in South Africa, both by flying in necessities and offering accommodation and psychological support
- Reduced gender pay gap for the fourth consecutive year in the UK and South Africa.

* includes permanent employees, temporary employees and contractors.

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)

CONTINUED

Investors

Our shareholders (largely institutional) are primarily based in South Africa and the UK given our Group DLC structure. We also engage with debt investors who hold instruments issued by our subsidiary entities.



What matters to them

- Progress against strategic objectives
- Financial performance
- Business sustainability and response to climate change
- Management expectations and guidance on future business performance
- Balance sheet resilience
- Executive remuneration.

How we engage

- Regular meetings with executive directors, senior management and investor relations
- Annual meetings for largest shareholders with the Chair of the Board, Chair of the Remuneration Committee, investor relations, and Group company secretarial
- Annual general meeting hosted by the Chair of the Board with Board members in attendance
- Two investor presentations and two pre-close investor calls presented by the Chief Executive and CFO
- Stock exchange announcements
- Comprehensive investor relations website
- Investor roadshows and presentations
- Regular telephone and email communications
- Annual and interim reports.

FY2022 highlights

- The Chief Executive, along with executive management, presented a Group strategy update in May 2021 updating investors on progress made since the 2019 Capital Markets Day (CMD). The update included a deep dive into the strategic developments of Investec plc
- Organised four debt roadshows in UK/Europe and one in South Africa, which raised over £1.3bn and R2.9bn, respectively.

127

meetings with existing and prospective investors

Communities

Our values of making an unselfish contribution to society, valuing diversity and nurturing an entrepreneurial spirit drive our commitment to support the communities in which we exist. Our focus is on education, entrepreneurship and the environment.



What matters to them

- Financial and non-financial support
- Time volunteered by our staff
- Education and learnership opportunities
- Skills training and job creation
- Protecting the environment.

How we engage

- Regular in-person meetings, telephone/conference calls and emails with our community partners
- Comprehensive community website and social media platforms to encourage participation
- Staff volunteering
- Community partners and NGOs invited to collaborate at conferences and events.

FY2022 highlights

- We spent £8.9 million on our community initiatives in our jurisdictions around the world
- Good progress in scaling our educational focus by providing an online offering with 4 018 Investec-funded learners participating in Promaths Online (2021: 1 212 learners)
- Increased support for the Promaths Bursary Fund with 75 students awarded bursaries (2021: 25 students)
- In the UK, Arrival Education swiftly adapted to ensure that young people and volunteers could participate in the programme remotely. We have supported 1 995 Arrival Education learners in the UK over the past 14 years.

£8.9mn

spent on community initiatives (2021: £9.8mn)



Further information can be found in the Group's 2022 sustainability report which will be available on our website at the end of June 2022.

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)

CONTINUED

Government and regulators

As a dual-listed Group, we are regulated by the South African Prudential Authority, the South African Financial Conduct Authority, the UK Prudential Regulation Authority and the UK Financial Conduct Authority, as well as other regulatory bodies. We maintain continuous engagement with governments and regulators in our key markets to ensure our business adapts to evolving regulatory environments.



What matters to them

- Compliance with existing and evolving regulatory, legal and governance requirements
- Assurance that we have robust prudential standards and supervision in place
- Fair treatment of our clients and employees
- Financial and operational resilience in the face of changing market conditions
- Risk framework and appetite management
- Capital and liquidity stress testing
- Group tax strategy.

How we engage

- Our Chair, Chief Executive, executive directors and the Board hold regular meetings with the South African Prudential Authority including the annual trilateral meeting with the Audit Committee, and with the UK Prudential Regulation Authority
- Active participation in a number of policy forums
- Engagement with industry consultative bodies.

FY2022 highlights

- Approval of the distribution of 15% of the Group's shareholding in Ninety One to Investec shareholders
- Permission for David Friedland, who has served on the Board for a period of greater than nine years, to remain as chair of the DLC BRCC until the 2022 AGM
- Approval of the appointment of Philip Hourquebie as Chair of the Group, Henrietta Baldock as Chair of IW&I UK and, Nicky Newton-King, Jasandra Nyker and Brian Stevenson as non-executive directors of the Group.

ESG analysts and climate-focused industry bodies

We are committed to supporting the transition to a clean and energy efficient economy and regularly engage with climate-focused industry bodies and analysts to discuss our evolving sustainability strategy.



What matters to them

- Our climate change position statement and climate change framework
- Managing and mitigating climate change impact within our operations (direct impact)
- Indirect climate change impact through our loan book and investment portfolio
- Addressing ESG risks within our business
- Our commitment to net-zero carbon emissions
- Reporting in line with industry standards.

How we engage

- Annual sustainability report
- Comprehensive sustainability website
- Comprehensive ESG disclosures, including a standalone TCFD report
- Sustainability factsheets
- Our Chief Executive is a member of the UN Global Investors for sustainable development alliance
- Regular and active participation in a number of ESG and climate forums relating to the TCFDs, e.g. PCAF
- Regular knowledge sharing on ESG industry standards.

FY2022 highlights

- Tabled a voluntary climate resolution at our AGM that received 99% support
- Implemented a new executive directors' remuneration framework that links remuneration to various ESG ratings.

Carbon neutral

Zero direct emissions, carbon neutrality in Scope 1 and 2 mainly through renewable electricity consumption with remaining unavoidable emissions of 17% offset through purchasing verified and high-quality carbon credits.

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)

CONTINUED

Suppliers

We collaborate with suppliers and sub-contractors securely and who we expect to be resilient and to operate and behave in an environmentally and socially responsible manner.



What matters to them

- Compliance with applicable environmental, labour and anti-corruption laws and regulations
- Prompt payment practices
- Fair and transparent tender and negotiation practices
- Clear guidance on policies and procedures, such as due diligence and onboarding.

How we engage

- The procurement function is responsible for engaging suppliers, and other business functions will be involved as required. For example, the Group sustainability team may conduct a sustainability and ESG review once a supplier is engaged
- Centralised negotiation process
- Procurement questionnaires requesting information on suppliers' environmental, social and ethical policies
- Due diligence on cyber security and business continuity.

FY2022 highlights

- We updated our critical supplier contracts in line with EBA regulatory guidelines
- Strengthened our Business Continuity and third party operational resilience through supplier assessment and engagement
- We improved our due diligence processes around financial crime, data security and financial screening.

We have implemented a supplier screening system. Currently all of our IT suppliers are screened against ethical supply chain practices. We are expanding the screening to all suppliers in the next year.

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)

CONTINUED

Principal decisions

Here we outline how Board engagement with stakeholders has informed principal decisions during the year.

Supporting our people through the COVID-19 pandemic

Given the continued, far-reaching impact of the COVID-19 pandemic, the Board focused on the wellbeing of our people, and being front-footed with our clients and other stakeholders.

The organisation continues to engage with and make sense of the future state of work embracing a hybrid approach. This proposed approach combines the experience of being together which enables relationships and interactions that underwrite the 'Out of the Ordinary' experience our clients expect, with recognising the value that working from home has brought, increasing flexibility in ways previously unrealised. The Future State of Work project is looking into providing the right leadership capabilities to support and develop colleagues in the new model.

With the relaxing of the COVID-19 restrictions globally towards the end of 2021, the Board supported a return-to-work policy for three days a week from January 2022.

The Board is committed to ensuring a safe environment for all employees, consultants and contractors working at Investec. From 1 February 2022, employees and all others working in the organisation's offices were required to be fully vaccinated or take up any reasonable accommodation in the form of antigen or PCR testing. However, no employee will be forced or coerced into consenting to a COVID-19 vaccination.

Burnout and mental health risks remain of concern and the need to support our people is a key focus for the Board. We regularly monitor data from all our people engagement processes to identify timely interventions that are locally relevant and globally aligned. In the UK, we have continued to provide a range of interventions to support our colleagues' needs with rapid access to our in-house psychologists (Amplify-YP), facilitated conversations around 'hot current topics' and targeted sessions around burnout and anxiety. In South Africa, the Employee Wellbeing Programme is easily accessible to all employees and has offered several interventions highlighting mental health issues over the course of the year.

Strategy in execution

Investors have a keen interest in the strategic progress made by the Group since the 2019 Capital Markets Day (CMD). Over the past three years the Group's strategic priority has been to simplify and focus the business to deliver improved shareholder returns. The current year financial performance is above the levels reported in 2019, pre the COVID-19 pandemic, and the business is now well positioned to aggressively pursue identified growth opportunities in chosen niches. The Board has overseen the communication of strategic progress made, to shareholders and staff, in the form of an Investec plc business update presentation held in May 2021, staff presentations and in one-on-one dialogue with investors.

In the financial year under review, the Board resolved to distribute a 15% holding in Ninety One to shareholders, whilst retaining a 10% shareholding. This decision is consistent with the Group's strategic priorities to simplify the business and optimise capital, and incorporated input received from shareholders. A General Meeting was held on 28 April 2022, whereby shareholders were able to cast their vote to approve the distribution of Ninety One shares and associated distribution mechanism. The resolutions were passed with a 99.9% majority. The 15% holding was successfully distributed on 30 May 2022.

The Board has continued its regular engagement with shareholders and endeavours to incorporate shareholder feedback in its oversight of strategic execution. In the financial year under review, the Board oversaw the migration to the Advanced Internal Ratings Based (AIRB) approach in the measurement of capital in South Africa, and is pleased to announce that the Group is in the early stages of developing a plan to move to AIRB in the UK. In addition, the Board acknowledges shareholders' aspiration for the Group to reduce the South African investment portfolio; this remains a key priority of the Board.

The Board has also focused on increasing connectivity across businesses and geographies and by advancing One Investec. The appointment of Brian Stevenson (Investec Bank plc (IBP) Chair) to the Group Board, and of Henrietta Baldock (Group Non-Executive Director) to the Wealth & Investment UK Board as Chair has enhanced the Board's oversight of connectivity across the Group.

The Board considered the perspective of employees throughout, ensuring that the evolution of the Group's strategy has been communicated internally, that it is well understood and embedded at all levels of the Group's operations.

Executive remuneration policy

We undertook consultation with our key shareholders in 2020, focusing on our one-year proposed remuneration policy, which was approved at the 2020 AGM. The key change in this policy was a reduction in remuneration of approximately 25%.

Subsequently we engaged in an extensive consultation exercise in February 2021 with our key shareholders and the Investment Association to obtain input into the design of our proposed 2022 remuneration policy. We received predominantly positive and constructive feedback. We incorporated changes as a result of this feedback, with these changes aiming to align reward more closely with business performance and adherence to our strategy. The key changes were to the financial and non-financial performance measures in both the Short-Term Incentive (STI) and Long-Term Incentive (LTI), and the addition of a risk modifier. In addition, a framework has also been created to link executive director remuneration to ESG key performance indicators (KPIs).

We engaged in a further extensive consultation exercise with our key shareholders and the Investment Association in July 2021. During this exercise we discussed the final proposed remuneration policy to be presented to shareholders for approval at the AGM in August 2021. We demonstrated how we had responded to the feedback we had gathered from our key stakeholders in the prior consultation exercise. In respect of the

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)

CONTINUED

proposed three-year policy, the overall feedback was positive. Some shareholders believed that prospective disclosure of the performance targets under the proposed policy would enable them to better assess the overall soundness of the policy. The Board reflected on the feedback from these shareholders and resolved to disclose the STI performance targets for the financial year ending 31 March 2022 and the indicative three-year LTI targets under the proposed policy, which was done prior to the AGM.

The Board was pleased to receive a materially higher vote in favour of the remuneration policy than had been the case in prior years, at 86%. The Board anticipates and hopes that this will translate into higher votes in favour of the annual report on remuneration in future years.

The Chair of the Remuneration Committee and the Chair of the Board look forward to engaging with our key shareholders again in July 2022, ahead of the AGMs in August 2022.

Tabling a climate risk-related resolution at the 2021 AGM

The Board regularly engages with a range of stakeholders (including shareholders, ESG analysts and rating agencies) on a number of climate-related and sustainability topics that are relevant for the business. As the first bank in South Africa to release a separate report aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in 2020, we have shown that sustainability is central to our strategic direction.

The Board also acknowledges that climate change represents a material financial risk, and continues to oversee the evaluation of our exposure to understand and mitigate potential risks. In addition, the Board recognises the opportunities that climate change presents within our various business activities. All Board members have a strong awareness around climate-related and sustainability matters that was supplemented by presentations from internal and external parties during various Board meetings. The aim is to introduce targeted training to the Board over the next year.

The Board takes ultimate accountability for climate-related and sustainability matters, supported by the Social and Ethics Committee (DLC SEC). This structure has been in place for many years and was strengthened to include senior executive responsibility for

identifying and managing climate-related risks. In addition, the Chief Executive is supported by the Group ESG Executive Committee to coordinate climate-related and sustainability (including ESG) efforts across geographies and businesses from both a strategy and policy perspective. The Group ESG Executive Committee, mandated by the Group's executive directors, reports relevant climate-related and sustainability (including ESG) matters to DLC SEC and the Group Executive Risk Committee.

Our ambition towards net-zero has been strengthened by joining the Net-Zero Banking Alliance (NZBA) at the end of 2021, highlighting the urgency for faster, immediate and more ambitious climate action. Through the stewardship of the global sustainability team, we engaged with a number of stakeholders regarding our net-zero ambitions that led to tabling a second voluntary climate resolution at the August 2021 AGM, and at the time the most significant climate change shareholder resolution for a JSE-listed company as noted by JustShare. This resolution asked shareholders to "authorise and direct the Group and its directors to commit to disclose:

- A baseline of the Group's scope 3 financed emissions;
- Our strategy to reduce scope 3 emissions; and
- Our short-, medium- and long-term targets to reach net-zero emissions and align with the Paris goals, based on a geographic approach that is guided by (but not limited to) the net-zero trajectories of our two core jurisdictions, being South Africa and the UK".

Shareholders voted overwhelmingly in favour of the resolution, which passed with a 99.9% vote, further highlighting the importance investors are placing on climate-related matters.

Following this resolution, the Board engaged with shareholders during roadshows to discuss and clarify any climate-related concerns. In addition, Investor Relations received ad hoc requests to provide further clarification on the resolution. The Group sustainability team also engaged with stakeholders, for example JustShare, to understand their views and expectations on climate disclosures and incorporate feedback from our 2021 TCFD report.

Questions largely focused on our approach to calculating our net-zero emissions, our short-, medium- and long-term targets, as well as the

climate-related skills of our Board - acknowledging that two of the Directors have strong climate-related experience and skills. During these engagements a definite sense of the increased importance of climate action was noted.

The Board's decision to table a second climate risk-related resolution at the 2021 AGM demonstrates our commitment to addressing climate issues, and aligns with our purpose of living in, not off, society. Our delivery of this resolution is disclosed in the Group's 2022 climate-related financial disclosures report.



Further information on our ESG initiatives and progress can be found in the Group's 2022 sustainability report which will be available on our website at the end of June 2022.

Belonging, Inclusion and Diversity initiatives

The Board's commitment to Belonging, Inclusion and Diversity (BID) at Investec continues to be a key strategic objective, with a particular focus on increasing gender and minority ethnic representation. Stakeholders such as our employees, shareholders, ESG analysts, and clients remain interested in our progress.

During this year the Board has continued to work towards our commitments to address inequalities. Key areas of our strategy have included increasing diversity representation in senior roles and decision-making forums, improving leader capability and awareness in creating an inclusive work environment, and ensuring our policies and principles entrench a level playing field. Following extensive engagement with employees, the Board has endorsed a number of initiatives this year in support of our strategy:

- Listening circles with Black, Asian and Minority Ethnic employees took place in the UK, the output of which has been shared with our Executive and is helping to inform the actions we need to take as an organisation
- The implementation of mandatory training for all employees in the UK on bullying, harassment and discrimination
- The creation of BID Forums to bring leaders and representatives of the workforce together to discuss and co-create solutions and strategies in relation to BID, increase awareness and thereby help to create an environment where colleagues can be

STAKEHOLDER ENGAGEMENT (SECTION 172 STATEMENT)

CONTINUED

themselves and a sense of belonging permeates

- Provision of safe spaces for colleagues to participate in informal facilitated dialogue to reflect and share the impact of the murder of Sarah Everard in the UK as well as the alarming surge in anti-Semitism incidents and violence in the UK and many other countries
- A number of global conversations took place with 200 colleagues from South Africa, the UK, Channel Islands and Mauritius in December, January and February to discuss the evolution and creation of two new Investec values: evolving belonging, inclusion

and diversity, and recognising the environment

- Conversations with our Executive teams to discuss how we can empower leaders to be more proactive and confident, inclusive leaders and to enhance leader capability in Belonging, Inclusion and Diversity.

This year we have also made notable progress in relation to the appointment of women into senior positions and into principal decision making committees.

The Board recognises that maintaining a strong focus on Belonging, Inclusion and Diversity, and having clear targets and

measures to track progress, is critical. BID is integral to Investec's purpose to 'create enduring worth – living in, not off society'. The Board firmly believes that improving representation and fostering inclusion and belonging will better enable us to meet our clients' needs.



Further information on our gender, diversity and transformation initiatives and progress can be found on pages 96 to 97 as well as in the Group's 2022 sustainability report which will be available on our website at the end of June 2022.

Value added statement

Highlighting value created by the Group and its distribution to stakeholders

£'000	31 March 2022	%	31 March 2021	%
Net income generated – total Group				
Interest income	1 951 209		1 922 299	
Other income	1 004 915		863 427	
Interest expense	(1 005 939)		(1 144 193)	
Other operating expenditure and impairments on loans	(214 529)		(251 133)	
Financial impact of Group restructures (pre-tax)	(1 203)		7 386	
	1 734 453	100%	1 397 786	100%
Distributed as follows:				
Employees: Salaries, wages and other benefits	621 337	35.8%	616 476	44.1%
Communities: Spend on community initiatives*	8 875	0.5%	9 852	0.7%
Government: Corporation, deferred payroll and other taxes	551 106	31.8%	450 414	32.2%
Shareholders:	217 351	12.5%	88 120	6.3%
Dividends to ordinary shareholders	178 418		53 346	
Dividends to perpetual preference and Other Additional Tier 1 security holders	38 933		34 774	
Retention for future expansion and growth:	335 784	19.4%	232 924	16.7%
Depreciation	16 691		18 755	
Retained income	319 093		214 169	
Total	1 734 453	100%	1 397 786	100%

* Community spend higher in FY2021 due to COVID-19 relief.

CASE STUDY



Supporting entrepreneurship, creating opportunities

We're enabling young people to become entrepreneurs, helping them to build successful businesses for themselves – while creating job opportunities for others in their local communities.

"The extended presence of COVID-19 and associated restrictions has led to high job losses which in the main represent economic exclusion of people, impacting negatively on the livelihoods and survival of many individuals and families," says Setlogane Manchidi, our Head of Corporate Social Investment. "The support of entrepreneurship presents a platform for many of those who have lost their jobs to re-enter the economy by looking for opportunities that may initially just keep them above the poverty line but if all goes well, could do much more than just survival for them and others who they may employ."

When people are economically engaged in society, the benefits don't just impact the individuals concerned, they extend across families, friends and entire communities – bringing income, a sense of personal worth, dignity and direction.

Recognising that the growth of entrepreneurship can be a key driver of job creation, we're proud to continue our support of the Startup School, an innovative social project which aims to increase the number of successful entrepreneurs in South Africa. Each course combines interactive learning activities, practical tools, individualised feedback and coaching support to help entrepreneurs start and grow sustainable businesses. The flagship entrepreneurship course offers additional benefits, including one-to-one mentorship sessions and the chance to win business funding.

During 2021, we commissioned an independent review to assess the impact and success of the programme, and to gain insights into how we can improve on the offering. The review was overwhelmingly positive, with findings including:

The **majority of participants** experienced an authentic and organic journey of self-discovery, discipline and personal development.

88%

88% of alumni reported deriving ROI/ value from their participation.

22%

22% grew their businesses, despite the impact of COVID-19.

78

78 new full-time jobs were created.



“The extended presence of COVID-19 and associated restrictions has led to high job losses which in the main represent economic exclusion of people, impacting negatively on the livelihoods and survival of many individuals and families.”

Setlogane Manchidi

Head of Corporate Social Investment

Pictured: Sikhangezile Bwanali,
previous winner of business funding.

CFO REPORT



The year in review

The Group continues to successfully navigate the social, economic and geopolitical challenges that have characterised the past two years, and has made significant progress against the strategic goals outlined at the 2019 Capital Markets Day. Our focused approach delivered a strong rebound in adjusted operating profit increasing by 82% to £687 million.

Revenue performance was strong as underlying franchises effectively supported our clients, with costs well contained, resulting in a pre-provision operating profit increase of 50% to £716 million.

The Group's capital optionality increased over the year benefitting from continued capital generation and further implementation of the AIRB approach in South Africa.

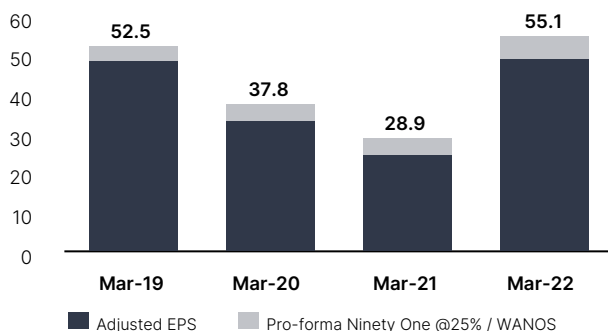
Nishlan Samujh
Group Finance Director

CFO REPORT

CONTINUED

Strong financial performance...

Adjusted earnings per share grew by 90.7% to 55.1 pence (2021: 28.9 pence), surpassing pre-pandemic comparable earnings. Basic earnings per share grew over 100% to 52.0 pence (2021: 25.2 pence).



Pre-provision adjusted operating profit increased by 50.1%, supported by continued client acquisition, increased client activity, growth in FUM and higher average advances.

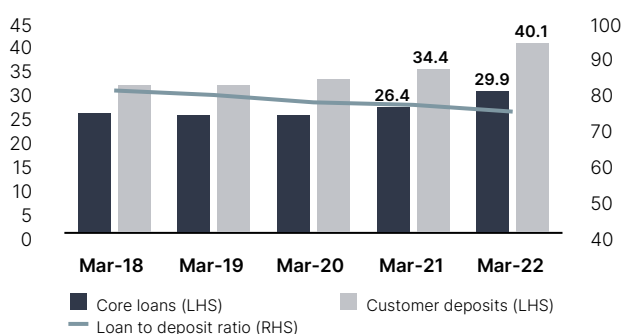
- Revenue momentum experienced in the first half of the financial year continued into the second half.
- Net interest income benefitted from lower funding costs and higher average interest earning assets.
- Increased client activity, higher lending turnover and supportive market conditions underpinned the growth in non-interest revenue over the year.
- Fixed operating expenditure was well contained in line with the Group's focus on cost efficiencies, while variable remuneration grew in line with business performance.
- Impairments were significantly lower given limited default experience and the minimal impact from updated forward-looking macro-economic scenarios.

The prior year results reflected the effects of severe economic contraction and rate cuts associated with COVID-19 which negatively affected client activity, net interest margins, valuations and impairments. Additionally, risk management and risk reduction costs associated with the UK structured products book were elevated in FY2021.

...supported by solid underlying fundamentals

- Net core loans and customer deposits increased by 13.2% to £29.9 billion and by 16.5% to £40.1 billion, respectively.
- Funds under management increased 9.2% to £63.8 billion as a result of favourable market movements and net organic inflows in both geographies.

£'billion



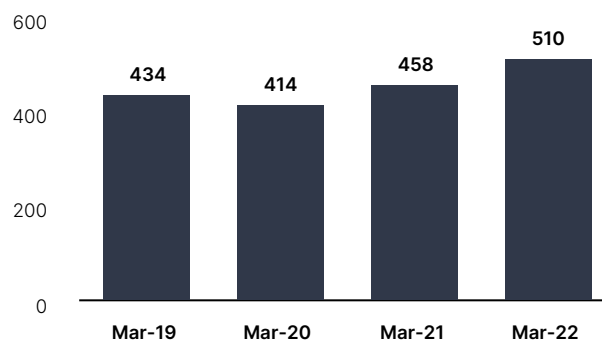
Well capitalised, lowly leveraged, strong liquidity

- The Group has maintained strong capital and liquidity positions to support growth, all ahead of internal and Board-approved minimum targets and regulatory requirements.
- The common equity tier (CET) 1 and leverage ratio were 14.0% and 7.4% respectively for Investec Limited, and 11.7% and 9.2% respectively for Investec plc.
- Cash and near cash was £17.2 billion at 31 March 2022, representing 42.8% of customer deposits.
- The Group comfortably exceeds Basel liquidity requirements for the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).
- Investec Bank Limited (consolidated Group) ended the year with the three-month average of its LCR at 138.9% and a NSFR of 112.6%. Investec plc reported a LCR of 457% and a NSFR of 145% at 31 March 2022.

Creating long-term shareholder value

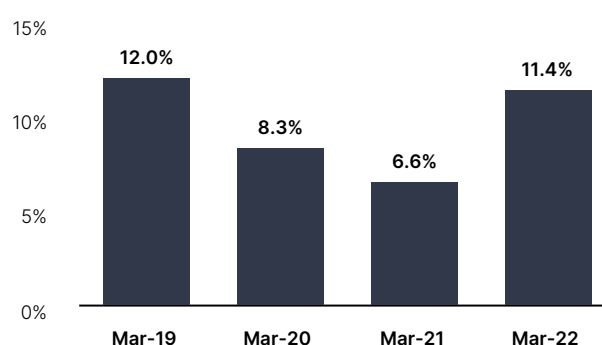
- NAV per share growth of 11.4% to 510.0 pence underscores the ability of our client franchises to generate capital to support growth and sustainable dividends.
- The Board proposed a final dividend of 14.0 pence, resulting in a total dividend of 25.0 pence, translating to a 45.4% payout ratio, within the Group's target pay-out ratio range of 30% to 50%.
- Significant cumulative capital has been returned to shareholders totalling c.£1.6 billion (c.R32 billion) since March 2020, including the successful distribution of 15% of Ninety One on 30 May 2022.

NAV per share (pence per share)



- We have made positive progress towards the achievement of medium-term targets, reporting an ROE of 11.4% for the year
- We expect to be within our 12% to 16% target range by FY2024, underpinned by a combination of improved operational performance and capital optimisation.

ROE (%)



CFO REPORT
CONTINUED

Unpacking financial results

Summarised income statement

£'000	Year to 31 March 2022	Year to 31 March 2021	% change
Net interest income	945 270	778 106	21%
Non-interest revenue	1 045 085	862 955	21%
Net fee and commissioning income	818 216	748 878	9%
Investment income	27 974	32 002	(13%)
Share of post-tax operating profit of associates	79 556	42 459	87%
Client flow trading income	128 277	35 566	>100%
BSM & Other trading income	(21 128)	(18 903)	(12%)
Other operating income	12 190	22 953	(47%)
Total operating income before ECL impairment charges	1 990 355	1 641 061	21%
ECL impairment charges	(28 828)	(99 438)	(71%)
Total operating income	1 961 527	1 541 623	27%
Operating costs	(1 233 948)	(1 164 513)	6%
Operating profit before goodwill, acquired intangibles and strategic actions	727 579	377 110	93%
Profit attributable to other non-controlling interests	(40 170)	472	>100%
Adjusted operating profit	687 409	377 582	82%
ROE	11.4%	6.6%	
ROTE	12.3%	7.2%	

Net interest income (NII)

Strong NII growth was driven by higher average interest earning assets including average loan book growth, lower funding costs as liabilities repriced post rate cuts, and excess liquidity deployed into higher-yielding loans. Partially offset by higher repayments in certain areas of the South African corporate lending portfolio, lower average yield earned on cash, near cash, bank debt and sovereign debt, and loss of income following Australian loan book exit.

Non-interest revenue (NIR)

The 21% increase in NIR is largely driven by the following:

Fee and commission income was positively impacted by improved activity levels and higher average FUM.

Trading income reflects significantly reduced risk management and risk reduction costs of hedging UK structured products.

Higher associate income from improved performance in the Group Investments portfolio.

Expected credit loss impairment charges

Total ECL impairment charges decreased by 71% resulting in a credit loss ratio of 0.08% (2021: 0.35%; 1H2022: 0.07%). Asset quality remains strong, with exposures to a carefully defined target market and well covered by collateral. The decrease in ECL was driven by limited default experience, good recoveries, and reversals of certain Stage 3 ECLs raised in the prior year as exposures cured. Given the uncertain economic outlook, the Group has maintained a level of post-model management overlays to account for risks assessed as inadequately reflected in the models. There was a net release of management overlays during the year of £2.9 million.

Operating costs

Fixed operating expenditure was well contained, increasing by 1.1%. The increase in total expenses was primarily driven by higher variable remuneration given improved business performance, partly offset by the non-repeat of one-off costs associated with restructures (including related redundancies) and the closure of operations in Australia in the prior year. The cost to income ratio improved to 63.3% from 70.9% in the prior year. Group Costs decreased by 8.1% to £30.8 million (2021: £33.5 million).

Revenue growth ahead of cost growth – resulting in positive jaws



CFO REPORT
CONTINUED

Strong financial position

£'million	Year to 31 March 2022	Year to 31 March 2021	% change
Loans and advances to customers	29 934	26 438	13%

Core loans increased by 13.2%, driven largely by residential mortgage and corporate lending growth in both geographies.

In South Africa, net core loans grew by 3.9% to R298.4 billion (31 March 2021: R287.3 billion). Advances to private clients increased 4.2% driven by resi-mortgages, offset by flat year-on-year growth in commercial real estate. Corporate lending increased 3.3%, offset by elevated repayments and subdued credit demand given continued low business confidence.

In the UK, net core loans grew by 17.0% (18.5% excluding Australia) to £14.4 billion (31 March 2021: £12.3 billion) driven by residential mortgages (up 35.5%) and strong demand for corporate credit (up 10.2% (12.0% excluding Australia)) across several portfolios.

Customer deposits	40 118	34 449	16%
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Customer deposits increased 16.5%, ahead of core loan growth as the corporates remain defensively positioned, specifically in South Africa. The UK grew into excess liquidity accumulated in recent years, as loans grew ahead of deposit growth. The balance sheet remains conservative from a liquidity perspective in line with our philosophy.

Funds under management (FUM)	63 800	58 436	9%
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FUM increased 9.2% supported by net inflows of £1.9 billion and favourable market movements in both geographies.

South Africa Wealth & Investment net inflows were supported by the sustained flows into the offshore investment range, with offshore-based FUM currently representing over 60% of total discretionary FUM.

The UK Wealth and Investment net inflows were supported by inflows of £473 million originating from our Private Banking referrals in line with the Group's strategic objective of One Investec.

Capital and liquidity ratios

Investec limited			
CET1	14.0%	12.2%	
Leverage ratio	7.4%	7.6%	
Investec plc			
CET1	11.7%	11.2%	
Leverage ratio	9.2%	7.9%	

Capital adequacy and leverage ratios

Capital and leverage ratios remain sound, ahead of Board-approved minimum targets and regulatory requirements. The CET1 and leverage ratio were 14.0% and 7.4% for Investec Limited (increased AIRB scope) and 11.7% and 9.2% for Investec plc (Standardised approach) respectively.

The Group targets a minimum CET1 ratio above 10%, a tier 1 ratio above 11% and a total capital adequacy ratio range of 14% to 17% on a consolidated basis for each of Investec plc and Investec Limited, respectively.

Investec Limited made progress in the application to adopt AIRB for the measurement of capital on certain portfolios currently on the Foundation Internal Ratings Based (FIRB) approach. On full adoption of AIRB, the pro-forma CET1 ratio would on a pro-forma basis increase by 200bps at 31 March 2022. Investec plc is in the early stages of a process to migrate from the Standardised approach to the Internal Ratings Based (IRB) approach.

CFO REPORT

CONTINUED

Looking forward

The Group is well-capitalised and lowly leveraged, adequately provisioned and has robust liquidity levels. We are firmly committed to our medium-term targets, and are well positioned to pursue growth opportunities in our chosen markets.

The expected slowdown in global growth given the high levels of inflation and increased geopolitical tensions present a downside risk to current economic forecasts.

FY2023 guidance:

Based on financial performance for FY2022, current business momentum and a macro-economic outlook with elevated forecast risk in the short term, the Group expects:

- A positive revenue outlook, underpinned by higher average interest rates supporting margins, higher average lending books and increased activity levels given expected GDP growth
- The cost to income ratio to be within the Group target of <63% notwithstanding inflationary pressures and continued investment in technology
- Normalisation of expected credit loss impairment charges and consequent credit loss ratio increase towards the Group's revised through-the-cycle (TTC) range of 25-35bps, with South Africa's TTC range calibrated between 20bps and 30bps, and the UK between 30bps and 40bps
- The distribution of Ninety One to result in a 65bps reduction in Investec Limited's CET1 ratio and to have an immaterial impact on Investec plc. The attributable contribution to adjusted earnings per share was c.3.4p for FY2022
- South Africa to continue to operate with a surplus capital position given excess capital generation and the anticipated CET1 uplift on full implementation of AIRB
- Improvement in ROE towards the 12-16% Group target range, which we expect to achieve by FY2024. This will be aided by capital management initiatives.

Appreciation

I would like to extend my personal thanks to my colleagues on the Board and the Group executive team for your support and counsel during the year. Thank you to all our 8 300 colleagues across the Group for their hard work and dedication. Thank you to all our shareholders, as well as the broader investment community for your interest and investment in the Investec Group. I look forward to further engagements.



Nishlan Samujh
Group Finance Director

Divisional review



INTRODUCTION

We partner with private, institutional and corporate clients, offering international banking, investment and wealth management services in two principal markets, South Africa and the UK, as well as certain other countries.



UK AND OTHER

We provide our clients with a diversified, combined and integrated banking and wealth management offering in the UK with extensive depth and breadth of products and services.

We've built our business by working in partnership with our clients, taking the time to understand their unique needs and aspirations. This approach allows us to deliver Out of the Ordinary service to private, institutional and corporate clients alike.

Highlights

Funds under management

£44.4bn

(2021: £41.7bn)



Adjusted operating profit

£299.9mn

(2021: £126.0mn)



Net core loans

£14.4bn

(2021: £12.3bn)



Cost to income

70.5%

(2021: 79.5%)

Customer deposits

£18.3bn

(2021: £16.1bn)



ROE post tax

11.2%

(2021: 4.0%)

What we do

Private client offering

Wealth & Investment

Investment and savings
Pensions and retirement
Financial planning

Private Banking

Lending
Private Capital
Transactional banking
Savings
Foreign exchange

Corporate client offering

Corporate and Investment Banking

Lending
Advice
Hedging
Cash – deposits and savings
Equity placement

Target market

Private client offering

- Individuals with > £250k minimum investable amount
- Charities
- Trusts
- High net worth active wealth creators (with >£300k annual income and > £3mn NAV)

Corporate client offering

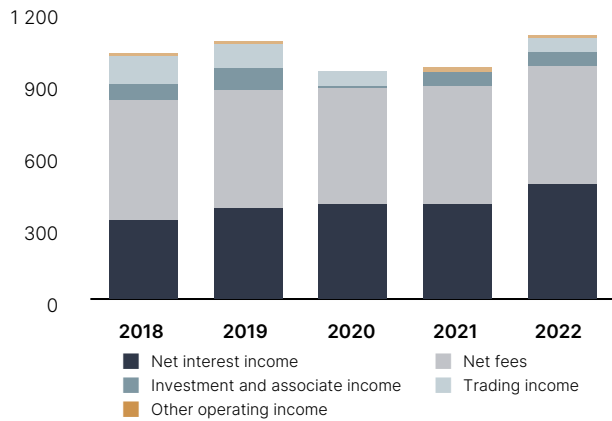
- Corporates
- Private equity
- Institutions
- Intermediaries
- Government

UK AND OTHER

CONTINUED

Operating income

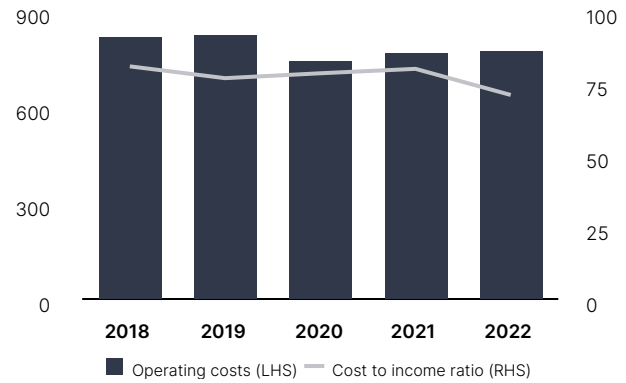
£'million



Operating costs

£'million

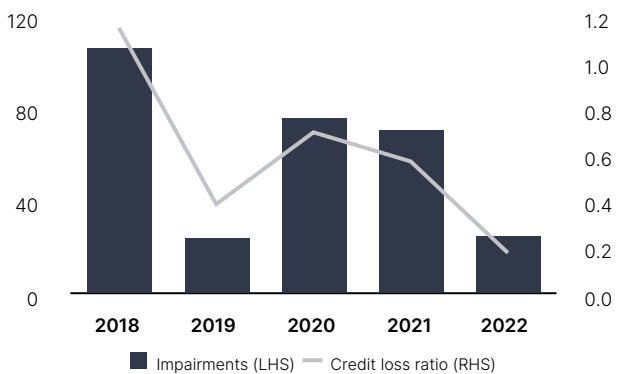
Percentage



Expected credit loss impairment charges

£'million

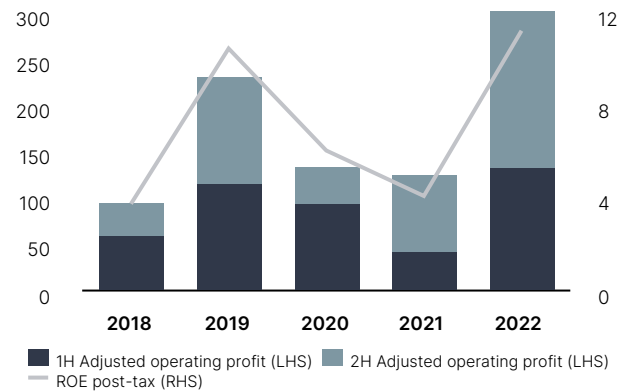
Percentage



Adjusted operating profit and ROE

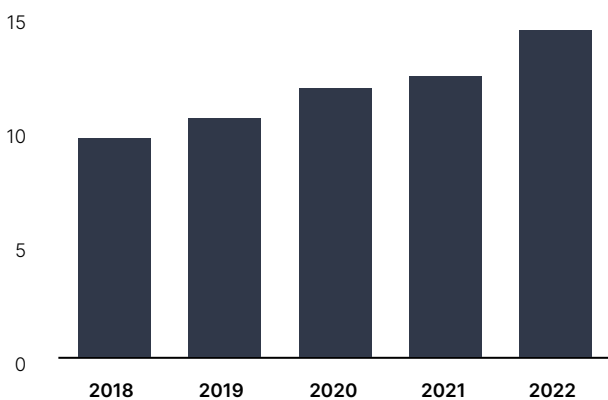
£'million

Percentage



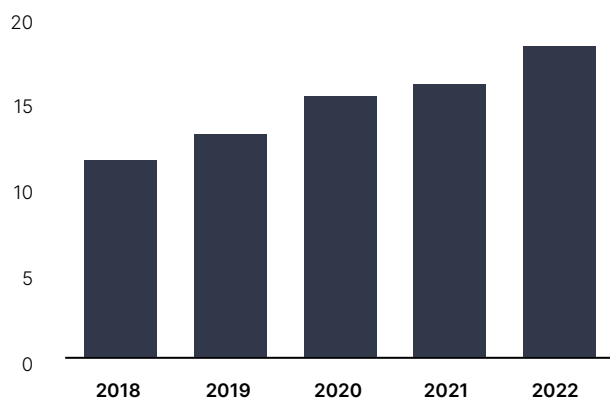
Net core loans

£'billion



Total customer deposits

£'billion



Note: Figures on this page for comparative years relate to continuing operations.

WEALTH & INVESTMENT

**Business Head**

Ciaran Whelan

Awards

Won 'Best UK Wealth Planning Team' and 'Best Diversity and Inclusion in Wealth Management' at the 2022 Wealth Briefing European Awards
Retained Defacto Gold rating for DFM Services

With over £44 billion of FUM, we are one of the UK's largest wealth and investment managers.

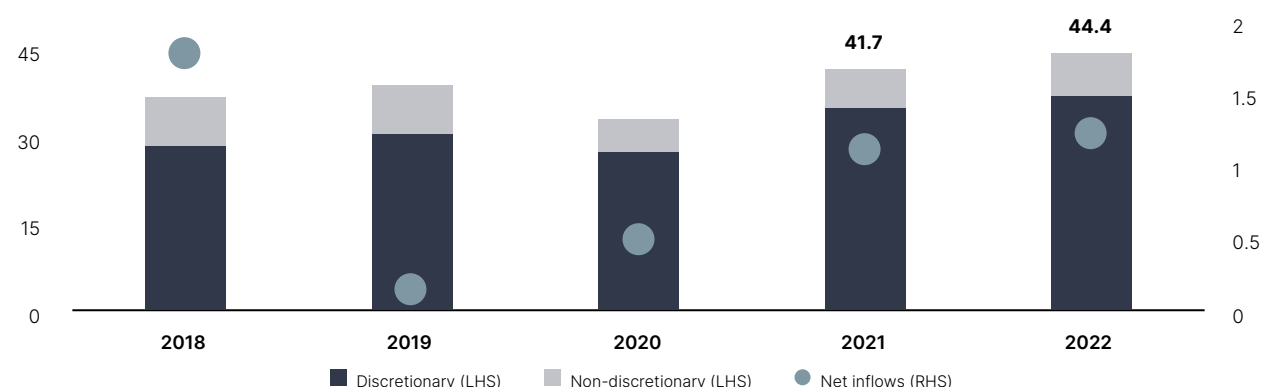
We work with individual clients to allow them to grow, enjoy and protect their wealth, and with charities and clients of professional advisers to help deliver optimal returns on their investments and to bring financial peace of mind.

Performance highlights

- A strong financial performance has resulted in operating profit of £87.7 million (17.9% above the prior year) and an operating margin for the UK domestic business of 27.0% (2021: 25.2%)
- Market recovery, continued net inflows and positive investment performance resulted in record FUM of £46.1 billion at 31 December 2021
- The final quarter of the financial year was impacted by global market volatility caused by the war between Russia and Ukraine, resulting in a closing FUM of £44.4 billion at 31 March 2022.

Funds under management and net flows

£'billion

**Reasons for the variance in FUM since 31 March 2021**

- Favourable market movements (MSCI PIMFA Balanced Index up 10.7%), somewhat offset by investment performance in the final quarter
- Net inflows of £1.2 billion resulting in net organic growth in funds under management of 2.9%.

Funds under management

£'million	31 March 2022	31 March 2021	% change
UK domestic (including Channel Islands)	42 894	40 474	6.0%
Discretionary	36 728	34 812	5.5%
Non-discretionary*	6 166	5 662	8.9%
Switzerland	1 525	1 210	26.0%
Discretionary	487	395	23.3%
Non-discretionary	1 038	815	27.4%
Total	44 419	41 684	6.6%

* Non-discretionary includes advisory-managed FUM of £1 627 million (2021: £1 829 million). Managed funds therefore represent 89% of the UK domestic total FUM at 31 March 2022 (2021: 91%).

Net inflows over the year

£'million	31 March 2022	31 March 2021
Discretionary	808	959
Non-discretionary	410	150
Total	1 218	1 109

WEALTH & INVESTMENT

CONTINUED

Income statement analysis and key income drivers

£'000	31 March 2022	31 March 2021	Variance	% change
Net interest income	2 268	2 296	(28)	(1.2%)
Net fee and commission income	344 029	316 040	27 989	8.9%
Investment (loss)/income	(2)	272	(274)	(>100.0%)
Trading income arising from:				
– customer flow	1 194	920	274	29.8%
– balance sheet management and other trading activities	(307)	(9)	(298)	(>100.0%)
Total operating income before expected credit loss impairment charges	347 182	319 519	27 663	8.7%
Of which: UK domestic	338 322	311 576	26 746	8.6%
Of which: Switzerland*	8 860	7 943	917	11.5%
Expected credit loss impairment charges	(5)	(4)	(1)	25.0%
Operating income	347 177	319 515	27 662	8.7%
Operating costs	(259 496)	(245 175)	(14 321)	5.8%
Of which: UK domestic	(247 729)	(233 100)	(14 629)	6.3%
Of which: Switzerland*	(11 767)	(12 075)	308	(2.6%)
Adjusted operating profit/(loss)	87 681	74 340	13 341	17.9%
Of which: UK domestic	90 593	78 476	12 117	15.4%
Of which: Switzerland*	(2 912)	(4 136)	1 224	(29.6%)
Key income drivers				
Operating margin	25.3%	23.3%		
Of which: UK domestic [#]	27.0%	25.2%		
Net inflows in FUM as a % of opening FUM	2.9%	3.3%		
Average income yield earned on FUM [^]	0.81%	0.85%		
Of which: UK domestic	0.81%	0.86%		

- * The results of the Switzerland business have been reported separately to demonstrate the value of the UK domestic business. Following a strategic review, our Swiss operations are being restructured to play a key role in the Group's strategic expansion of its international banking and wealth services.
- # The calculation of the operating margin for the UK domestic business excludes net interest expense of £755 000 (2021: £508 000) relating to net interest income earned on the firm's cash deposits and the IFRS 16 Leases interest expense on right-of-use assets. This presentation is consistent with wealth managers that are not part of a banking group and are therefore not required to report in accordance with the presentation and disclosure standards for banks. Excluding this adjustment, the operating margin for the UK domestic business would be 26.8% (2021: 25.2%).
- ^ The average income yield on funds under management represents the total operating income for the period as a percentage of the average of opening and closing funds under management. This calculation does not adjust for the impact of market movements and investment performance throughout the period on funds under management or the timing of acquisitions and disposals (where applicable) during the respective periods.

Other factors driving the performance in the year under review included

- Net fee and commission income increased by £28.0 million (8.9%) as a result of higher market levels and positive net organic growth in FUM (in the current and prior year). Commission income returned to a more normalised level following the exceptional transaction volumes seen in the prior year, resulting in a lower average income yield
- Operating costs were up 5.8% due to investment in technology, increased discretionary expenditure as COVID-19 related restrictions eased, as well as higher variable remuneration in line with business performance.

Strategy execution

Belonging, Inclusion and Diversity (BID) highlights

- We launched an Inclusive Allies programme to educate colleagues about how to be an effective ally to marginalised groups
- Our new app-based healthcare benefit, Peppy, which was launched in the year under review is giving colleagues access to personalised support through life events, including menopause, fertility and early parenthood
- We celebrated neurodiversity using employee focus groups to shape our approach and ensuring our recruitment processes are inclusive and supportive for neurodivergent thinkers
- Our commitments to the Women in Finance Charter progressed, evidenced by our over 30% representation of women in senior leadership roles, and 50% female Board representation in the UK.

Sustainability highlights



- We continued to focus on investing responsibly on behalf of clients, with environmental, social and governance (ESG) considerations integrated into our investment process and active engagement with the businesses that we invest in
- Our executive team and Investment & Research Office are enhancing sustainable finance knowledge through the Cambridge Institute for Sustainability Leadership programme
- We are sponsoring the Blue Economy Ocean Accelerator programme, which is aimed at supporting entrepreneurial SME businesses to make a meaningful impact on the ocean.

WEALTH & INVESTMENT

CONTINUED

Overall

- In line with our One Investec objective, we seek to provide integrated solutions to clients through access to group-wide products and services on offer. Successful referrals between the Specialist banking and the Wealth & Investment businesses resulted in £473 million of FUM and £105 million of new lending
- We have revised our remuneration approach to improve the alignment between performance incentives and our strategic goals, culture and values
- Our client-facing teams and the Investment & Research Office have been focused on ensuring our direct clients, charities, and independent financial advisors benefitted from the positive market movements seen in the first three quarters, and were adequately supported through the market volatility in the final quarter.

Growth opportunities and outlook

- Following the formation of our new Investment & Research Office, we are improving the consistency and quality of our investment offering, including updating our Strategic Asset Allocation to broaden our exposure to global market opportunities and differentiated asset classes
- Our priority is organic growth in our key channels, namely direct clients, charities, and intermediaries, however, we remain alive to opportunities arising from industry consolidation
- We will continue to focus on our value proposition in relation to advice capabilities and a coordinated banking and wealth management offering to HNW clients.

SPECIALIST BANKING OVERVIEW

**Business Head**

Ruth Leas

Awards

Recognised as the 'Best-performing bank in the UK' by The Banker, 2021

Won 'Best Specialist ESG Research' at the 2022 ESG Investing Awards

Won 'Lender of the Year' at the 2022 Private Equity Awards

Won 'Best Leasing and Asset Finance Provider' and 'Best Business FX Provider' at the 2022 Business Moneyfacts Awards

Highlights**Adjusted operating profit****£193.7mn**

(2021: £44.8mn)

**ROE post tax****9.7%**

(2021: 1.2%)

**Cost to income****69.6%**

(2021: 81.3%)

**Credit loss ratio****0.17%**

(2021: 0.56%)

Overview of performance in the year under review

- The business delivered a commendable set of results, slightly ahead of pre-COVID levels of profitability with an enhanced quality of earnings. Continued client acquisition supported strong loan book growth of 17.0% since 31 March 2021, or 18.5% excluding the Australian book exit
- We are proud to have beaten our targets for HNW banking to breakeven by March 2022, having delivered increased levels of profitability and client acquisition despite the challenging conditions brought by the COVID-19 pandemic
- Risk management and risk reduction costs associated with the UK structured products book were immaterial at c.£5.9 million, compared to a £93 million loss incurred in the prior year
- Operating costs were broadly flat, declining by 0.3% year on year. The 5.3% reduction in fixed costs was offset by an increase in variable remuneration in line with improved business performance. The prior year included one-off costs associated with restructures implemented in the period
- Pre-provision adjusted operating profit was up 88.7% to £218.8 million (2021: £116.0 million)
- ECL impairment charges of £25.2 million were materially below the prior period (2021: £71.2 million), primarily due to lower specific impairments
- These results are underpinned by positive momentum in our client franchises and strategic cross-collaboration within the One Investec client ecosystem. See more on this enhanced collaboration in the pages that follow.

Income statement

£'000	31 March 2022	31 March 2021	Variance	% change
Net interest income	480 451	397 418	83 033	20.9%
Net fee and commission income	151 286	172 483	(21 197)	(12.3%)
Investment income	10 849	22 142	(11 293)	(51.0%)
Share of post-taxation profit of associates and joint venture holdings	13 879	10 830	3 049	28.2%
Trading income/(loss) arising from:				
– customer flow	59 178	(11 945)	71 123	>100.0%
– balance sheet management and other trading activities	(6 797)	11 271	(18 068)	(>100.0%)
Other operating income	11 533	15 831	(4 298)	(27.1%)
Total operating income before expected credit loss impairment charges	720 379	618 030	102 349	16.6%
Expected credit loss impairment charges	(25 175)	(71 198)	46 023	(64.6%)
Operating income	695 204	546 832	148 372	27.1%
Operating costs	(501 551)	(502 906)	1 355	(0.3%)
Operating profit before goodwill, acquired intangibles and strategic actions	193 653	43 926	149 727	>100.0%
Loss attributable to non-controlling interests	—	861	(861)	(100.0%)
Adjusted operating profit	193 653	44 787	148 866	>100.0%

SPECIALIST BANKING OVERVIEW

CONTINUED

Enhanced collaboration through integration

A key strategic differentiator is our client ecosystem approach, taking our clients along both the personal and business journey.

Our approach of 'One Investec' brings all of Investec that is relevant to each and every client. It is a coordinated approach with the client at the centre, supporting meaningful and long-lasting client relationships with Investec.

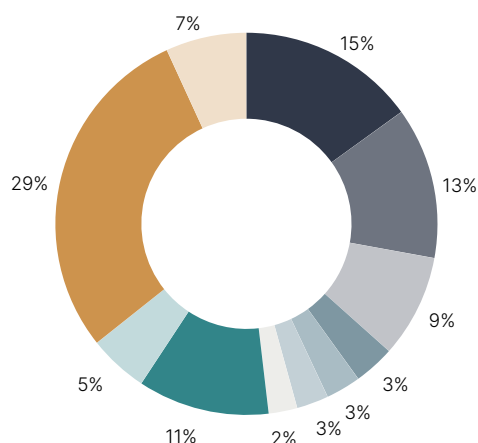
In the UK mid-market, we are centred on what is best for the client, with the breadth of our capabilities differentiating us from our competitors in terms of the diversity of offering we can bring to our clients. One Investec allows us to provide our clients with the focus of a boutique, backed with the power of a bank.

We have integrated ourselves structurally through organising our business activities around target client groupings. This enables us to leverage the whole of Investec's capability to provide solutions most relevant to clients' needs.

Our focus on connectivity and collaboration is delivering strong results.

In FY2022

- Individual franchises are growing and co-generating new Bank value between them
- New value grown by our franchises sharing clients: there were 661 inter-bank referrals, generating new business predominantly through lending, advisory fees, and trading activity
- Enhanced connectivity with UK Wealth & Investment: Bank referred and created £473 million of incremental funds under management (FUM) to the UK Wealth & Investment business
- Unlocking significant client value: collaboration has supported an increase in the average number of products per core client
- Notably strong loan book growth (up 17.0%), particularly compared to our peers, as a result of our collaborative, One Investec approach.

Diversified loan book by risk category: Core loans
£14.4 billion

Corporate and other lending

48%

Asset finance	15%
Corporate and acquisition finance	13%
Fund finance	9%
Power and infrastructure finance	3%
Other corporate and financial institutions and governments	3%
Asset-based lending	3%
Aviation finance	2%

Lending collateralised by property

16%

Commercial real estate	11%
Residential real estate	5%

High net worth and other private client lending

36%

Mortgages	29%
HNW and specialised lending	7%

Belonging, Inclusion and Diversity (BID) highlights

- We have a female CEO and currently have 50% females and 40% people of colour on the Investec Bank plc Board. Our senior leadership has 35% female representation and 35% ethnic minority representation
- Introduced our first reverse mentoring programme for Black, Asian and minority ethnic employees, which aims to facilitate reciprocal learning and enable the organisation to harness the value of difference
- Launched our inaugural Allies programme and BID Champion network
- Joined the Diversity Project (a cross-company initiative), the aim of which is to create a truly diverse and inclusive UK investment and savings industry
- Launched a new app-based healthcare benefit (Peppy Health) for employees, providing support with fertility, menopause, and early parenthood
- Reduced our gender pay gap, reflecting a continuous year-on-year improvement since 2017, and, for the first time, voluntarily included our ethnicity pay gap results.

Sustainability highlights



- Closed Investec Bank plc's first Sustainability Linked Loan for USD600 million funding which was three-times oversubscribed
- Won 'Best Specialist ESG Research' at the 2022 ESG Investing Awards
- Embedded an ESG framework (including diligence, internal ratings and mappings to the SDGs, and ongoing monitoring) into our investment process for private equity clients
- Experienced strong deal flow for Power and infrastructure finance, sourcing financing opportunities for wind and solar development as well as other energy transition strategies such as electric vehicle charging stations
- Launched a Renewable Energy Funding proposition to fund small ticket renewable energy assets to support UK SMEs and corporates in their transition to net-zero
- Founding member of 'Sustainable Trading', a non-profit membership dedicated to transforming ESG practices within the financial markets trading industry
- Signed up to the UN-convened Net-Zero Banking Alliance which is committed to aligning lending and investment portfolios with net-zero emissions by 2050.

PRIVATE BANKING

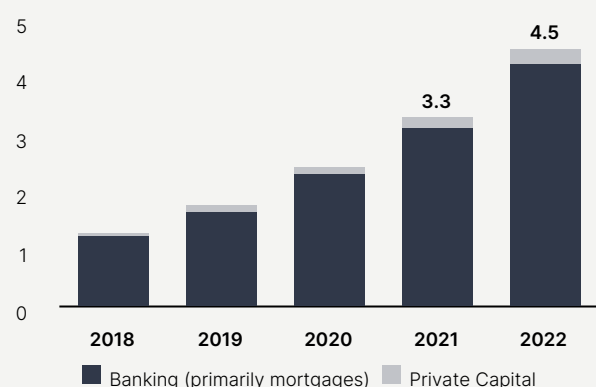
Our Private Banking activities focus on providing bespoke solutions underpinned by in-depth knowledge and understanding of our clients' personal and business aspirations and goals, supported by a broad private banking offering. We understand that every client is an individual, and that they are typically active wealth creators with complex financial needs. Our proposition is aligned with a clearly defined target client base and a market opportunity to address an underserved part of the UK market. This segment predominantly comprises lending to HNW clients: primarily residential mortgages, as well as flexible capital solutions for established privately owned businesses and entrepreneurs (Private Capital).

Performance in the period under review

- Our Private Banking activities delivered a strong financial performance, reporting an adjusted operating profit of £30.8 million (compared to a net loss of £3.0 million in 2021). This level of profitability significantly exceeds our stated ambitions to break even by March 2022 – a noteworthy milestone achieved during a three-year period that was marked by COVID-19 related volatility
- Net interest income increased materially compared to the prior year (up >100%), driven by strong loan book growth of 35.1% since 31 March 2021 and lower funding costs.

Loans and advances to customers

£'billion

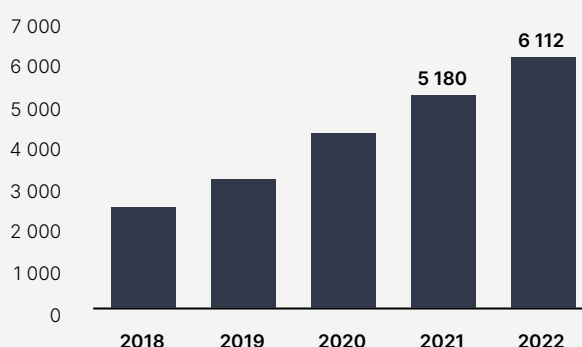


Loan book growth

- Strong loan book growth for both HNW banking and Private Capital, up 35.5% and 28.4%, respectively, since 31 March 2021 – driven by focused execution of strategy and continued client acquisition
- The business experienced significantly higher activity levels this year, particularly in the month of June when demand for residential mortgages accelerated ahead of the deadline for the COVID-19 related Stamp Duty relief in the UK
- The book growth was achieved without compromising margins and underlying credit quality in an increasingly competitive market.

Note: In addition to the loan book shown above, our Channel Islands business had c.£500 million of mortgages as at 31 March 2022.

UK HNW client acquisition



Continued success in client acquisition

- We acquired 1 137 new clients over the period – a number of which were introduced via referrals by existing Investec clients
- Aligned to our One Investec approach, this offering serves as a valuable client acquisition tool for the wider UK Bank and Wealth & Investment businesses: our clients have an average income of £700 000+ and average NAV of £11 million (well above our quantitative criteria)
- HNW mortgage lending is focused on target clients with lending in established areas (London and the South East) with recourse to the individual and high level of cash equity contributions into transactions
- The majority of our HNW clients are UK resident (only a small proportion of this client base is South African).

Note: In addition to these client figures, our Channel Islands business has c.870 HNW clients. This brings our total number of HNW clients to 6 982 – exceeding our three-year target of 6 500 HNW clients by March 2022.

Strategy execution

- The results reflect our continued success in executing our HNW client acquisition strategy, translating into strong growth in lending, profitability, and market share. This HNW client activity also connects to the rest of the client ecosystem, where our client-centric, One Investec approach enables us to win mandates in other areas
- We continue to collaborate with our Wealth & Investment business to provide an integrated HNW proposition. In addition, the ability to provide our UK private banking offering to South African clients seeking an international proposition continues to be a key differentiator for the Group
- Our growing Private Capital offering is addressing a gap in the UK market, providing capital directly to owner-managed businesses and their owners. These HNW clients value our innovative, flexible approach to understanding both their business and personal assets. Our growth has been supported by collaboration with our HNW banking proposition, as many of our clients are also banked by us through their mortgages.

PRIVATE BANKING

CONTINUED

Income statement analysis and key income drivers

£'000	31 March 2022	31 March 2021	Variance	% change
Net interest income	70 692	34 664	36 028	>100.0%
Net fee and commission income	1 556	644	912	>100.0%
Investment income	816	19	797	>100.0%
Trading income arising from:				
– customer flow	2 228	1 196	1 032	86.3%
– balance sheet management and other trading activities	2	13	(11)	(84.6%)
Total operating income before expected credit loss impairment charges	75 294	36 536	38 758	>100.0%
Expected credit loss impairment charges	(2 432)	(1 515)	(917)	60.5%
Operating income	72 862	35 021	37 841	>100.0%
Operating costs	(42 034)	(38 033)	(4 001)	10.5%
Adjusted operating profit/(loss)	30 828	(3 012)	33 840	>100.0%
Key income drivers				
ROE post tax	3.8%	(0.7%)		
Cost to income ratio	55.8%	104.1%		
Growth in loans and advances to customers	35.1%	37.2%		
Growth in risk-weighted assets	21.0%	41.9%		

Other factors driving the performance in the period under review included

- Adjusted operating profit of £30.8 million (compared to a net loss of £3.0 million in the prior year) reflects ongoing strategic execution in growing the business to scale by leveraging existing infrastructure
- Growth in net interest income (>100%) was driven by a higher average loan book and an improved net interest margin – primarily due to higher lending activity and lower funding costs
- ECL impairment charges for the period increased to £2.4 million (2021: £1.5 million) driven by book growth and seasoning of the loan book. The credit loss ratio on this book is c.5bps, indicative of the quality of the underlying franchise. Refer to page 29 of the Investec Group's 2022 risk and governance report for further information on the Group's asset quality
- Operating costs increased by £4.0 million or 10.5%, reflecting normalised discretionary expenditure post the COVID-19 related lockdowns as well as increased variable remuneration in line with improved business performance.

Growth opportunities and outlook

- Notwithstanding our success to date in building scale and relevance, we believe we are only beginning to capitalise on the existing market opportunity. We are seeing growing demand for our efficient, refreshingly human private client offering. We have proven the concept: our journey to profitability – particularly in turbulent times – evidences the clear market opportunity and the strength of our proposition to capture it. Now it is all about scale
- We have partnered with Monese, a leading pan-European fintech, to evolve and transform our transactional banking offering. This strategic partnership will enable us to leverage Monese's agility, expertise, and digital capabilities to bring accelerated efficiency and enhancements to our private client transactional banking offering
- We are excited about the sizeable opportunity that exists to provide our clients with an integrated banking and wealth management offering. Over 80% of our HNW banking clients do not currently have a relationship with our Wealth & Investment business, with significant levels of wealth currently sitting with other financial institutions. In addition, there are a number of clients of the Wealth & Investment business who are seen as potential target clients for the Bank. We continue to enhance collaboration to provide a holistic proposition for our HNW clients' growth journeys
- Having established a strong presence in the market over the last four years, our Private Capital business is in growth mode, focused on increasing lending at pace through deepening existing relationships and further client acquisition
- We are focused on maintaining business momentum and generating a stable annuity income stream for the Group, while investing with discipline in the required technology to support our growth to scale.

CORPORATE, INVESTMENT BANKING AND OTHER

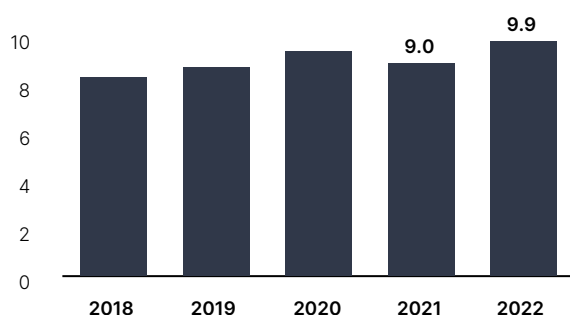
This segment comprises business activities that provide capital, advisory and risk management services to growth-orientated corporate clients in the private companies, private equity and listed companies arenas, including specialist sector-focused expertise. This segment also comprises our central treasury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

Performance in the period under review

- The results reflect a strong performance, with an adjusted operating profit of £162.8 million (2021: £47.8 million). The significant improvement in performance is largely attributable to the strategic changes we implemented, improved market conditions, and increased client activity as economies opened up and bounced back from the COVID-19 pandemic
- Net interest income increased by £47.0 million (13.0%) to £409.8 million, driven by higher lending activity and lower funding costs
- Impairment charges were considerably lower (down 67.4% to £22.7 million) due to an improved macro-economic outlook and limited specific impairments.

Loans and advances to customers

£'billion



Robust book growth

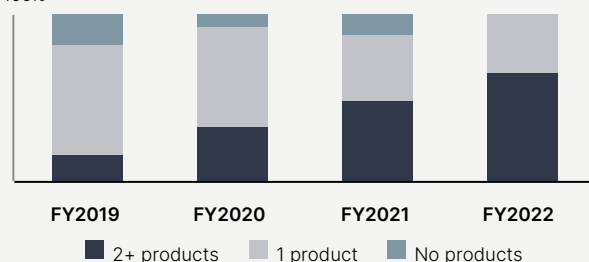
- The loan book grew by 10.1% since 31 March 2021 to £9.9 billion, or 12.0% excluding the Australian book exit
- Lending activity increased significantly across all portfolios, supported by new client acquisition as we continue to build scale and relevance in our client franchises, and repeat business with existing clients
- We also experienced continued success with our origination and distribution strategy, particularly in the lending areas of Fund Solutions, Power and infrastructure finance and Growth & Leverage finance, generating additional ROE-accretive revenue for the Group.

Spotlight on our Private Equity franchise

- We have a fully integrated proposition spanning advisory (M&A and IPO), capital solutions (leverage finance and fund level finance) and risk management (currency and interest rate hedging) for private equity funds and their portfolio companies
- We have a broad European footprint with activity weighted to the UK, complemented by fast-growing continental European activity levels, aided through a minority stake in Capitalmind, an M&A boutique
- Over the past three years, we have focused on unlocking value by offering an integrated, multi-product solution to a targeted group of clients. The benefit of this collaborative client focus is delivering strong performance:
 - Revenue from these clients increased by over 40% in FY2022
 - Increasingly, our clients are taking more products – two-thirds of these particular clients now have at least two products
- Opportunity remains to do more with these clients and to replicate our multi-product strategy more broadly.

Product capture per client (targeted group)

100%



Winner

Savings Provider of the Year
(Money.net Awards 2021)

Winner

Broker Champion Lessor
(Leasing World, Gold Awards 2021)

Research rank across seven sectors

#1

(2021 Institutional Investor's UK Small & Mid-Cap survey)

Broker rank

#2

(2021 Institutional Investor's UK Small & Mid-Cap survey)

Winner

Conventional Power Lead Arranger of the Year

(Power Finance & Risk Annual Deals and Firms of the Year Awards 2021)

Winner

Fund Financing Provider of the Year

(Drawdown Awards 2022)

Winner

Best Fund Financing Solution

(Private Equity Wire European Awards 2022)

Winner

Mid-Market Lender of the Year

(Real Estate Capital Europe Awards 2021)

CORPORATE, INVESTMENT BANKING AND OTHER

CONTINUED

Income statement analysis and key income drivers

£'000	31 March 2022	31 March 2021	Variance	% change
Net interest income	409 759	362 754	47 005	13.0%
Net fee and commission income	149 730	171 839	(22 109)	(12.9%)
Investment income	10 033	22 123	(12 090)	(54.6%)
Share of post-taxation profit of associates and joint venture holdings	13 879	10 830	3 049	28.1%
Trading income/(loss) arising from:				
– customer flow	56 950	(13 141)	70 091	>100.0%
– balance sheet management and other trading activities	(6 799)	11 258	(18 057)	(>100.0%)
Other operating income	11 533	15 831	(4 298)	(27.1%)
Total operating income before expected credit loss impairment charges	645 085	581 494	63 591	10.9%
Expected credit loss impairment charges	(22 743)	(69 683)	46 940	(67.4%)
Operating income	622 342	511 811	110 531	21.6%
Operating costs	(459 517)	(464 873)	5 356	(1.2%)
Operating profit before goodwill, acquired intangibles and strategic actions	162 825	46 938	115 887	>100.0%
Profit attributable to non-controlling interests	—	861	(861)	(100.0%)
Adjusted operating profit	162 825	47 799	115 026	>100.0%
Key income drivers				
ROE post tax	12.6%	1.9%		
Cost to income ratio	71.2%	79.8%		
Growth in loans and advances to customers	10.1%	(4.8%)*		
Growth in risk-weighted assets	(3.2%)	(0.4%)		

* Growth in loans and advances to customers for FY2021 was negatively impacted by the sale of the c.£400 million Australian loan book in March 2021. There was marginal book growth excluding the Australian loan book.

Other factors driving the performance in the period under review included

- The £47.0 million increase in net interest income was primarily driven by higher average loan books across a number of portfolios, reduced funding costs as liabilities repriced, utilisation of excess liquidity and accelerated effective interest rate (EIR) fees
- Net fee and commission income decreased by £22.1 million to £149.7 million, impacted by the wind-down of the Australian business and the restructure of operations in India (whereby earnings from the joint venture are now reflected as fair value movements within investment income). Lower advisory fees in the listed companies space were offset by higher advisory fees from the private equity client franchise
- Investment income of £10.0 million was £12.1 million lower than the prior year due to non-repeat of a £13 million gain recognised from the formation of a joint venture with State Bank of India and the profit on sale of the IAPF management company. This was partially offset by unrealised gains in certain portfolios in the current year
- Trading income from customer flow was significantly higher than the prior period as a result of immaterial risk management and risk reduction costs associated with the UK structured products book in the current year (£5.9 million) due to risk mitigation strategies and improving markets (2021: £93 million)
- Trading income from balance sheet management and other trading activities cost £6.8 million, primarily driven by costs associated with the early redemption of a senior bond and the non-repeat of prior year gains which followed extreme COVID-19 related volatility
- Other operating income of £11.5 million (2021: £15.8 million) primarily reflects the fair value movements of the Ninety One shares held in the Group's staff share scheme as a result of the demerger and separate listing of Ninety One. The impact is reduced by a corresponding increase in personnel costs
- Expected credit loss impairment charges of £22.7 million were 67.4% lower than the prior period, primarily due to lower specific impairments. Refer to page 29 of the Investec Group's 2022 risk and governance report for information on the Group's asset quality
- Operating costs decreased by 1.2% to £459.5 million. A reduction in fixed costs was offset by an increase in variable remuneration in line with improved business performance. The base includes one-off costs associated with the implementation of restructures as part of the Group's strategy to simplify and focus the business, including related redundancies and the closure of operations in Australia.

CORPORATE, INVESTMENT BANKING AND OTHER CONTINUED

Strategy execution

- The business is delivering on its growth phase in the journey to enhance shareholder returns. Our success to date in building scale and relevance in the UK market is reflected in solid loan book growth, increased client activity and client acquisition across our business
- Our One Investec approach – underpinned by connected client ecosystems – has led to an increased number of multi-product clients and a pipeline of additional opportunities
- The strength of our client franchises has been independently recognised through the numerous awards we have won
- We are focused on digitalisation to deliver scale, investing in technology for longer-term growth and efficiency. Our strategic partnership with fintech, Monese, has been the catalyst for accelerating our digital transformation. We are currently in a beta phase testing the new business current account, and expect to launch our new private client transactional banking offering in the latter half of this financial year
- We continue to generate diversified, capital light earnings by utilising third party capital to facilitate our highly successful origination and distribution capability. In addition to accelerated growth in our existing fundraising capabilities for Fund Solutions and Power and infrastructure finance, similar strategies for Growth & Leverage finance and Real Estate lending have positioned us well to further diversify this income stream
- In terms of funding, the transition of our retail funding to more digital and scalable platforms has continued with pace. Through these channels in the financial year we delivered growth of £3.2 billion of funding through our new digital savings platform – broadening our retail funding base and delivering a reduction in our cost of funds. This has aided our competitiveness in the market and contributed to an improved net interest margin.

Growth opportunities and outlook

- We expect business momentum to continue, supporting a future of disciplined growth on a platform of resilience
- Aligned to our organisational purpose of 'living in, not off, society', our Belonging, Inclusion and Diversity (BID) focus is on inclusive leadership and creating an environment where a sense of belonging permeates
- A key strategic differentiator (our One Investec, client ecosystem approach) will continue to drive success in leveraging the whole of Investec's capability to provide solutions for clients. Further collaboration with our Wealth & Investment business and the wider Investec Group is expected to unlock value
- With respect to sustainability, we are focused on embedding an ESG mindset that is fully integrated in our support for clients. We will continue to grow our sustainability offering to support our clients with renewable energy financing and innovative debt structuring
- Our international partnerships in Continental Europe (with Capitalmind) and the USA (with BlackArch) continue to facilitate an expansion of our cross-border M&A advisory services
- We expect to grow our corporate brokering and research client base in the UK as a result of investing in new sectors and improving sector capability, while recent strategic hires in our US Equities business support our ambitions to increase market share in North America
- The scale of the underserved UK private companies market represents a significant opportunity for growth: 20 000 UK private companies have been identified as potential new clients for our comprehensive suite of banking products. We have made good progress developing our client proposition, including greater automation of our asset finance business and further development of our online FX portal
- We intend to raise additional third party capital through funds and syndications to support a wider client offering and to generate further capital light revenue for the Group.

GROUP INVESTMENTS

We have separated these assets 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.

In the UK, Group Investments comprises Investec plc's c.15% investment in Ninety One (formerly Investec Asset Management). At a DLC Group level, Investec has a 25% shareholding in Ninety One (remaining c.10% held in Investec Limited). Investec accounts for its combined 25% investment in Ninety One by applying equity accounting. The table below reflects the equity-accounted valuation of the investment in Ninety One: £230.1 million at 31 March 2022 (this disclosure aligns with the segmental reporting provided in Note 1 of the Investec Group's 2022 annual financial statements). This differs to the market value of the c.15% stake held by Investec plc which was £356.0 million at 31 March 2022.

In November 2021, the Investec Group announced its decision to distribute a 15% holding in Ninety One to shareholders, whilst retaining an approximate 10% interest held by Investec plc. A General Meeting was held on 28 April 2022, whereby shareholders were able to cast their vote to approve the distribution of Ninety One shares and associated distribution mechanism. The resolutions passed with a 99.9% or greater shareholder vote, and the 15% distribution to shareholders was effective on 30 May 2022. Thereafter, Group Investments in the UK will comprise Investec plc's c.10% investment in Ninety One.

Portfolio breakdown and ROE

	Asset analysis £'000	Income analysis £'000
31 March 2022		
Ninety One plc	230 056	33 387
Total exposures on balance sheet	230 056	
Ordinary shareholders' equity held on investment portfolio – 31 March 2022	222 278	
Ordinary shareholders' equity held on investment portfolio – 31 March 2021	227 190	
Average ordinary shareholders' equity held on investment portfolio – 31 March 2022	224 734	
Post-tax return on adjusted average ordinary shareholders' equity – 31 March 2022		14.9%

	Asset analysis £'000	Income analysis £'000
31 March 2021		
Ninety One plc	236 655	25 142
Total exposures on balance sheet	236 655	
Ordinary shareholders' equity held on investment portfolio – 31 March 2021	227 190	
Ordinary shareholders' equity held on investment portfolio – 31 March 2020	97 640	
Average ordinary shareholders' equity held on investment portfolio – 31 March 2021	162 415	
Post-tax return on adjusted average ordinary shareholders' equity – 31 March 2021		15.5%

Income statement analysis

£'000	31 March 2022	31 March 2021	Variance	% change
Share of post-taxation profit of associates and joint venture holdings	33 387	25 142	8 245	32.8%
Total operating income before expected credit loss impairment charges	33 387	25 142	8 245	32.8%
Expected credit loss impairment charges	—	—	—	—
Operating costs	—	—	—	—
Adjusted operating profit	33 387	25 142	8 245	32.8%

Factors driving the performance in the period under review included

- Share of post-taxation profit of associates reflects growth in earnings from the Group's retained investment in Ninety One (following the demerger of the asset management business in March 2020).

SOUTHERN AFRICA

We have remained true to our entrepreneurial spirit and long-term client relationships since our founding in Johannesburg in 1974. We are committed to understanding and responding to the unique and individual needs and aspirations of our private, institutional and corporate clients. Our distinctive offering is built on the premise of Out of the Ordinary service, combining personal client relationships with world-class technology platforms.

Best Private Bank and Wealth Manager in South Africa for 10 consecutive years

Recognised by Euromoney and, for the last nine years, by the Financial Times of London.

Highlights

Funds under management

£19.4bn

(2021: £16.7bn)



Adjusted operating profit

£387.5mn

(2021: £251.6mn)



Net core loans

£15.5bn

(2021: £14.1bn)



Cost to income

53.9%

(2021: 58.7%)

Customer deposits

£21.8bn

(2021: £18.4bn)



ROE post tax

11.7%

(2021: 9.4%)

What we do

Private client offering

Wealth & Investment

Wealth management
Portfolio management
Fund management
Stockbroking
Local and Swiss custody

Private Banking

Transactional banking
Lending
Property Finance
Private Capital
Savings
Foreign exchange
Life assurance and investment products

Corporate client offering

Corporate and Investment Banking

Specialised lending
Import and trade finance
Treasury and trading solutions
Institutional equity research, sales and trading
Advisory
Debt and equity capital markets
Fixed income, currency and commodities (FICC)

Target market

Private client offering

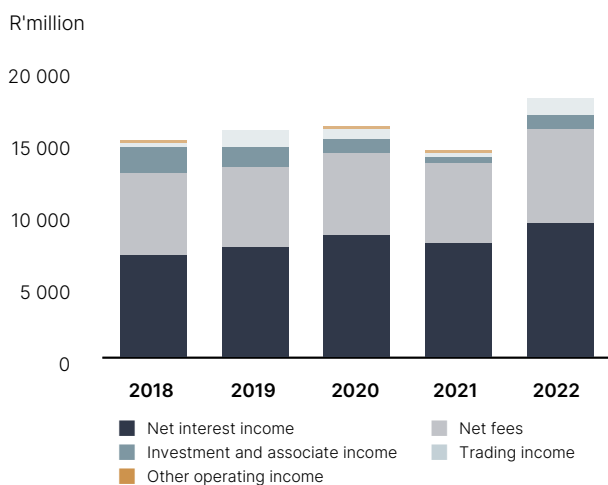
- Individuals
- Charities and trusts
- Financial advisers and intermediaries
- High net worth individuals
- High-income professionals
- Sophisticated investors
- Emerging and established entrepreneurs
- Young professionals across multiple disciplines

Corporate client offering

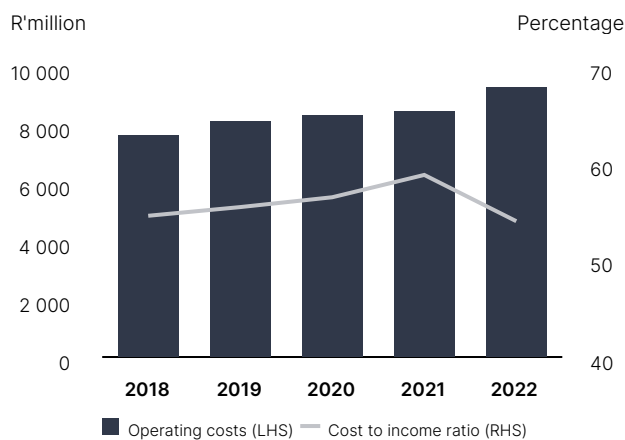
- Mid to large size corporates (listed and unlisted)
- Financial advisers and intermediaries
- Government and public sector institutions
- Institutions, including banks and financial services entities

SOUTHERN AFRICA CONTINUED

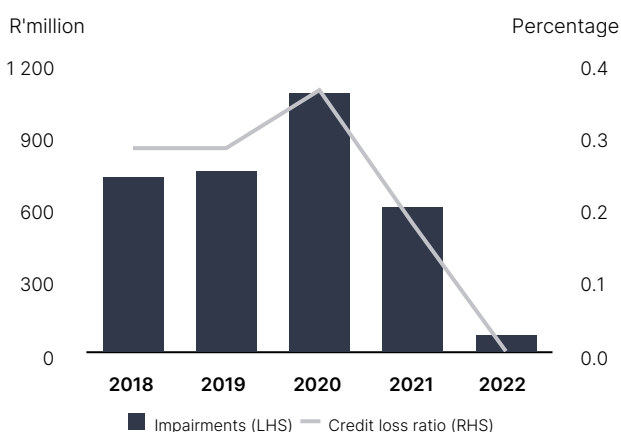
Operating income



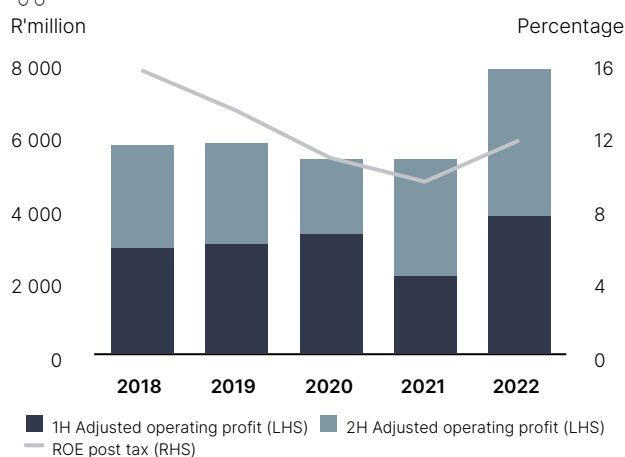
Operating costs



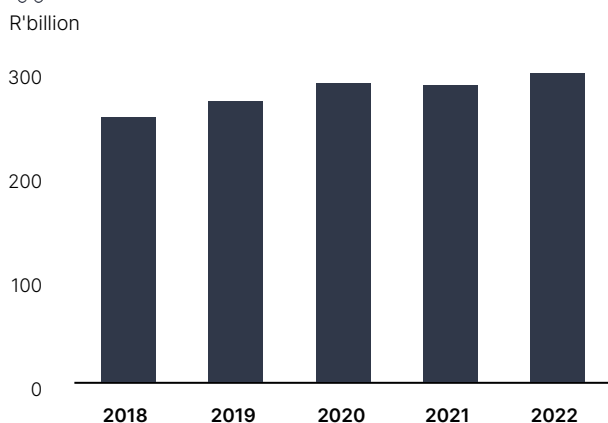
Expected credit losses/impairment losses



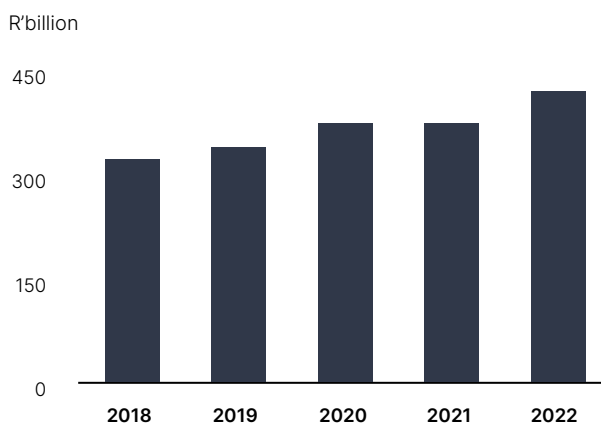
Adjusted operating profit and ROE



Net core loans



Total customer deposits



Note: Figures on this page for comparative years relate to continuing operations.

WEALTH & INVESTMENT

**Business Head**

Henry Blumenthal

Awards

Recognised for excellence in wealth management:

Ranked #1 by Euromoney – 'Best Private Bank and Wealth Manager' for 10 consecutive years (2013 to 2022)

Voted 'Best Private Bank & Wealth Manager' by London's Financial Times – Nine years in a row (2013 to 2021)

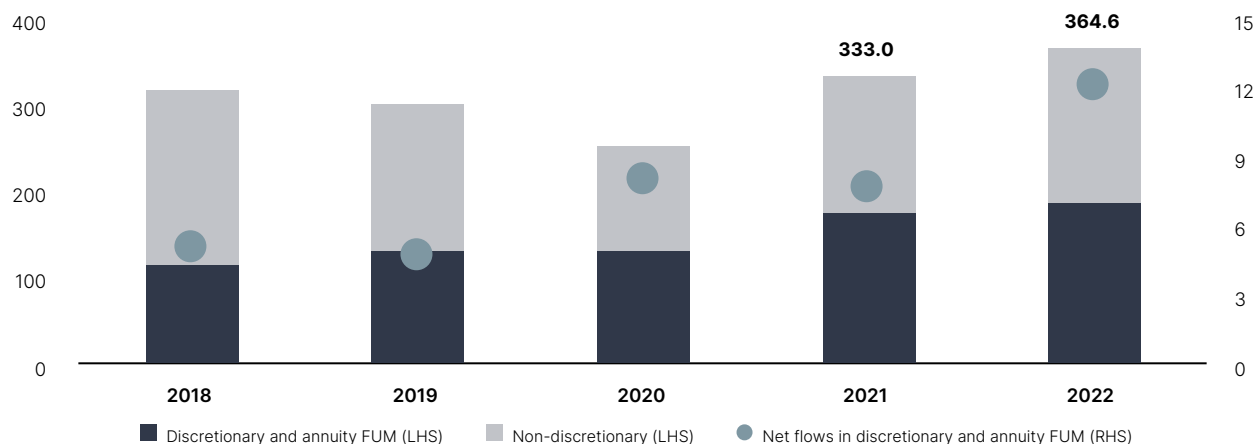
Wealth & Investment (W&I) manages the wealth of leading private investors and families in South Africa, as well as charities and trusts. Our international investment management capabilities have sustainability at their core and extend across asset classes and funds. This, together with our global and holistic approach to wealth management, enables our clients to navigate the complexities of being global citizens aligned to achieving their wealth and investment management goals.

Performance highlights

- The business delivered another strong performance, with adjusted operating profit increasing 30.0% year on year to R720 million (2021: R554 million)
- The business reported 9.5% growth in FUM to R364.6 billion (31 March 2021: R333.0 billion) supported by positive investment performance, record discretionary and annuity net inflows of R12.1 billion and improved markets. The market volatility in the final quarter of the financial year (driven by global inflationary concerns exacerbated by the invasion of Ukraine), negatively impacted closing FUM at 31 March 2022.

Funds under management and net flows

R'billion

**FUM variance drivers since 31 March 2021**

- Net organic growth in discretionary and annuity assets of 6.9% largely driven by flows into our offshore offering
- Year-end FUM negatively impacted by increased market volatility in the last quarter due to the invasion of Ukraine.

Funds under management

R'million	31 March 2022	31 March 2021	% change
Discretionary and annuity assets	187 658	174 852	7.3%
Non-discretionary	176 982	158 172	11.9%
Total	364 640	333 024	9.5%

Net flows over the year

R'million	31 March 2022	31 March 2021
Discretionary and annuity assets	12 060	7 600
Non-discretionary	1 238	(8 500)
Total	13 298	(900)

WEALTH & INVESTMENT

CONTINUED

Income statement analysis and key income drivers

£'000	31 March 2022	31 March 2021	Variance	% change	% change in Rands
Net interest income	4 372	3 552	820	23.1%	24.1%
Net fee and commission income	101 286	78 589	22 697	28.9%	22.8%
Investment income	622	1 461	(839)	(57.4%)	(59.8%)
Trading (loss)/income arising from:					
– customer flow	(271)	7	(278)	(>100.0%)	(>100.0%)
– balance sheet management and other trading activities	611	39	572	>100.0%	>100.0%
Other operating income	10	1	9	>100.0%	>100.0%
Total operating income before expected credit loss impairment charges	106 630	83 649	22 981	27.5%	21.7%
Operating costs	(71 176)	(57 530)	(13 646)	23.7%	17.9%
Adjusted operating profit	35 454	26 119	9 335	35.7%	30.0%
Key income drivers					
Operating margin	33.2%	31.2%			
Net organic growth in discretionary and annuity FUM as a % of opening FUM	6.9%	5.7%			
Average income yield earned on discretionary and annuity FUM*	0.95%	0.90%			

* The average income yield on discretionary and annuity FUM represents the operating income earned on discretionary and annuity FUM for the year, as a percentage of the average of opening and closing discretionary and annuity FUM.

Overview of financial performance (in Rands)

- Revenue grew by 21.7% supported by sustained inflows into the offshore investment range and higher average discretionary and annuity FUM. Non-discretionary brokerage also increased year on year, particularly in March 2022 given increased market volatility
- Operating costs increased 17.9%, driven by higher variable remuneration given strong business performance and an increased headcount of investment specialists, wealth managers and information technology (IT) personnel
- The business achieved an operating margin of 33.2% (2021: 31.2%).

Strategy execution

- Our expanded international investment universe provides clients access to a broad range of international investment opportunities together with the proximity to our globally integrated investment process
- Deepening the integration of ESG considerations into our investment process, providing sustainable investment opportunities and driving the upskilling of teams aligned to ESG and responsible investing. Our Investec Global Sustainable Equity Fund has been well received by the market with FUM of R0.7 billion at 31 March 2022
- W&I and Private Bank joint strategies are showing success with a focus on strengthened relationships and leadership cohesion
- The strategic development of our investment business to leverage our investment offering through distribution into new channels
- Increased face-to-face engagement with clients, including targeted events as COVID restrictions eased
- People strategies focusing on the development of individuals, a sense of belonging and nurturing a strong team culture
- Enabling client impact aligned to addressing societal challenges continues through distributions facilitated by our philanthropy offering.

Looking ahead

- Playing an active role in the integration of Investec Switzerland, the W&I UK International team and W&I SA across our wealth management, investment, and operational capabilities to establish an international platform for future growth
- Strategic focus on specialist and alternative investment opportunities including forming a joint committee with W&I UK, Switzerland, and SA representation
- Reconnecting in-office as a key focus on building team cohesion and enabling new starters to have the 'full Investec experience'
- Continued enhancement of our IT and digital capabilities across data, reporting and client management to improve client experience
- Consistent progress aligned to our BID strategy across recruitment, new starters onboarding process, leadership representation and 'Next Gen' development and mentorship.

SPECIALIST BANKING OVERVIEW

**Business Head**

Richard Wainwright

Awards

Recognised as 'Best-performing bank in South Africa' by The Banker (2020, 2021)

Voted 'Best Private Bank & Wealth Manager' by London's Financial Times – nine years in a row (2013 to 2021)

Ranked #1 by Euromoney in the 'Best Private Bank and Wealth Manager' survey for 10 consecutive years (2013 to 2022)

Highlights**Adjusted operating profit****£349.4mn**

(2021: £231.5mn)

**ROE post tax****12.1%**

(2021: 10.3%)

**Cost to income****51.1%**

(2021: 55.7%)

**Credit loss ratio****Nil**

(2021: 0.18%)

Overview of performance in the period under review (in Rands)

- Adjusted operating profit for the SA specialist bank increased 45.0% (50.9% in Pounds) as we grew market share in our selected client franchises and continued to support our clients
- Revenue growth of 18.7% was positively impacted by recovery in NIR given increased client activity, higher average interest earning assets, lower funding costs and continued client acquisition
- The cost to income ratio was lower at 51.1% (2021: 55.7%) given continued cost discipline and higher revenues. Total operating costs increased 8.9%, with fixed costs increasing 4.2%
- Pre-provision adjusted operating profit increased 30.9% year on year
- ECL impairment charges decreased 91.2%, resulting in a CLR of approximately zero bps (2021: 18bps). The reduction in ECL was due to good recoveries, limited default experience, specific ECL impairment reversals and a R71 million release from the R290 million management overlay at 31 March 2021
- Net core loans to clients grew 3.9% to R298.4 billion (31 March 2021: R287.3 billion). Advances to private clients increased 4.2% driven by resi-mortgages, offset by flat year-on-year growth in commercial real estate. Corporate lending increased 3.3%, offset by elevated repayments and subdued credit demand given continued low business confidence.

Income statement

£'000	31 March 2022	31 March 2021	Variance	% change	% change in Rands
Net interest income	496 351	418 135	78 216	18.7%	13.2%
Net fee and commission income	171 555	136 426	35 129	25.7%	20.5%
Investment income/(loss)	4 803	(8 828)	13 631	>100.0%	>100.0%
Share of post-taxation profit/(loss) of associates and joint venture holdings	371	(1 469)	1 840	>100.0%	>100.0%
Trading income/(loss) arising from:					
– customer flow	47 945	36 616	11 329	30.9%	25.0%
– balance sheet management and other trading activities	(10)	(7 696)	7 686	>100.0%	>100.0%
Other operating income	647	7 121	(6 474)	(90.9%)	(88.6%)
Total operating income before expected credit loss impairment charges	721 662	580 305	141 357	24.4%	18.7%
Expected credit loss impairment charges	(3 067)	(25 857)	22 790	(88.1%)	(91.2%)
Operating income	718 595	554 448	164 147	29.6%	24.0%
Operating costs	(368 967)	(323 274)	(45 693)	14.1%	8.9%
Operating profit before goodwill, acquired intangibles and strategic actions	349 628	231 174	118 454	51.2%	45.3%
(Profit)/loss attributable to non-controlling interests	(252)	309	(561)	(>100.0%)	(>100.0%)
Adjusted operating profit	349 376	231 483	117 893	50.9%	45.0%

SPECIALIST BANKING OVERVIEW

CONTINUED

One Investec: A case study in connectivity

A key strategic differentiator is our client ecosystem approach – taking our clients on both a personal and business journey.

The 'One Investec' strategy is, first and foremost, a commitment to drawing on the full breadth and depth of relevant capabilities to meet the needs of each client, regardless of specialisation or geography.

Meet Client 'X':

Our multi-faceted, long-standing relationship with Client X illustrates the essence of One Investec in practice.

Client X, a director of a large listed company, is an Enigma client of the South African Private Bank.

When looking to raise funding for a business entity within his family office group, Investec's Corporate and Investment Banking division advanced appropriate funding using Client X's shares in a blue-chip company as collateral.

The funding was used by Client X to support a family member's business-related activities, and Investec subsequently provided loan financing against certain properties, directly to the family member's business.

The same Client X engaged with Investec's Equity Sales and Structuring team to enter into derivative transactions for downside protection against share price movements of his employment-related shares.

With the hedging stated above in place, Investec was able to release some of Client X's listed shares held as security, and, seeking portfolio diversification, Client X sold these released shares; with proceeds from the sale subsequently invested with Investec's South African Wealth & Investment business.

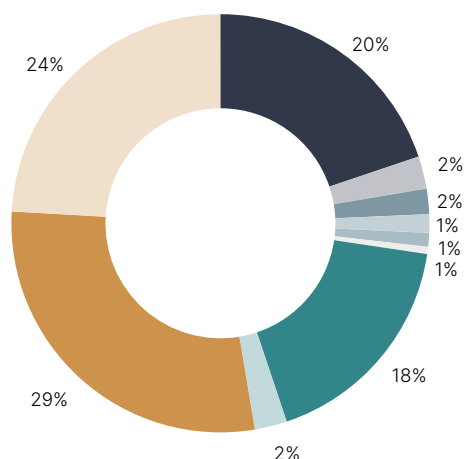
At a later date, Investec restructured the funding and extended the tenor. Investec also unwound the derivative enabling Client X to enter into a flexible investment hedge with upside exposure to a portfolio of local and international investments managed by Wealth & Investment.

Across the globe, Client X is also a UK Private Banking client and has a variety of lending products with the UK specialist bank. Client X also has investment portfolios managed by Investec UK's Wealth & Investment business.

That is One Investec.

Diversified loan book by risk category: Core loans

£15.5 billion



Corporate and other lending

27%

Corporate and acquisition finance	20%
Fund finance	2%
Power and infrastructure finance	2%
Asset finance	1%
Aviation finance	1%
Other corporate and financial institutions and governments	1%

Lending collateralised by property

20%

Commercial real estate	18%
Residential real estate	2%

High net worth and other private client lending

53%

Mortgages	29%
HNW and specialised lending*	24%

* Of the 24% in HNW and specialised lending, 14.0% (being 58% of 24%) (31 March 2021: 13.2%) relates to lending collateralised by property which is supported by high net worth clients.

SPECIALIST BANKING OVERVIEW

CONTINUED

Sustainability highlights



- Commitments: The Group signed up to the UN-convened Net-Zero Banking Alliance which is committed to aligning lending and investment portfolios with net-zero emissions by 2050 and Investec Wealth & Investment signed up to Climate Action 100+ and became a signatory to the UK Stewardship Code
- Net-zero ambition: Implemented a focused project to understand our Scope 3 financed emissions and establish a baseline, strategy and targets to reach net-zero
- Sustainable finance: Investec Bank Limited issued its first green bond, raising R1 billion to refinance five green renewable energy projects. The bond was 3.8x oversubscribed
- Provided R1.65 billion in funding to Trans Caledon Tunnel Authority to help secure South Africa's water supply
- Acted as sole mandated lead arranger on a EUR215 million sustainable finance agreement for two major hospital projects in Ghana to improve access to affordable and quality healthcare in that country
- We are an anchor investor in Acre Impact Capital's Export Finance Fund which is focused on climate-aligned infrastructure in emerging markets.

Belonging, Inclusion and Diversity (BID) highlights

- Maintained our Level 1 B-BBEE rating with improved scores in ownership, management and control, skills development, enterprise development and consumer education
- Our LGBTQ+ network was launched in October 2021. This network is a community open to all staff, that aims to create awareness through shared learning initiatives and impactful events
- We are currently reviewing our diversity learning programmes and have added a digital offering of diversity insights and a programme aimed at leadership
- We continued our work to support the empowerment and development of women in business, education and sport. We ran an internal programme within our South African business, designed to enable women to take up positions as non-executive directors on South African company boards (including Investec companies) and are pleased that a number of these women have since been appointed to various board positions
- Our Young Leaders Council and reverse mentorship initiative recognises the need to create spaces that enable young, aspirational talent to connect and learn with leaders. These initiatives aim to marry innovation with experience, create networking opportunities and harness the generational range within Investec.

PRIVATE BANKING

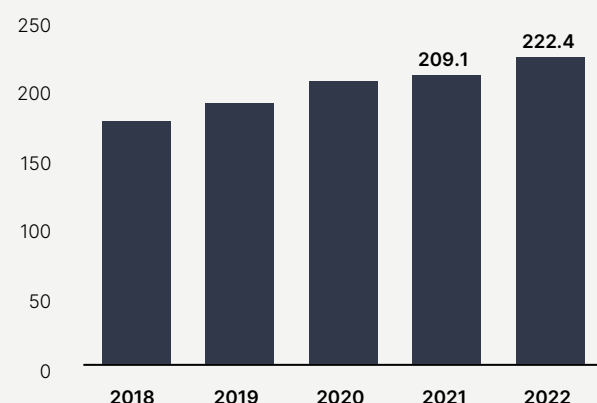
We believe in forming lifelong partnerships with our clients, ensuring that each client experience is personal and Out of the Ordinary. We pride ourselves on going above and beyond when it comes to service. Through our digital channels, our 24/7 global Client Support Centre and our specialist private bankers, we set the banking benchmark on service. Catering to a truly global citizen requires a full suite of banking and investment services both locally and internationally. Through our One Place™ offering we allow clients to easily create, protect and preserve wealth across our international geographies.

Performance highlights

- Private Banking adjusted operating profit increased 55.1% to R4 044 million (2021: R2 607 million), benefitting from higher lending books, increased activity levels, lower funding costs, normalised investment income and negligible impairments
- Point of sale (POS) activity increased 34% year on year (tracking higher than pre-COVID levels) and we continue to see positive activity in residential mortgage lending. However, rising inflation and interest rates are likely to impact POS and mortgage growth going forward.

Loans and advances to customers*

R'billion

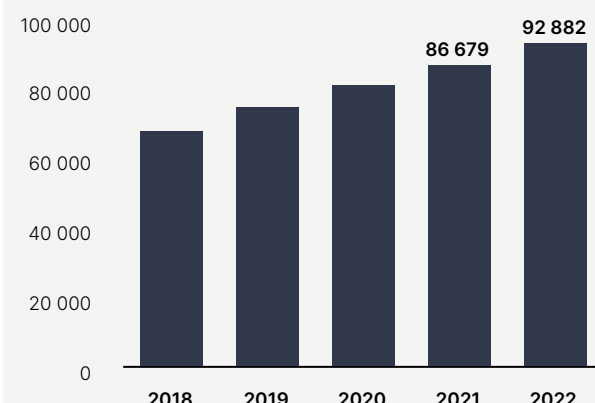


Improved lending activity

- The loan book grew 6.3% since 31 March 2021
- During the year, advances to the listed commercial real estate sector that resided in Corporate and Institutional Banking were transferred to Private Banking. Excluding the transferred loans, the Private Banking loan book grew by 4.2%
- Lending turnover was 27% higher than the prior year, and ahead of pre-COVID levels (31 March 2019).

Core client acquisition

Number



Continued focus on client acquisition

- Our core client base grew strongly, increasing by 7.2% in the financial year
- Net new accounts opened increased by 11.2% year on year.

* Including own originated securitised assets, net of impairments and deferred fees.

Strategy execution

- **Client acquisition:** Continued focus on client acquisition via focused strategies, initiatives and proactive client engagement. We are actively pursuing new and emerging professions
- **Connectivity:** We have progressed our global collaborative partnerships within the Group to become a private bank, wealth and legacy partner to our clients. The launch of 'My Investments' has expanded access to wealth capabilities to a broader range of client, and our partnership with Investec Life helps ensure that our clients' legacies are protected. Approximately 10% of SA Private Bank core clients have UK private bank accounts
- **Migration to AIRB:** We have made progress in our application to adopt the AIRB approach for the measurement of capital for certain portfolios which are currently on FIRB. On full adoption of AIRB, the CET1 ratio at 31 March 2022 would on a pro-forma basis increase by 200bps
- **Funding:** Reducing cost of funding by continuing to grow retail deposits, including foreign currency and multi-currency accounts across all client segments.

PRIVATE BANKING

CONTINUED

Income statement analysis and key income drivers

£'000	31 March 2022	31 March 2021	Variance	% change	% change in Rands
Net interest income	274 895	218 806	56 089	25.6%	19.9%
Net fee and commission income	56 194	45 377	10 817	23.8%	18.6%
Investment income	15 967	933	15 034	>100.0%	>100.0%
Share of post-taxation profit/(loss) of associates and joint venture holdings	117	(372)	489	>100.0%	>100.0%
Trading income/(loss) arising from:					
– customer flow	—	(43)	43	100.0%	100.0%
– balance sheet management and other trading activities	(145)	32	(177)	>100.0%	>100.0%
Other operating income	3	7	(4)	(57.1%)	(53.4%)
Total operating income before expected credit losses	347 031	264 740	82 291	31.1%	25.2%
Expected credit loss impairment charges	17 843	(915)	18 758	>100.0%	>100.0%
Operating income	364 874	263 825	101 049	38.3%	32.5%
Operating costs	(166 047)	(140 391)	(25 656)	18.3%	12.8%
Adjusted operating profit	198 827	123 434	75 393	61.1%	55.1%
Key income drivers					
ROE post-tax	16.7%	12.9%			
Cost to income ratio	47.8%	53.0%			
Growth in loans and advances to customers*	6.3%	2.2%			
Growth in risk-weighted assets [^]	(5.2%)	10.6%			

* Including own originated securitised assets.

[^] Investec Limited obtained approval to adopt AIRB for the SME and Corporate models, effective 1 April 2021. Risk-weighted assets (RWA) for the current year are presented on an increased AIRB scope, while the prior year is calculated using FIRB.

Overview of financial performance (in Rands)

- Net interest income was 19.9% higher than the prior year due to higher average lending books and lower funding costs
- Net fees increased 18.6% year on year given increased client activity, higher lending turnover (c.27% up) and POS (c.34% up), as well as increased FX turnover
- Investment income increased significantly given a recovery in dividend income and certain investment realisations off a low base
- Impairments declined due to limited default experience, good recoveries and reversals of certain Stage 3 ECLs raised in the prior year as exposures cured. Refer to page 29 of the Investec Group's 2022 risk and governance report for information on the Group's asset quality
- Operating costs increased 12.8% due to increased variable remuneration and inflationary salary increases. Discretionary expenditure was higher given increased business activity. Fixed costs were well contained. The cost to income ratio improved to 47.8% (2021: 53.0%) reflecting continued cost discipline.

Growth opportunities

- **Target markets:** Continue to review and broaden existing target markets
- **Digital investment platform:** The build out of 'My Investments' accessible through Investec Online continues. The digital platform provides private clients (not serviced by W&I) the ability to trade shares and invest in selected investments which will help us grow our capital light revenues over time. At 31 March 2022, there were 6 106 clients on the platform (2021: 4 119**) and FUM of R0.7 billion (2021: R0.4 billion**)
- **Entrenchment:** Continued focus on increasing share of clients' wallet. This means wrapping our arms around the client and leveraging off our unique offering which allows clients to bank and invest locally and in the UK, all in One Place™
- **Investec Life:** Our cross sell opportunities with Investec Life include tailored life insurance products to protect clients with efficient and flexible insurance solutions.

** Restated.

CORPORATE, INVESTMENT BANKING AND OTHER

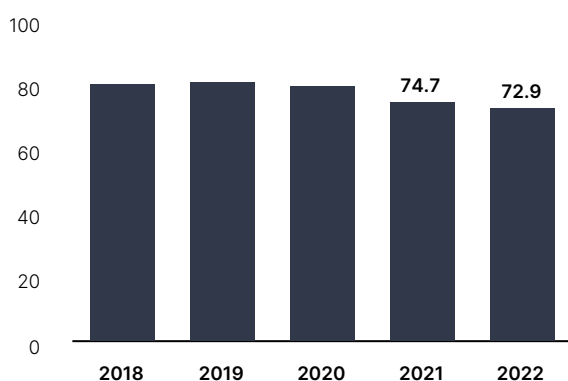
Our Corporate and Investment Banking businesses have built powerful franchises among South Africa's leading corporates, SOEs, government, institutions and intermediaries. Our broad and international offering of financing, advice and structuring is built on enduring relationships, expertise and collaboration between teams. This pillar comprises: Corporate and Institutional Banking, Investec Life, Investec for Business, Investment Banking, Principal Investments, Investec Property (IPF management company) and certain centrally managed activities.

Performance highlights

- Adjusted operating profit increased 33.6% to R3 060 million (2021: R2 290 million) year on year
- Revenue increased 13.3%, largely as a result of increased activity levels across the business (including improved trade finance turnover) and lower funding costs. Higher lending and advisory fees, along with strong client flow trading was partially offset by lower deal fees in Investec Property.

Loans and advances to customers*

R'billion



* Net of impairments and deferred fees.

Lending activity

- The corporate loan book declined by 2.4% since year end, negatively impacted by elevated repayments as corporates used excess liquidity to pay down facilities
- During the year, advances to the listed commercial real estate sector residing in Corporate and Institutional Banking of R4.1 billion were transferred to Private Banking. Excluding the transferred loans, corporate advances grew 3.3%
- Growth in the lending book for FY2023 is expected to be driven largely by infrastructure financing and Investec for Business (IFB). This is dependent on improving business confidence and execution of government structural reforms.

Growth initiatives

+8 064 31 Mar 2021: +6 231 Total policies issued to date – Investec Life	+1 317 31 Mar 2021: +539 Number of clients on Investec Business Online
+919 31 Mar 2021: +868 Investec for Business – number of clients	

Ansarada Dealmakers Annual Awards 2021

M&A Investment Advisors

2nd
Deal Flow

General Corporate Finance Sponsors

2nd
Deal Value and Volume

M&A – Sponsors

1st
Deal Flow

M&A – Sponsors

2nd
Deal Value

Global Trade Review (GTR) Awards 2022:

Best Deals Award

Sustainable Export Credit (Ghana Western Rail)

Social Export Credit in Healthcare (Ghana Western Regional Hospitals)

Inaugural GTR Industry Achievement

Award for co-chairing production of ICC White Paper on Sustainability in Export Finance

Africa Global Funds Service Providers Awards 2021

Best Prime Services

Best Derivatives Clearing Provider

CORPORATE, INVESTMENT BANKING AND OTHER CONTINUED

Income statement analysis and key income drivers

£'000	31 March 2022	31 March 2021	Variance	% change	% change in Rands
Net interest income	221 456	199 329	22 127	11.1%	5.8%
Net fee and commission income	115 361	91 049	24 312	26.7%	21.4%
Investment loss	(11 164)	(9 761)	(1 403)	14.4%	6.4%
Share of post-taxation profit/(loss) of associates and joint venture holdings	254	(1 097)	1 351	>100.0%	>100.0%
Trading income/(loss) arising from:					
– customer flow	47 945	36 659	11 286	30.8%	24.9%
– balance sheet management and other trading activities	135	(7 728)	7 863	>100.0%	>100.0%
Other operating income	644	7 114	(6 470)	(90.9%)	(88.9%)
Total operating income before expected credit losses	374 631	315 565	59 066	18.7%	13.3%
Expected credit loss impairment charges	(20 910)	(24 942)	4 032	(16.2%)	(21.8%)
Operating income	353 721	290 623	63 098	21.7%	16.3%
Operating costs	(202 920)	(182 883)	(20 037)	11.0%	5.9%
Operating profit before goodwill, acquired intangibles and strategic actions	150 801	107 740	43 061	40.0%	34.1%
Profit attributable to non-controlling interests	(252)	309	(561)	(>100.0%)	(>100.0%)
Adjusted operating profit	150 549	108 049	42 500	39.3%	33.6%
Key income drivers					
ROE post-tax	8.2%	8.0%			
Cost to income ratio	54.2%	57.9%			
Growth in loans and advances to customers	(2.4%)	(6.2%)			
Growth in risk-weighted assets [^]	(13.5%)	(5.4%)			

[^] Investec Limited obtained approval to adopt AIRB for the SME and Corporate models, effective 1 April 2021. Risk-weighted assets (RWA) for the current year are presented on an increased AIRB scope, while the prior year is calculated using FIRB.

Overview of financial performance (in Rands)

- Net interest income increased 5.8%, primarily driven by improved trade finance turnover and lower funding costs. The increase was partially offset by lower average lending books due to elevated repayments, particularly in the first half of the year
- Net fees were 21.4% higher than the prior year. Corporate and Institutional Banking fees increased given higher lending turnover and increased FX trade volumes. Fees were also positively impacted by higher Corporate Finance advisory activity and increased lending turnover in IFB. The increase was partially offset by reduced deal activity in Investec Property
- Investment losses and share of post-taxation loss from associates increased further from a loss of R208 million in the prior year to a loss of R222 million in the current year due to higher negative fair value (FV) adjustments on certain unlisted investments. This decrease was partially offset by lower property write-downs in the current year
- Client flow trading was strong (up 24.9%) driven by market share gains in select markets, increased client flows and benefits arising from increased market volatility. Balance sheet management and other trading activities saw mark-to-market (MTM) gains on certain interest rate and currency swaps
- Expected credit loss impairment charges decreased 21.8% due to lower specific impairments (net of reversals) and reduced portfolio impairments in line with muted book growth. Refer to page 29 of the Investec Group's 2022 risk and governance report for information on the Group's asset quality
- Operating costs increased 5.9% year on year. Fixed personnel costs increased as a result of salary increases, partially offset by a lower employee benefits liability for Ninety One shares. Variable remuneration increased in line with improved business performance. The cost to income ratio improved to 54.2% (2021: 57.9%).

Strategy execution

- **Simplification:** Following the Group's exit from Australia, we continue to run-down the portion of the lending book sitting under Corporate and Institutional Banking in SA
- **Investing for growth:** We continue to invest in our targeted growth opportunities, including trade finance, business transactional banking, IFB and export credit agency finance.

GROUP INVESTMENTS

We have separated these assets 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.

South African Investment Portfolio			
↓	↓	↓	↓
Ninety One DLC	IEP Group Proprietary Limited	Investec Property Fund Limited	Other unlisted investments
c.10% shareholding	47.4% shareholding	24.31% shareholding	

Ninety One DLC (Ninety One)

In South Africa, Group Investments comprises Investec Limited's c.10% investment in Ninety One (formerly Investec Asset Management). At a DLC Group level, Investec has a 25% shareholding in Ninety One (remaining c.15% held in Investec plc – refer to page 58). We account for our combined 25% investment in Ninety One by applying equity accounting.

The table on the following page reflects the equity-accounted valuation of the investment in Ninety One: £152.6 million at 31 March 2022 (this disclosure aligns with the segmental reporting provided in Note 1 of the Investec Group's 2022 annual financial statements). This differs to the market value of the c.10% stake held by Investec Limited which was £232.0 million (R4.5 billion) at 31 March 2022.

In November 2021, the Investec Group announced its decision to distribute a 15% holding in Ninety One to shareholders, whilst retaining an approximate 10% interest held by Investec plc. A General Meeting was held on 28 April 2022, whereby shareholders were able to cast their vote to approve the distribution of Ninety One shares and associated distribution mechanism. The resolutions passed with a 99.9% or greater shareholder vote, and the 15% distribution to shareholders was effective on 30 May 2022.

Thereafter, the South African investment portfolio will not include an investment in Ninety One.

IEP Group Proprietary Limited (IEP)

IEP is an investment holding company that was born out of the Investec Private Equity portfolio, which was sold to IEP in January 2016. Investec retained an interest in IEP as the major shareholder. Following the realisation of several investments, IEP now holds a controlling stake in the Bud Group. An integrated operational services, manufacturing and distribution group, Bud's scale, relevance and efficient, diversified business model positions it as a leader in its markets.

Bud has diversified growth businesses across four chosen platforms:

1. Chemicals and minerals

By combining the strengths of a number of focused group companies, Bud Chemicals and Minerals has established itself as a major operator in the industry of mining, manufacturing, importing, stocking and distribution of raw chemicals and minerals.

2. Industrial services

Bud Industrial Services was created by bringing together a number of South Africa's oldest and most established

industrial brands including Concord Cranes, Goscor, Uni-span, Augusta Steel and Afrit.

3. Building materials

Corobrik has evolved into the major South African manufacturer of clay masonry products, paving and concrete earth retaining systems in the building materials industry.

4. Financial services

Assupol is a proudly South African insurance company in the financial services industry, with a history that dates back to 1913.

Investec holds a 47.4% stake in IEP and the investment is equity accounted with a value of £282.6 million (R5.4 billion) at 31 March 2022. During the period, Investec recognised equity-accounted earnings of £14.4 million (R288.0 million) in relation to this investment.

Investec Property Fund Limited (IPF)

IPF is a South African Real Estate Investment Trust (REIT) which listed on the Johannesburg Stock Exchange (JSE) in 2011. Its investment portfolio of R22.1 billion comprises direct and indirect real estate investments in South Africa and Europe.

In South Africa, IPF directly owns a sizeable portfolio of 85 properties in the retail, industrial and office sectors valued at R14.9 billion and a 35% interest in Izandla valued at R0.3 billion. 45% of IPF's balance sheet and 36% of earnings are derived from offshore investments. This comprises strategic property investments in Europe (R5.9 billion) where the manager has a presence on-the-ground with in-country expertise.

Investec has a 24.31% shareholding in IPF and consolidates the Fund with a net asset value of £712 million (R13.7 billion).

Investec Property (Pty) Ltd, a wholly owned subsidiary of Investec Limited, is the appointed asset manager of IPF.

Other unlisted investments

Investec holds certain other historical unlisted equity investments to the value of £38.0 million (R730 million).

Investec Australia Property Fund (IAPF) (now Irongate Group)

Investec disposed of its 9.1% holding in IAPF (now Irongate Group) in the second half of the prior financial year.

GROUP INVESTMENTS

CONTINUED

Portfolio breakdown and ROE

	Asset analysis £'000	Income analysis £'000	Asset analysis R'million	Income analysis R'million
31 March 2022				
Ninety One Limited	152 582	17 990	2 935	362
IEP Group Proprietary Limited (IEP)	282 648	14 438	5 437	288
Other unlisted investments^	37 962	(11 450)	730	(230)
Investec Property Fund*	170 901	9 720	3 283	196
Total exposures on balance sheet	644 093	30 698	12 385	616
Debt funded	305 402	(12 028)	5 871	(243)
Equity	338 691		6 514	
Total capital resources and funding	644 093		12 385	
Adjusted operating profit		18 670		373
Taxation		966		19
Operating profit after taxation		19 636		392
Risk-weighted assets	2 509 048		48 262	
Ordinary shareholders' equity held on investment portfolio – 31 March 2022	338 691		6 514	
Ordinary shareholders' equity held on investment portfolio – 31 March 2021	290 773		6 250	
Average ordinary shareholders' equity held on investment portfolio – 31 March 2022	314 732		6 382	
Post-tax return on adjusted average ordinary shareholders' equity 31 March 2022		6.2%		

	Asset analysis £'000	Income analysis £'000	Asset analysis R'million	Income analysis R'million
31 March 2021				
Ninety One Limited	125 920	13 508	2 564	284
IEP Group Proprietary Limited (IEP)	251 319	4 247	5 117	89
Other unlisted investments^	53 521	(1 732)	1 090	(36)
Investec Property Fund*	159 469	(1 597)	3 242	(35)
Investec Australia Property Fund**	—	10 688		228
Total exposures on balance sheet	590 229	25 114	12 013	530
Debt funded	299 456	(15 871)	5 763	(337)
Equity	290 773		6 250	
Total capital resources and funding	590 229		12 013	
Adjusted operating profit		9 243		193
Taxation		(676)		(15)
Operating profit after taxation		8 567		178
Risk-weighted assets	2 705 752		58 382	
Ordinary shareholders' equity held on investment portfolio – 31 March 2021	290 773		6 250	
Ordinary shareholders' equity held on investment portfolio – 31 March 2020	291 085		6 448	
Average ordinary shareholders' equity held on investment portfolio – 31 March 2021	290 929		6 349	
Post-tax return on adjusted average ordinary shareholders' equity 31 March 2021		2.9%		

^ Does not include equity investments residing in our corporate and private client businesses.

* The proportionate NAV consolidated for the Group's investment holding of 24.31% in the Investec Property Fund.

** The Group's holding in the Investec Australia Property Fund was disposed of in the second half of the financial year ended 31 March 2021.

GROUP INVESTMENTS

CONTINUED

Income statement analysis

£'000	31 March 2022	31 March 2021	Variance	% change	% change in Rands
Net interest expense	(38 172)	(43 295)	5 123	(11.8%)	(16.1%)
Net fee and commission income	50 060	45 340	4 720	10.4%	4.8%
Investment income	11 702	16 955	(5 253)	(31.0%)	(35.6%)
Share of post-taxation profit of associates and joint venture holdings	31 919	7 956	23 963	>100.0%	>100.0%
Trading income/(loss) arising from:					
– customer flow	20 231	9 968	10 263	>100.0%	>100.0%
– balance sheet management and other trading activities	(14 625)	(22 508)	7 883	(35.0%)	(38.2%)
Total operating income before expected credit loss impairment charges	61 115	14 416	46 699	>100.0%	>100.0%
Expected credit loss impairment charges	(581)	(2 379)	1 798	(75.6%)	(77.3%)
Operating income	60 534	12 037	48 497	>100.0%	>100.0%
Operating costs	(1 946)	(2 096)	150	(7.2%)	(8.5%)
Operating profit before goodwill, acquired intangibles and strategic actions	58 588	9 941	48 647	>100.0%	>100.0%
Profit attributable to non-controlling interests	(39 918)	(698)	(39 220)	(>100.0%)	(>100.0%)
Adjusted operating profit	18 670	9 243	9 427	>100.0%	>100.0%

Factors driving the performance in the period under review

- Net interest expense was lower than the prior period, mainly due to IPF's reduced funding costs following the sale of certain investments
- The increase in net fee and commission income (comprising rental income earned by IPF) was driven by fewer COVID-19 related concessions and an overall recovery in the sector
- Investment income in the current period was positively impacted by revaluation adjustments on IPF's European Logistics portfolio and sale of the European Light Industrial portfolio, lower negative revaluation adjustments on IPF's South African portfolio, and negatively impacted by fair value write-downs on some of the Group's equity investments. The prior period included mark-to-market gains on the Group's holding in IAPF which were offset by negative revaluation adjustments on IPF's investment properties
- Share of post-taxation profit of associates and joint venture holdings increased significantly due to improved performance of the underlying investee companies in the IEP Group and higher earnings from Ninety One. The prior period included negative fair value adjustments in IPF's UK associate investment
- The net trading income arising from customer flow, balance sheet management and other trading activities is primarily driven by fair value gains on derivative instruments in IPF and negative FX revaluations on Euro-denominated investments in IPF. The prior period included negative mark-to-market adjustments on interest rate hedge positions in IPF and on currency hedges related to the Group's investment in IAPF
- ECL impairment charges declined, reflecting lower bad debt provisions on rental debtors raised in IPF
- Non-controlling interests comprises the 75.69% shareholding in IPF that is not held by the Investec Group.

Risk



GROUP CHIEF RISK OFFICER REPORT



“ Our risk management is supported by an embedded risk culture and strong risk governance. The primary aim is to achieve a suitable balance between risk and reward in our business.”

Mark Currie

Overview

Investec is well-capitalised, with robust balance sheets, high levels of liquidity and low leverage. As we look ahead to an operating environment beset by ongoing inflationary pressures and the economic effects of the invasion of Ukraine, we remain confident in our established risk management processes and systems. The Group is well-positioned for growth and to serve its targeted client base.

Following a period of extreme uncertainty at the height of the pandemic, last year's relatively stable and predictable macro-economic climate gave clients the confidence to take investment decisions. The resultant uptick in client activity and higher lending turnover saw the Group's net core loan book increase to £29.9 billion or 10% growth in neutral currency. Asset performance and risk metrics also improved throughout the year. The credit loss ratio is well below 'through-the cycle' levels at 0.08%, down from 0.35% reported at 31 March 2021.

We are encouraged by the resilience demonstrated by our client base and remain focused on targeting and retaining clients with significant wealth and experience in their chosen sectors. We are particularly pleased by the growth of high net worth clients in the UK private banking business as we execute on our strategy to build market share in this attractive segment.

Given the uncertain economic outlook, we have maintained a level of post-model management overlays to account for risks assessed as inadequately reflected in the models. There was a net release of management overlays during the year of £2.9 million. We are confident that we have a well-diversified portfolio across sectors and have no direct exposure to Russia or Ukraine. Thanks to improving markets and risk mitigation strategies, risk reduction costs on the UK structured products book were immaterial at c.£5.9 million, compared with a £93 million loss incurred in the prior year.

We remain conservative in our approach to liquidity and funding as well as capital and leverage. Investec Limited made progress in the application to adopt the Advanced Internal Ratings Based (AIRB) approach for the measurement of capital on certain portfolios currently on the Foundation Internal Ratings Based (FIRB) approach. Investec plc is in the early stages of a process to migrate from the Standardised approach to the Internal Ratings Based (IRB) approach. The Group's credit ratings continue to support our ability to raise funding at competitive rates in the wholesale markets, although we are predominantly funded by customer deposits. Loans and advances to customers as a percentage of customer deposits remained conservative at 73.7%.

Across our banking and Wealth & Investment businesses we take a highly disciplined approach to managing conduct, reputational, operational, recovery and resolution risks. As the pace of digitalisation accelerates, financial and cybercrime are growing ever more prevalent, and the risks have only been elevated by Russia's invasion of Ukraine. We will 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 have made considerable progress on ESG over the period, partnering with our clients and stakeholders in transitioning towards more sustainable and inclusive business practices. Our commitment to human rights and support for internationally recognised principles, guidelines and voluntary ESG standards is tightly integrated into our credit decision-making process. We have embarked on a project to establish a baseline, strategies and targets to reach net-zero for our Scope 3 emissions.

Embedded risk culture

The Group prides itself on its strong embedded risk and capital management culture. Clear risk appetite statements and frameworks for Investec plc and Investec Limited set out the Board's mandated position, determining the acceptable risk profile and setting strict limits and targets across all operating jurisdictions and legal entities. Our 'levels of defence' model entrenches risk consciousness within all areas of the business, ensuring that we pursue our growth strategy within tolerable risk and reward parameters.

Risk management framework

Group risk management operates within an integrated geographical and divisional structure, such that appropriate processes are applied consistently to address risks across the Group. Risk management units are locally responsive yet globally aware. Specialist divisions in the UK and Southern Africa, along with smaller risk divisions in other regions, are tasked with promoting sound risk management practices. We monitor and control risk exposure through independent credit, market, liquidity, operational, legal, internal audit, capital and compliance teams, and we continually seek new ways to enhance risk management techniques.

GROUP CHIEF RISK OFFICER REPORT

CONTINUED

2022 salient features

A summary of the key risk indicators are provided in the table below:

	UK and Other ^{^^} £	Southern Africa ^{^^^} R	Total Group £
Net core loans (million)	14 423	298 411	29 934
Total assets (excluding assurance assets) (million)	27 804	597 989	58 784 [^]
Total risk-weighted assets (million)	16 980	319 049	33 567
Total equity (million)	2 680	62 529	5 740
Cash and near cash (million)	8 871	159 454	17 161
Customer accounts (deposits) (million)	18 286	419 948	40 118
Loans and advances to customers as a % of customer deposits	78.9%	69.3%	73.7%
Structured credit as a % of total assets*	1.5%	0.3%	0.9%
Banking book investment and equity risk exposures as a % of total assets*	2.1%	3.5%	2.8%
Traded market risk: 95% one-day value at risk (million)	0.4	4.8	n/a
Core loans to equity ratio	5.4x	4.8x	5.2x
Total gearing ratio**	10.4x	9.6x	10.2x
Return on average assets [#]	0.9%	0.9%	0.9%
Return on average risk-weighted assets [#]	1.5%	1.5%	1.5%
Stage 3 exposures as a % of gross core loans subject to ECL	2.1%	1.9%	2.0%
Stage 3 exposure net of ECL as a % of net core loans subject to ECL	1.6%	1.5%	1.6%
Credit loss ratio	0.17%	0.00%	0.08%
Level 3 (fair value assets) as a % of total assets	6.4%	2.0%	4.1%
Common Equity Tier 1 ratio ^{##}	11.7%	14.0%	n/a
Tier 1 ratio ^{##}	13.1%	15.0%	n/a
Total capital adequacy ratio ^{##}	16.8%	17.5%	n/a
Leverage ratio	9.2%	7.4%	n/a

* Total assets excluding assurance assets.

[^] The Group number has been 'derived' by adding the Investec plc and Investec Limited (Rand converted into Pound Sterling) numbers together.

[#] Where return represents adjusted earnings attributable to ordinary shareholders, as defined on page 151. Average balances are calculated on a straight-line average.

^{##} The CET1, Tier 1 and total capital adequacy ratios and RWAs are calculated applying the IFRS 9 transitional arrangements (in the UK this includes the CRR II changes introduced by the 'quick fix' regulation adopted in June 2020).

^{**} Total assets excluding assurance assets to total equity.


^{^^} The capital adequacy disclosures follow Investec's normal basis of presentation so as to show a consistent basis of calculation across the jurisdictions in which the Group operates. For Investec plc this does not include the deduction of foreseeable charges and dividends when calculating the CET1 ratio as required under the Capital Requirements Regulation. The impact of this deduction totalling £44 million (31 March 2021: £25 million) for Investec plc would lower the CET1 ratio by 28bps (31 March 2021: 17bps)

^{^^^} Investec Limited's capital information includes unappropriated profits. If unappropriated profits are excluded from capital information, Investec Limited's CET1 ratio would be 134bps (31 March 2021: 39bps) lower respectively.

Conclusion

Fundamental risk performance during the period has been strong and management is focused on maintaining the sound underlying balance sheet. Market volatility, rising inflation and supply chain pressures all contribute to an uncertain risk outlook. However, management has taken active steps to reduce risks across the Group, supported by a strong capital base, with capital optionality in South Africa, as well as high levels of liquidity. Subject to market conditions, we are comfortable that we are well-placed for growth in the next financial year.

Mark Currie



Group Chief Risk Officer



Read more on page 4 of the
Investec Group's 2022 risk
and governance report

RISK MANAGEMENT

How we manage our risks

Investec's 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. DLC BRCC meets at least five times per annum and recommends the overall risk appetite for the Investec Group to the Board for approval.

Group risk management operates within an integrated 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 Southern Africa 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.

Risk management objectives:

- Ensure adherence to our risk management culture
- Ensure the business operates within the Board-approved risk appetite
- 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 risk parameters and limits across the Group and ensure they are implemented and adhered to consistently
- Aggregate and monitor our exposure across risk classes
- Coordinate risk management activities across the organisation, covering all legal entities and jurisdictions
- Give the Board reasonable assurance that the risks we are exposed to are identified and appropriately managed and controlled
- Resource risk teams suitably and with appropriate expertise and facilitate operating independence
- Run appropriate risk committees, as mandated by the Board
- Maintain compliance in relation to regulatory requirements.

Risk governance, committees and forums

A number of committees and forums have oversight over or identify and manage risk at Group level. These committees and forums, mandated by the Board, operate together with Group risk management, IBL and IBP Board committees and sub-committees within respective operating jurisdictions. The Boards of IBP and IBL, the UK and South African regulated banking subsidiaries of the Group respectively, and the Boards of IW&I, our regulated wealth subsidiaries, are responsible for the statutory matters and corporate governance for the respective entities, and ensure compliance with the applicable legislation and governance requirements of the jurisdictions within which they operate. The Boards and Board committees of IBP, IBL and IW&I 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 committee.

Our three lines of defence

- **Level 1** – Business line management: responsible for identifying and managing risks inherent in the products, activities, processes and systems for which it is accountable and escalating risk events where necessary
- **Level 2** – Independent risk and compliance functions: responsible for building and embedding risk frameworks, 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 reviewing and testing the application and effectiveness of risk management procedures and practices.

RISK MANAGEMENT

CONTINUED

Overall Group risk appetite

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 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 tolerance and positioning has been detailed against the respective principal risks.

An overview of the principal risks relating to our operations

The most material and significant risks we face, which the Board and senior management believe could have an impact on our operations, financial performance, viability and prospects are summarised in the pages that follow with further information pertaining to the management and monitoring of these principal risks shown in the references provided.

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

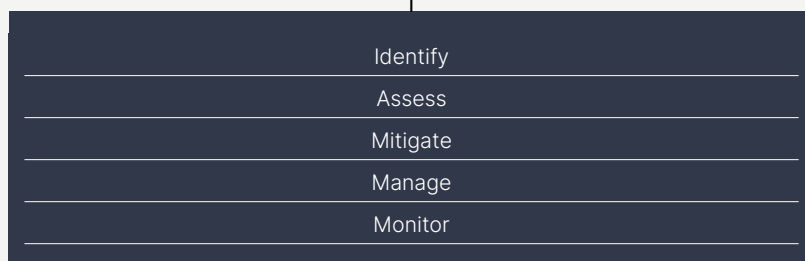
The Board recognises that, even with sound appetite and judgement, extreme events can happen which are completely outside of the Board's control. It is, however, necessary to assess these events and their impact and how they may be mitigated by considering the risk appetite framework. It is the Group's policy to regularly carry out 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 outcome.

Our risk management framework

Principal risk universe

Credit and counterparty risk | Country risk | Sustainability and climate-related (including ESG) risk | Investment risk | Market risk in the trading book | Liquidity risk | Non-trading interest rate risk | Capital risk | Reputational and strategic risk | Business risk | Operational risk | Conduct risk | Data management risk | Information security and cyber risk | Model risk | Financial crime risk | Legal risk | Business disruption and operational resilience risk | People risk | Fraud risk | Processing and execution risk | Regulatory compliance risk | Tax risk | Technology risk | Third party risk

Risk management process



Risk governance



Please read more about our risk management framework and risk governance on page 24 of the Investec Group's 2022 risk and governance report

PRINCIPAL RISKS

An overview of the principal risks relating to our operations

Link to strategy – key



Growth initiatives



Cost management



Capital discipline



Digitalisation



Connectivity

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



More information



Read more on pages 25 to 48 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- Independent credit committees exist in the Group's main operating jurisdictions which also have oversight of regions where we assume credit 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
- Our 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 a limited appetite for unsecured debt, thus the credit risk mitigation technique most commonly used is the taking of collateral, with a strong preference for tangible assets
- 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 diversified loan portfolio, lending to clients we know and understand. We limit our exposure to a single/connected individual or company to £120 million for Investec plc and 7.5% of tier 1 capital for Investec Limited. We also have a number of risk tolerance limits and targets for specific asset classes.

We target a credit loss ratio of less than 0.5% for both Investec Limited and Investec plc (less than 1.25% and 1.5% under a weak economic environment/stressed scenario for Investec Limited and Investec plc respectively). We target Stage 3 net of ECL as a % of net core loans subject to ECL to be less than 2% for Investec plc (excluding the legacy portfolio; less than 4% under a weak economic environment/stressed scenario) and less than 1.5% for Investec Limited.

Positioning as of 31 March 2022

We maintained this risk tolerance level throughout the year.

We currently remain within all tolerance levels given the current weakened economic environment. The Group credit loss ratio was calculated at 0.08% for 31 March 2022 (31 March 2021: 0.35%). Stage 3 net of ECL as a % of net core loans subject to ECL was 1.4% for Investec plc (excluding the Legacy portfolio) and 1.5% for Investec Limited.

PRINCIPAL RISKS

CONTINUED

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



More information



Read more on page 26 of the Investec Group's 2022 risk and governance report.

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 geographies (i.e. South Africa and 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 as of 31 March 2022

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

ESG (including climate) risk

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

Link to strategy



More information



Read more on pages 92 to 105 and refer to the Investec Group's 2022 sustainability report which will be available on our website at the end of June 2022.

Monitoring and mitigation activities

- Investec has a holistic approach to sustainability, which runs beyond recognising our own footprint on the environment, includes our many community activities and is based on a broader responsibility to our environment and society
- Accordingly, sustainability and climate-related (including ESG) risk considerations are considered by the relevant credit committee or investment committee when making lending or investment decisions
- There is also oversight by the Group ESG Executive Committee and the Social and Ethics Committee on general ESG issues, including climate-related matters
- The Group ESG Executive Committee coordinates general sustainability and climate-related (including ESG) risks and opportunities across geographies and businesses from both a strategy and policy perspective.

Risk appetite and tolerance metric

We take a cautious approach with respect to industries that are known to have negative consequences to climate change or that cause environmental damage. Financial risk from climate change is a highly important topic which helps to inform decisions. We acknowledge that our approach is still work in progress and will continue to develop this over time.

Positioning as of 31 March 2022

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

PRINCIPAL RISKS

CONTINUED

Investment risk

Investment risk in the banking book arises primarily from the Group's investment (private equity) and property investment activities, where the Group invests in largely unlisted companies and select property investments, with risk taken directly on the Group's balance sheet

Link to strategy



More information



Read more on pages 54 and 55 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- Independent credit and investment committees in the UK and South Africa provide oversight of regions where we assume investment risk
- Risk appetite limits and targets are set to limit our exposure to equity and 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 for our unlisted principal investment portfolio of less than 30% of CET1 capital for Investec plc and 12.5% of Tier 1 capital for Investec Limited. Investec Limited has set a risk tolerance of 15% of total Tier 1 capital for the exposure to the IEP Group.

Positioning as of 31 March 2022

Our unlisted investment portfolios amounted to R3.1 billion and £336 million for Investec Limited and Investec plc respectively, 6.4% of total Tier 1 capital for Investec Limited and 17.4% of CET1 capital for Investec plc. Exposure to the IEP Group totalled R5.4 billion, representing 11.4% of total Limited Tier 1 capital.

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 trading businesses

Link to strategy



More information



Read more on pages 58 to 63 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- To identify, measure, monitor and manage market risk, we have independent market risk management teams in our core geographies where we assume market risk
- The focus of our trading activities is primarily on supporting our clients. Our strategic intent is that proprietary trading should be limited and that trading should be conducted largely to facilitate client flow
- Within our trading activities, we act as principal with clients or the market. Market risk exists where we have taken on principal positions resulting from market making, underwriting and facilitation of client business in the foreign exchange, interest rate, equity, credit and commodity markets
- 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 R15 million for Investec Limited and less than £4 million for Investec plc.

Positioning as of 31 March 2022

We met these internal limits; one-day 95% VaR was R4.8 million for Investec Limited and £0.4 million for Investec plc at 31 March 2022.

PRINCIPAL RISKS

CONTINUED

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



More information



Read more on pages 64 to 76 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- Our banking entities in South Africa and the UK are ring-fenced from one another and are required to meet the regulatory liquidity requirements in the jurisdictions in which they operate
- Each banking entity must be self-sufficient from a funding and liquidity standpoint
- 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
- We 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 well in excess of the statutory requirements as protection against unexpected disruptions in cash flows
- The Group maintains contingency funding plans designed to protect depositors, creditors and shareholders and maintain market confidence during adverse liquidity conditions
- The maintenance of sustainable prudent liquidity resources takes precedence over profitability
- We target a diversified funding base, avoiding undue concentrations by investor type, maturity, market source, instrument and currency
- Our core loans must be fully 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
- As part the broader Financial Sector Laws Amendment Act, South Africa is in the final stages of implementing a deposit insurance scheme aimed at improving the financial system's ability to absorb shocks by improving depositor confidence
- 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, we would continue to meet our obligations.

Risk appetite and tolerance metric

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

Positioning as of 31 March 2022

Total cash and near cash balances amounted to £17.2 billion at year end representing 42.8% of customer deposits.

PRINCIPAL RISKS

CONTINUED

Non-trading interest rate risk

Non-trading interest rate risk, otherwise known as interest rate risk in the banking book, arises from the impact of adverse movements in interest rates on both net interest earnings and economic value of equity. Non-trading interest rate risk in the banking book is an inherent consequence of conducting banking activities, and arises from the provision of retail and wholesale (non-trading) banking products and services

Link to strategy



More information



Read more on pages 70 to 76 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- The daily management of interest rate risk in the banking book is centralised within the Treasury of each banking entity and is subject to local independent risk and Asset and Liability Committee (ALCO) review
- Together with the business, the treasurers develop 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 Liability Product and Pricing Forum and ALCO
- Each banking entity has its own Board-approved non-trading interest rate risk policy and risk appetite, which is clearly defined in relation to both income risk and economic value risk
- These policies dictate that long-term (>one year) non-trading interest rate risk is materially eliminated. 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
- Non-trading interest rate risk is measured and analysed by utilising standard tools of traditional interest rate repricing mismatch and 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 in order to limit volatility.

Positioning as of 31 March 2022

Both Investec Limited and Investec plc are within these tolerance metrics. The UK regulatory framework requires banks to assess their Pillar II requirements, including those related to non-trading interest rate risk, as part of their ICAAP. The South African PA has announced that it will adopt the new Interest Rate Risk in the Banking Book (IRRBB) regulatory reforms as outlined in BCBS 368. Implementation of the new IRRBB standards is scheduled for December 2022.

PRINCIPAL RISKS

CONTINUED

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



More information



Read more on pages 84 to 92 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- Both the Investec Limited and Investec plc Groups undertake an approach to capital management that 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 of each Group is undertaken on an annual basis and is documented in the Internal Capital Adequacy Assessment Process (ICAAP). The ICAAP is reviewed and approved by DLC BRCC and the Board
- 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 framework has been approved by the Board. The DLC Capital Committee (mandated by DLC BRCC) is responsible for the oversight and management of capital and leverage.

Risk appetite and tolerance metric

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

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

Positioning as of 31 March 2022

The leverage ratios were 9.2% and 7.4% for Investec plc and Investec Limited respectively.

Investec plc and Investec Limited met all these targets. Capital has grown over the period.

Reputational and strategic risks

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



More information



Read more on page 79 of the Investec Group's 2022 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
- Strategic and reputational risk is mitigated and/or managed as much as possible through detailed processes and governance/escalation procedures from business units to 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 as of 31 March 2022

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

PRINCIPAL RISKS

CONTINUED

Business risk

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

Link to strategy



More information



Read more on pages 5 to 72

Monitoring and mitigation activities

- The risk of loss caused by income volatility in the Specialist Bank and/or Wealth & Investment 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
- Group strategy is directed towards generating and sustaining a diversified income base for the Group
- 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

We seek to maintain an appropriate balance between revenue earned from capital light and balance sheet driven activities. Ideally capital light revenue should exceed 50% of total operating income, dependent on prevailing market conditions.

We have a solid annuity income base supported by diversified revenue streams, and target an annuity income ratio in excess of 65%.

We seek to maintain strict control over fixed costs. For the 2021 financial year the Group had a cost to income ratio target of below 63%*.

We aim to build a sustainable business generating sufficient return to shareholders over the longer term, and target a long-term return on equity ratio range of between 12% and 16%, and a return on RWAs in excess of 1.2%*.

Positioning as of 31 March 2022

Capital light activities contributed 41.7% to total operating income and balance sheet driven activities contributed 58.3%.

Annuity income for our continuing operations amounted to 76.2% of total operating income.

The cost to income ratio amounted to 63.3%*.

The return on equity amounted to 11.4% and our return on RWAs amounted to 1.50%*.

* The Group has announced FY2023 guidance, including that it expects the cost to income ratio to be within the Group target of <63% in FY2023, notwithstanding inflationary pressures and continued investment in technology.

Legal risks

Legal risk is the risk of loss 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



More information



Read more on page 79 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- A Legal Risk Forum is constituted in both the UK and South Africa 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 Group maintains adequate insurance to cover key insurable risks
- This is supplemented by a pre-approved panel of third party legal firms to be utilised where necessary.
- There is a central independent in-house legal team with embedded business unit legal officers where business volumes or needs dictate

Risk appetite and tolerance metric

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.

Positioning as of 31 March 2022

Legal matters were appropriately escalated, dealt with and accounted for in the annual financial statements where necessary.

PRINCIPAL RISKS

CONTINUED

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 impacts can be financial as well as non-financial such as customer detriment, reputational or regulatory consequences

Link to strategy



More information



Read more on pages 77 and 78 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- Investec 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
 - Data management risk
 - Financial crime risk
 - Fraud risk
 - Information security and cyber risk
 - Model risk
 - People risk
 - Processing and execution risk
 - Regulatory compliance risk
 - Tax risk
 - Technology risk
 - Third party risk.

Risk appetite and tolerance metric

We maintain sound operational risk practices to identify and manage operational risk. We monitor the level of acceptable operational risk exposure/loss through qualitative and quantitative measures.

Positioning as of 31 March 2022

We maintained operational risk losses within risk tolerance levels throughout the year.

Operational risk – Business disruption and operational resilience risk

Risk associated with disruptive incidents which can impact premises, staff, equipment, systems, and key business processes

Link to strategy



More information



Read more on pages 77 and 78 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- Investec maintains continuity through appropriate resilience strategies that cater for disruptions, irrespective of the cause
- These strategies include, but are not limited to, relocating the impacted business to alternate processing sites, enabling staff to work from home, the application of high availability technology solutions and ensuring readiness of physical solutions for critical infrastructure components
- Resilience testing is conducted on a periodic basis to validate continuity strategies and ensure they remain effective and appropriate. This includes annual recovery testing for all key systems that support critical business processes.

PRINCIPAL RISKS

CONTINUED

Operational risk – Conduct risk

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

Link to strategy



More information



Read more on pages 77, 78 and 80 to 82 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- Our approach to conduct risk is driven by our values and philosophies, ensuring that Investec operates with integrity and puts the wellbeing of its clients at the heart of how the business is run
- Products and services are scrutinised and regularly reviewed to identify any issues early on and to make sure they are escalated for appropriate resolution and, where necessary, remedial action
- 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
- Conduct Committees exist in South Africa and the UK, with the objective of ensuring that Investec maintains a client-focused and fair outcomes-based culture.

Operational risk – Data management risk

The risk associated with poor governance 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



More information



Read more on page 77 and 78 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- Investec drives robust data governance principles across the business, including data ownership, management, quality control and defined data architecture
- Consistent mechanisms are in place for data consolidation, storage and reporting
- Data flows and reconciliations are automated, and integration between systems is streamlined to reduce the need for manual tasks, minimise data processing delays and eliminate single points of failure
- Data quality and aggregation are monitored, reported and enhanced in line with business needs and regulatory principles
- Predictive intelligence is obtained through data analytics 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

Operational risk – Financial crime risk

Financial crime involves handling the proceeds of crime, financing of terrorism, proliferation financing, sanctions breaches and bribery or corruption, as well as any related regulatory breaches. Examples include bribery, fraud, tax evasion, embezzlement, forgery, counterfeiting and identity theft

Link to strategy



More information



Read more on pages 77, 78, 80 and 82 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- Established policies and procedures are in place to promote business with clients in such a manner that minimises the risk of Investec's products being used for money laundering and terrorist or proliferation financing
- A risk-based approach supports these objectives, while complying with Investec's regulatory compliance obligations. At a high level the control framework ensures that:
 - Sufficient information about 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
 - Staff are appropriately trained
 - Suspicious transactions and terrorist financing are recognised and reported
 - Existing and prospective clients that are not within Investec's financial crime risk appetite are exited or declined.

Operational risk – Fraud risk

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

Link to strategy



More information



Read more on pages 77 and 78 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- Investec manages fraud risk through an integrated framework which includes global policies, standards and methodologies
- Detection and prevention systems are utilised to help identify potential fraud, reaching out to clients where appropriate to validate or discuss concerns
- 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
- 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 increased fraud losses across the industry and new fraud modus operandi
- Industry collaboration assists with fraud prevention efforts and the recovery of funds that have been paid away
- Adherence to fraud prevention policies is proactively monitored
- 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

Operational risk – Information security and cyber risk

The risk associated with unauthorised access, use, disclosure, modification or destruction of data, impacting confidentiality, integrity or availability. These can result in data compromise, financial loss, interruption to client services and reputational harm

Link to strategy



More information



Read more on pages 77 and 78 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- In light of the broad range of risks to which information resources are exposed, this risk is managed by addressing both internal and external threat exposures
- Internal threats relate to data theft, improper access or confidentiality breaches by staff
 - These are mitigated by implementing risk-appropriate data protection controls to safeguard information assets in line with data sensitivity and business criticality
 - Role-based access to systems and data is closely controlled and privileged IT access is restricted and actively monitored
- External threats relate to cyberattacks such as ransomware, denial of service and cyber fraud
 - This is mitigated by an adaptive cyber strategy that integrates prediction, prevention, detection, and response capabilities
 - A robust security architecture leverages defence-in-depth and advanced technologies to protect against evolving, sophisticated attacks
 - Threats are monitored 24/7 by a global cyber team and the security incident response plan is continuously improved
 - Cyber controls are stress-tested through security assessments, red team exercises and attack simulations, run both internally and in conjunction with independent specialists
 - Regular security training to all staff ensures high levels of awareness and vigilance.

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 and trading book model risk

Link to strategy



More information



Read more on pages 77 and 78 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- Investec manages model risk through embedded, risk specific frameworks and policies
- The frameworks address roles and responsibilities, governance processes and committees and approaches to managing and monitoring model risk
- Models are subject to regular, independent validation by specialist risk teams
- The relevant committees are mandated to oversee model risk and have delegated further oversight and approval to appropriate sub-committees.

PRINCIPAL RISKS

CONTINUED

Operational risk – People risk

The risk that we may be unable to recruit, retain and engage diverse talent across the organisation

Link to strategy



More information



Read more on pages 96 and 97 and refer to the Investec Group's 2022 sustainability report which will be available on our website at the end of June 2022.

Monitoring and mitigation activities

- 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
- There are a number of graduate programmes operating across our organisation sourcing and developing our talent pipeline
- Internal mobility is a valued mechanism for the development and retention of people
- 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 is mandated to enable the attraction, development and retention of talent who can perform in a manner consistent with our culture and values
- 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.

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



More information



Read more on page 77 and 78 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

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

Operational risk – Regulatory compliance risk

The risks of changing legislation, regulation, policies, voluntary codes of practice and their interpretation in the markets in which we operate can have a significant impact on the Group's operations, business prospects, costs, liquidity and capital requirements

Link to strategy



More information



Read more on pages 77, 78 and 80 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- Investec remains focused on achieving the highest levels of compliance with professional standards and integrity in each of our jurisdictions
- Our culture is a major component of our compliance framework and is supported by robust policies, processes and talented professionals who ensure that the interests of our stakeholders remain at the forefront of everything we do
- 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 regulations and legislation.

PRINCIPAL RISKS

CONTINUED

Operational risk – Tax risk

The risk associated with inadequate tax planning, transaction execution, tax compliance and reporting failures, resulting in financial loss and reputational damage

Link to strategy



More information



Read more on pages 77, 78, 81 and 82 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- Investec's control environment for the management and mitigation of tax risk includes a formalised tax strategy, policy and framework
- 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.

Operational risk – Technology risk

The risk associated with disruption to critical applications or infrastructure and IT system malfunction that negatively impact key business processes or client services

Link to strategy



More information



Read more on pages 77 and 78 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- The technology environment is proactively monitored for continuous visibility of operational performance and availability
- Mature incident management processes and continuity plans are in place to support a resilient IT environment that is able to withstand failure and minimise service disruption
- Strategic roadmaps are in place that leverage new technologies to enhance capacity, scalability and continuity, and reduce reliance on legacy IT systems
- IT systems are aligned to approved architectures and standards across the Bank to reduce technical complexity, considering concentration risk, and to leverage common functions and services
- The risk of errors in production systems is reduced through design reviews, secure development practices and robust code review, testing and deployment processes
- Processes and controls are automated where possible, and augmented with monitoring and exception alerting where necessary to reduce human error and enhance efficiency.

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



More information



Read more on pages 77 and 78 of the Investec Group's 2022 risk and governance report.

Monitoring and mitigation activities

- Third party policies and practices govern the assessment, selection, approval and oversight of third party services
- Robust due diligence processes are in place to evaluate third party suitability and controls with the appropriate level of rigour based on the scale, complexity and risks a particular supply poses
- Service disruption or security risks that third parties may introduce are identified and managed
- Ongoing monitoring ensures that contractual obligations are met and required service levels are maintained
- Consideration is given to concentration risk both within the business and across the financial sector systemically
- Appropriate supplier business contingency plans, including exit strategies for key/critical vendors, are established and managed to minimise customer impact following any disruption in service.

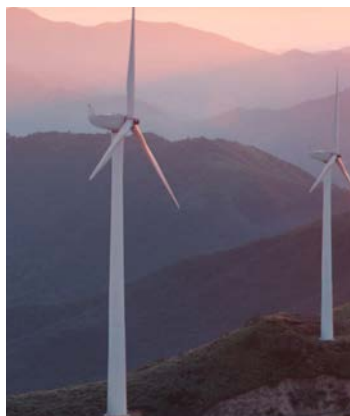
Sustainability



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What does sustainability mean to us?



Living Sustainably

within our operations, through our policies, processes, risk practices and reporting.

Partnering with clients

by offering advice and sustainability products and services that positively contribute to the SDGs particularly in water, renewables, infrastructure, job creation, clean cities and education.

Aligning our community initiatives

with our SDG priorities to maximise impact in education, entrepreneurship and the environment (refer to page 98 on commitment to our communities).

Engaging through advocacy

through active participation in a number of memberships and industry alliances.

How we are embedding sustainability into our business strategy

The desire to make a meaningful contribution to the world we live in is at the heart of our values at Investec. Making an unselfish contribution to society, nurturing an entrepreneurial spirit, embracing diversity, and respecting others, underpin our aim to live in, not off society.

As a financial services organisation with a strong footing in both the developed and developing world, we believe we can make a meaningful contribution to society and the environment. We believe that the United Nations Sustainable Development Goals (SDGs) provide a solid framework for us to assess, align and prioritise our activities.

Our strategy is to harness the expertise in our various businesses and identify opportunities to maximise impact. We do this by partnering with our clients, investors and stakeholders to support ambitious delivery of the SDGs and build a more resilient and inclusive world.

Reasonable assurance

Reasonable assurance has been obtained from KPMG Inc. to support various KPIs as reported in this sustainability section. Refer to the KPMG report as published in the Investec Group's 2022 sustainability report, available on the Investec website as from 30 June 2022, for further information regarding the scope and the procedures performed. KPIs covered by the report have been marked by the following icon:



Specialist Banking

Our Specialist Banking businesses use their skills in advisory, lending and investing to support our clients and stakeholders to achieve our joint sustainability ambitions. We also have a strong focus on financing entrepreneurs who are critical in accelerating job creation and supporting sustained economic growth.

Living sustainably

Our policies and practices:

- Environment and climate change statement
- Fossil fuel policy
- Defence policy
- Operational resilience statement
- The way we do business.

We perform ESG screening when onboarding new clients, and on all our lending and investment activities.

Partnering with clients

- Offering sustainability products and services: particularly in water, renewables, infrastructure, job creation, clean cities and education
- Using our specialist skills in advisory, lending and investing to support clients' sustainability ambitions
- Working with our clients to transition towards a net-zero world.

Engaging through advocacy

- Active participation in UNGC, UN GISD, UN PRI, UNEP FI, BASA, PCAF and other forums
- Signatories of UNEP FI and the UN PRB
- Working with industry in the UK and South Africa to ensure policy coherence
- Using the strength of our brand to educate and promote sustainable thinking.

Wealth & Investment

We have a responsibility to preserve and grow the wealth that is entrusted to us over the long term. Sustainability is core to our fundamental investment approach. We aim to invest in companies that are able to deliver cost of capital beating returns on a sustainable basis in the long term, while retaining a commitment to all relevant stakeholders.

Living sustainably

Our policies and practices:

- Responsible investing policy
- Voting and active engagement policy.

We integrate ESG considerations into our investment decision making and broader investment process. We screen all of our centrally researched equities from an ESG perspective on a biannual basis.

Partnering with clients

- **Engaging:** Actively engage and interact with companies' management teams (both the executive and non-executive) on ESG matters
- **Voting:** We use the services of Institutional Shareholder Services (ISS), a leading provider of corporate governance solutions, to provide us with research and recommendations. This research is thoroughly vetted by our research analysts with final voting recommendations reviewed by our voting committee.

Engaging through advocacy

- Signatory of the UN PRI
- Signatory of the UK Stewardship Code
- Signatory of the Code for Responsible Investing in South Africa (CRISA)
- Member of Climate Action 100+.

Our commitment to the Sustainable Development Goals (SDGs)

Our approach

Positively impacting on climate change and inequality by focusing on doing well and doing good.

1. Positively contribute to the Sustainable Development Goals
2. Operate responsibly and ethically and within the planetary boundaries
3. Partner with our clients and philanthropy partners to maximise positive impact
4. Provide profitable, impactful and sustainable products and services
5. Actively advocate for industry alignment and best practice.

Our sustainability framework is based on the SDGs

Addressing climate and inequality is fundamental to the success of our business. We have eight priority SDGs: two impact SDGs, Climate action (SDG 13) and Reduced inequalities (SDG 10), supported by six core SDGs. These priority SDGs are globally aligned yet locally relevant to our core geographies and also reflect our growth strategy to fund a stable and sustainable economy.

Our approach coordinates, assesses and reports on the Group's progress in terms of our contribution to our priority SDGs.

Our two impact SDGs



Climate action

Carbon neutral in our direct operations and publicly disclosing our Scope 3 financed emissions.

Minimal exposure to fossil fuels.
Investec plc committed to zero coal in 3-5 years

W&I joined Climate Action 100+ and Group joined the UN Net-Zero Banking Alliance



Reduced inequalities

DLC Board: 36% women & 43% Board members are persons of colour (measured in terms of the Parker Review)

IBP: Female Bank Chief Executive

IBL: Level 1 BBEE

Anchor limited partner investor in an impact fund focused on infrastructure in emerging markets



Received a five-star rating from **We Support the Goals**, demonstrating our alignment with the UN SDGs

Our six core SDGs



Our impact is evident through our sustainable finance and investment initiatives:

\$600mn

Investec Bank plc successfully closed a \$600 million sustainability-linked term loan facility (3x oversubscribed)

Impact fund

Anchor limited partner investor the Acre Impact Capital Export Finance Fund focused on infrastructure in emerging markets

\$600mn

Investec Bank Limited successfully closed a \$600 million sustainability-linked term loan facility (2.5x oversubscribed)

R1bn

R1 billion raised for renewable energy projects through Investec Bank Limited's first green bond (3.8x oversubscribed)

\$35mn

\$35 million raised by Investec Wealth & Investment at 31 March 2022 through the launch of a Global Sustainable Equity Fund

R53.6mn

Investment philanthropy offering derived income for distribution on behalf of clients to the value of approximately R53.6 million, of which 40% went to educational initiatives




For more information on our sustainable finance and investment, please refer to the Investec Group's 2022 sustainability report.

COMMITMENT TO OUR PEOPLE

Commitment to our people



Highlights in 2022

 **Learning and development spend as a % of staff costs**

1.6%

(March 2021: 1.3%)

We are committed to being an equal opportunity employer supporting our impact SDG 10 and our core SDG 8



Our approach

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. Our culture is our strategic differentiator. As a culture driven organisation, our values and philosophies must underpin and inform people's conduct. We choose a flat structure as an organisation design, show deep respect for individuals and uphold an environment that encourages self-starters to drive their careers in line with the organisation's purpose and business strategies. This unique cultural proposition is inculcated via artefacts and practices that evidence both how we live in the organisation as well as what is required of employees.

We are committed to:

Talent attraction, development and retention

We invest significantly in a number of opportunities for developing and upskilling employees through bursaries, leadership development, skills programmes, personal mastery and coaching.

Employee engagement

We have various mechanisms to monitor, gain a 'felt sense of', and evaluate how people experience our culture as well as their alignment and adherence to our system of beliefs.

Employee wellbeing

Our wellbeing strategy is informed by our culture and recalls our values of freedom to operate, respect for others and personal ownership.

Learning and development

We invest significantly in several opportunities for the development and upskilling of our employees.

Recognising and rewarding our people

Our remuneration practices comply with local regulations and reward people meaningfully for performance and contribution.

Belonging, inclusion and diversity

Our diversity and inclusion framework has a sense of belonging for all our people, irrespective of difference, as its goal.

What we are doing:

Our early career and graduate strategy has attracted exceptional and diverse talent across the business, and in the past year, 79 graduates participated in our various programmes across the Group (2021: 120 graduates).

Our employee engagement initiatives include listening posts, climate and conduct dashboards, team culture reviews, organisation climate reviews and executive communication and team check-in sessions.

Our employee wellbeing initiatives are broken down into four interconnected elements: Be Healthy, Be You, Be Present, and Be Connected.

Our learning programmes offer employees an opportunity to explore our culture, engage in the concepts of belonging, inclusion, and diversity, leadership development, and upskill and re-skill both technically and professionally.

Investec is supportive of a minimum living wage and ensures that all its employees globally are paid above the relevant minimum statutory wage. In addition 7% of the Group's shares are held by staff.

- Investec is a member of the 30% Club in both the UK and South Africa
- 36% female Board representation (against our target of 33% female Board representation) as at 31 March 2022
- 43% Board members are persons of colour (measured in terms of the Parker Review metrics) as at 31 March 2022.

COMMITMENT TO OUR PEOPLE CONTINUED

Diversity and inclusion

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 jurisdictions and reflects its clients. Our recruitment strategies actively seek difference, engaging with minority groups, females and people with disabilities.

Our diversity principles include:

- We believe in the importance and benefits of diversity and strive to foster a culture that is supportive and inclusive of different perspectives and experiences
- Our workforce aims to reflect the diversity of our client base and the society within which we operate
- We are progressing towards a working environment that is more inclusive, agile and responsive to the needs of all individuals, for example, flexible work arrangements
- We work proactively to rebalance our organisation in line with the communities in which we operate through education and entrepreneurship and leveraging the value of diversity
- We will continue to measure and track progress annually and strive to achieve our targets through concrete actions.

Learning and development

As a learning organisation we aim to constantly stretch and develop our people, as the calibre of our employees is a unique long-term competitive advantage. To achieve this, we employ talented people and enable their professional and personal growth so they can perform extraordinarily in support of business objectives. At Investec we develop and retain people in a way which is consistent with the organisation's culture and values. Learning in our culture is therefore enabled through the flat structure and relational nature of our business, which allows access and exposure to diverse learning experiences. Learning is also enabled through genuine feedback that encourages people to reflect and grow personally and professionally. Employees are encouraged to be the driving force behind their own development and be proactive in identifying and addressing their development needs. This allows them to maximise informal and formal learning opportunities which are most relevant to their unique requirements and context. Learning is directly linked to the strategic business needs, helping to equip our people to deliver an out of the ordinary experience for the client. Learning is both high-tech and high-touch, with learning offerings constantly evolving based on business and organisational needs. The COVID-19 pandemic and hybrid world of work has created an opportunity for an agile, always-on approach to learning.

Our targets

- At 31 March 2022 there was 36% female representation on the Board (against a target of 33% female Board representation by end of the 2020 calendar year)
- At 31 March 2022 learning and development spend as a % of staff costs was 1.6% against a target of >1.5%.

Progress in 2022

- Our early career and graduate strategy has attracted exceptional and diverse talent across the business
- At 31 March 2022 we had 43% Board members as persons of colour (measured in terms of the Parker Review metrics)
- Our UK business signed up to the Race at Work Charter
- Our UK Wealth business signed up to the #100 Black Interns initiative.

Priorities for 2023

- Globally our focus has shifted to returning to the office. The energy we create through the physical presence of our people is a key part of our culture
- We are constantly considering the world of work, with a focus on adaptability and agility in response to a changing environment
- We will continue our work in support of empowering and developing women in business, education and sport and highlighting the power of partnerships to provide opportunities for women.

Employee diversity

For more information on employee diversity refer to the Investec Group's 2022 sustainability report.



Total headcount

7 917*

(March 2021: 7 889*)

Employees below the age of 50 years

84%

(March 2021: 84%)

* Permanent employees.

Board diversity



■	Female Board members	36%
■	Male Board members	64%

Key learnings in 2022

The COVID-19 pandemic has created unprecedented opportunities and challenges for all our stakeholders including our employees. Global activism continues to highlight the harsh realities of inequality and poverty within society at large and particularly within the context of South Africa. We have a deep appreciation for our corporate responsibility and are committed to creating financial value, in a sustainable and inclusive way. Aligned to the SDGs, and particularly our commitment to SDG 4: Quality education and SDG 8: Decent work and economic growth, we invest deeply in education and job creation initiatives for both our employees as well as the communities in which we operate.



For more information on our commitment to our people, refer to the Investec Group's 2022 sustainability report.

COMMITMENT TO OUR COMMUNITIES

Commitment to our communities



Highlights in 2022

 **Spend on community initiatives as a % of operating profit***

1.3% (£8.9mn)

(March 2021: 2.6% £9.8mn)

Community spend higher in 2021 due to COVID-19 relief initiatives. In addition, the Global Exposure entrepreneurship programme was discontinued due to the global pandemic and other associated factors.

Our community initiatives support our commitment to reducing inequality (SDG 10) and underpin our aim to be a responsible organisation.



Our approach

Our vision to create enduring worth depends on a thriving economy with active economic participants and a healthy planet. Our community initiatives are central to our values of making an unselfish contribution to society, nurturing an entrepreneurial spirit, valuing diversity and respecting others – all of which support our commitment to reducing inequality (SDG 10) and underpin our aim to be a responsible organisation. In addition, our corporate social investment (CSI) initiatives include our passion to preserve biodiversity through our conservation efforts and greening our communities, acknowledging the clear link between climate change and biodiversity loss.

We understand that no single business can address the many socio-economic needs that continue to present everyday challenges for many in the geographies in which we operate, so we have focused on that which we believe is better aligned to our philosophy. Our approach focuses on three categories of impact: education and learnerships, entrepreneurship and job creation, and environment and philanthropy.

We are committed to:

Education and learnerships

We focus on creating education and learnership opportunities within our communities contributing to SDG 4 (Quality education).

Entrepreneurship and job creation

We aim to create jobs for young people through quality work experience placements. Through our entrepreneurship and job creation programmes we contribute to SDG 8 (Decent work and economic growth).

Environment and philanthropy

We have a strong commitment to ensure we live sustainability, within the planetary boundaries. We do this by protecting biodiversity, promoting a clean environment and supporting high-quality, carbon reduction initiatives.

Staff volunteerism

Through our staff volunteering programme we support and encourage staff participation. We believe that far more can be achieved through our collective knowledge, expertise and influence than through cash donations alone.

What we are doing:

- **Investec Limited:** Expanded Promaths Online to include grade 10 and 11 maths and science learners, following the successful online pilot of grade 12 learners in 2020
- **Investec plc:** Expanded the Invest for Success programme into Leeds and established a relationship with a new school local to the Investec Leeds office.
- **Investec Limited:** Continued to support Startup School, the Finance Readiness Programme, and the YES Initiative
- **Investec plc:** Continued to partner with the Bromley by Bow Centre focusing on social economic regeneration in one of London's most deprived boroughs.
- **Investec Limited:** Raised awareness on the role of banks and the private sector in combating illegal wildlife trade, collaborating with the public sector and law enforcement
- **Investec plc:** Engaged in a new partnership with the Hawk Conservancy Trust.
- **Investec Limited:** Staff give of their time, money, goods and skills to support communities
- **Investec plc:** Staff actively volunteer their time as well as donate through our payroll giving programme, Give As You Earn.

* Before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests.

COMMITMENT TO OUR COMMUNITIES CONTINUED

Education and learnerships

We believe that supporting educational initiatives aligned to our CSI strategy can facilitate meaningful broader societal transformation, even in a COVID-19 environment.

In South Africa, our education interventions are intended to drive change that will see a greater number of disadvantaged youth produce exceptional maths and science results, make informed career decisions, access tertiary education, and pursue and complete courses in the financial sector and other critical qualifications which they may not have been able to pursue without exposure to our initiatives.

In the UK, we aim to empower young people to achieve their goals in life through the education projects we support. While we recognise the importance of academics, our community partners also focus on employability as well as life and interpersonal skills.

Entrepreneurship and job creation

In South Africa, our approach is the desire to enable as many people as possible, especially the youth, to become active economic participants in society. This has a positive effect on those people, as well as their communities and society. Economically active people quickly realise a sense of contribution, worth, dignity and direction and stand a better chance of occupying their rightful place in society. We are cognisant of the plethora of socio-economic challenges in South Africa, but recognise the possibilities of enabling people to become active economic participants through entrepreneurship as one of our key CSI focus areas.

In the UK, we help launch new social enterprises. The launched enterprises tackle a variety of social issues such as youth unemployment, social exclusion, food poverty, homelessness, upcycling plastics and more. Many of the entrepreneurs are female, black and of ethnic minority.

Our targets

At 31 March 2022 CSI spend as a % of operating profit* was 1.3% against a target of >1%

* Before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests.

Progress in 2022

Investec Limited

- Promaths, launched in 2005, continued to achieve exceptional results in maths and science for our learners
- We awarded high school bursaries to assist maths-inclined outliers from grades 10 – 12 to attend a high school of their choice that they might otherwise not afford.
- We continued to partner with Startup School who offer online entrepreneurship courses

Investec plc

- We continued to support Arrival Education supporting young people from challenging backgrounds and minority ethnic groups, encouraging social mobility
- We continue to be the sole funder for the Bromley by Bow Centre's Beyond Business Programme.

Spend on community initiatives by category



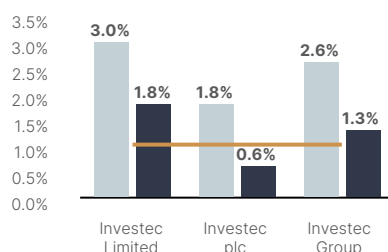
Education and learnerships	54%
Entrepreneurship and job creation	25%
Environment and other	21%

Spend on education, learnerships, entrepreneurship and job creation as a % of total community spend for Investec Group

79%

(March 2021: 64%)

Spend on community initiatives as a % of operating profit*



Spend on community initiatives as a % of operating profit*

Investec Limited	Investec plc
1.8%	0.6%
(March 2021: 3.0%)	(March 2021: 1.8%)

Community spend higher in 2021 due to COVID-19 relief initiatives. In addition, the Global Exposure entrepreneurship programme was discontinued due to the global pandemic and other associated factors.

* Before goodwill, acquired intangibles, non-operating items, taxation and after other non-controlling interests.

Priorities for 2023

- Leverage off our business, staff and culture to maximise social impact
- Advance CSI interventions with emphasis on quality rather than quantity
- Adopt a long-term view to our interventions
- Facilitate more focused interventions as opposed to being everything to everyone.

Key learnings in 2022

The COVID-19 pandemic and associated restrictions, challenges, opportunities and realities have had a marked impact on the past two years. It had an enormous impact on not just the education sector, but on the whole corporate social investment space. How we sought to bring about meaningful change in the lives of many was affected, and we continuously looked for ways in which we could make a difference.



For more information on our commitment to our communities, refer to the Investec Group's 2022 sustainability report.

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

Commitment to the environment and climate change



Highlights in 2022



Carbon neutral

0 tCO₂e

Total direct emissions after carbon offsets and the purchase of renewable energy certificates for the fourth consecutive year

Net-zero commitments

Implemented a focused project to understand our Scope 3 financed emissions and establish a baseline, strategy and targets to reach net-zero thereby supporting SDG 13.*



Fossil fuels

Coal as a % of core loans and advances **0.10%**
March 2021: 0.17%

Fossil fuels as a % of core loans and advances **1.99%**
(March 2021: 1.92%)

Coal exposure as a % of total energy lending portfolio **2.7%** (March 2021: 4.0%)

Our approach

Our position on climate change stems from the belief that as a specialist bank and wealth manager, the greatest impact we can have is to partner with our clients to decarbonise their activities and to offer products and services that help accelerate a cleaner, healthier world. Our environmental policy considers the risks and opportunities that climate change presents to the global economy.

Our approach is to support the transition to a cleaner, more energy efficient and sustainable global economy that is conscious of its use of limited natural resources. We realise that this might take time due to socio-economic constraints and will approach this transition in a just and equitable way.

We recognise the complexity and urgency of climate change and therefore:

We support the transition to a zero-carbon economy while realising that this might take time due to socio-economic constraints.

We embrace our responsibility to understand and manage our own carbon footprint and maintain carbon neutrality within our direct operations.

We support 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 pursuing efforts towards limiting it to 1.5°C.

We have an important role to play in terms of advocacy and collaboration.

What we are doing:

We have a global business and operate in both the developed and developing world with varying economic, social and environmental contexts. Our businesses use their specialist skills in advisory, lending and investing to support clients and stakeholders to move as quickly and smoothly as possible towards a net-zero carbon economy.

We achieved carbon neutral status in our Scope 1, 2 and operational Scope 3 emissions for the fourth financial year and continue our commitment to ongoing carbon neutrality.

We have calculated Scope 3 financed emissions within our various asset classes using the Partnership for Carbon Accounting Financials (PCAF) and the Paris Agreement Capital Transition Assessment (PACTA) methodology.

We participate in a number of workshops and taskforce groups internationally that share learnings and promote a cohesive approach for the financial sector.

* For a full disclosure on our baseline, strategy and targets, refer to the Investec Group's 2022 climate-related financial disclosures report on our website.

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

CONTINUED

Managing and mitigating climate change within our operations

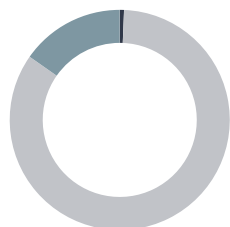
We embrace our responsibility to understand and manage our own carbon footprint.




The key focus areas to reduce our operational carbon footprint include:


- Reducing energy consumption
- Reducing water usage
- Reducing overall waste
- Promoting sustainable procurement
- Increasing waste recycling rates
- Promoting sustainable travel
- Reducing single-use plastic.

Acknowledging that we cannot continue consuming natural resources at the current rate, we focus on ways to ensure the security of natural resources in all operations, draw energy from renewable sources where possible, and source only from responsible suppliers.

Group carbon footprint for the year ended 31 March 2022




	Scope 1	0.6%
	Scope 2	84.1%
	Scope 3	15.3%

 **tCO₂ emissions per average headcount**

3.53

(March 2021: 3.02)
(March 2020: 4.59)

 **tCO₂ emissions per m² office space**

0.20

(March 2021: 0.17)
(March 2020: 0.27)

We have seen an increase in our carbon intensity since the prior year due to people returning to the office. However, we remained below pre-COVID-19 intensity levels.

Our targets

- Ongoing carbon neutrality within our direct Scope 1, 2, and operational Scope 3 activities
- Zero coal exposure within Investec plc within the next three to five years
- Measure and manage our Scope 3 financed emissions towards net-zero by 2050.

Progress in 2022

- Maintained carbon neutrality in our direct emissions for the fourth financial year as part of our commitment to ongoing carbon neutrality in our Scope 1, Scope 2 and operational Scope 3 emissions
- Joined the Net-Zero Banking Alliance
- W&I joined Climate Action 100+
- Measured and reported on our material Scope 3 financed emissions
- Assessed viability of net-zero commitments within our investment and lending portfolios.

Priorities for 2023

- Assessing the transition plans of our clients who are in high emitting industries
- Work with, and assist, our clients in their net-zero carbon journey.

Key learnings in 2022

As much as we believe we have improved our transparency and level of disclosure, we acknowledge that the transition to net-zero is exceptionally challenging. The decisions we need to make cannot solely focus on climate impacts. We have to incorporate the profound impacts on humanity too. This is why we need to navigate multiple pathways, with many uncertainties, towards a just transition.

In saying this, we believe that as a financial institution, coupled with the strength of our brand, we can, and must, use our position to steer our economies to a net-zero world. This is why we joined the Net-Zero Banking Alliance at the end of 2021, to not only strengthen our commitment to a net-zero world but challenge ourselves to direct financial flows towards a positive impact for our planet and society.



For more information on our commitment to the environment and climate change, refer to the Investec Group's 2022 sustainability report and the Investec Group's 2022 climate-related financial disclosures report.

Governance

Social, environmental and ethical risk considerations are implicit in our values, culture and code of conduct. The Group supports the precautionary approach to ESG and strives to minimise and prevent investing in projects or dealing with counterparties where potential and unmitigated biodiversity or environmental degradation might occur. We recognise that identifying and quantifying biodiversity and environmental risk should be part of the normal process of risk assessment and management within businesses. We engage with our clients on climate-related and sustainability (including ESG) matters to minimise the risks and require clients to meet appropriate technical, governance, transparency, social and environmental standards. For example:

- As part of our client on-boarding process, we assess, where appropriate, potential clients for various types of risks including whether they are behaving responsibly in their business activities
- ESG risks are identified and assessed as part of the transaction due diligence processes which includes screening for negative environmental and/or biodiversity impacts and social matters
- Operational activities are assessed for compliance with relevant environmental, health and safety, and labour rights regulations
- We regularly review sensitive sectors and activities prone to bearing environmental and social risks.

COMMITMENT TO THE ENVIRONMENT AND CLIMATE CHANGE

CONTINUED

Group carbon footprint

Our carbon footprint has been calculated according to the international Greenhouse Gas (GHG) Protocol's Corporate Accounting and Reporting Standard (revised edition), with reasonable assurance provided by KPMG. Our environmental data collection system allows us to track and manage our direct operational impact. This tool imports data from various sources, consolidates the information and calculates our carbon footprint. The implementation of this tool allows us to produce reliable emissions data, accurately build a history of our carbon footprint and assists in setting targets for future emissions. Every year, we endeavour to improve the thoroughness of our data collection processes. Within each geography, the environmental manager is responsible for monitoring the GHG emissions. The Investec plc Streamlined Energy and Carbon Report (SECR) may be found on the Investec website.

Assessment parameters

Consolidation approach

- Operational control

Emission factor data source

- DEFRA (2021), IEA, eGRID (for New York electricity) and Eskom (for South Africa electricity)

Intensity ratio

- Emissions per average headcount
- Emissions per office space m²

Independent assurance

- Limited assurance provided by KPMG for the year ended: 31 March 2021 and reasonable assurance for the year ended 31 March 2022

Coverage

- Coverage of environmental information covers >95% of our business operations. Materiality set at 5%

			31 March 2022		31 March 2021	
Units			Consumption in unit of measure	Tonnes of CO ₂ equivalent	Consumption in unit of measure	Tonnes of CO ₂ equivalent
Scope 1				184		349
Energy	Natural gas	kWh	237 093	43	291 400	54
	LPG stationary ¹	L	5 537	9	1 166	2
	CO ₂ purchased	kg	154	–	37	–
	Diesel	L	34 283	86	47 986	122
Refrigerant	Refrigerant ²	kg	2	4	74	111
Employee travel	Vehicle fleet	km	238 207	41	346 341	60
Scope 2				24 640		23 365
Energy	Electrical energy consumption	kWh	26 669 829	24 640	25 991 259	23 365
Scope 3				4 473		1 935
Paper	Paper consumption	t	38	36	39	38
Waste	General waste ³	t	182	83	81	36
Employee travel	Rail travel ³	km	439 260	16	84 164	3
	Road business travel ³	km	977 426	168	613 189	105
	Taxi ³	km	33 973	5	17 042	3
	Commercial airlines ³	km	9 690 134	2 819	918 662	241
Work-from-home emissions	Electrical energy consumption	kWh	1 253 231	844	1 438 012	941
	Natural gas	kWh	1 428 402	262	1 626 111	299
	LPG stationary	L	155 037	241	173 373	270
Total emissions⁴				29 297		25 649
No scope						
Water		kl	71 174		51 148	
Recycled waste*		t	244		122	
Intensity						
Emissions per average headcount				3.53		3.02
Emissions per m ² office space				0.2		0.17
Water consumption per average headcount			kl	8.59		6.02
Intensity excl Scope 2						
Emissions per average headcount				0.59		0.31
Emissions per m ² office space				0.03		0.02
Climate change commitments						
Scope 2 zaRECs		MWh	22 327	23 589	21 838	22 192
Scope 2 REGOs in the UK		MWh	3 936	853	3 650	851
Carbon credits				4 855		2 633
Total emissions after mitigation				–		(27)

1. Increase in LPG as we rely less on electricity for kitchens

2. Decrease in refrigerant as we optimise refrigerators

3. Increase as business activities resumes, in particular business travel

4. While we have seen an increase in emissions year-on-year, we are 28% down on emissions against 31 March 2020 (40 456 tonnes of CO₂ equivalent).

MEMBERSHIPS AND PARTICIPATION

Our commitment to sustainability and climate change is evident from the many organisations that we support and engage with as shown below.

Memberships and participation

We are members of the Net-Zero Banking Alliance (NZBA)

We are members of the Institute of International Finance (IIF) and participate in the working group focused on providing a standardised template for the Task Force on Climate-related Financial Disclosures (TCFD) for banks

We are a member of the World Benchmarking Alliance (WBA)

We are a member of Support the Goals movement

We are participants in the Banking Association South Africa (BASA) forums and committees including:

- Climate Risk Forum Steering Committee
- TCFD and Sustainable Finance Working Groups
- Members of the Sustainable Finance Committee
- Member of the Positive Impact Finance Committee

We have signed up to the United Nations Environment Programme Finance Initiative (UNEP FI)

We have been reporting annually to the CDP (previously called the Carbon Disclosure Project) since 2009

We are a signatory to United for Wildlife's Financial Taskforce to combat illegal wildlife trade (part of the Royal Foundation)

We are a participant in the UN Global Investors for Sustainable Development (GISD) alliance working groups

We are participants in the Partnership for Carbon Accounting Financials (PCAF) in South Africa and the UK

We are participants of the United Nations Global Compact 10 principles on human rights, labour, environment and anti-corruption and report annually our communication of progress

Wealth & Investment is a signatory to Climate Action 100+ and Campbell Parry is the Investec representative on the Climate Action 100+ forum

Wealth & Investment is an investor signatory of the CDP

Wealth & Investment joined the CDP Non-Disclosure Campaign

Wealth & Investment is a signatory to the United Nations Principles for Responsible Investment (UN PRI)

Wealth & Investment in South Africa subscribes to the Code for Responsible Investing in South Africa (CRISA)

Wealth & Investment in the UK subscribes to the UK Stewardship Code

Wealth & Investment in the UK joined the Cambridge Institute for Sustainable Leadership's Investment Leadership Group

We report according to international best practice and strive to continually enhance our disclosures

Global Reporting Initiative (GRI)

Sustainability Accounting Standards Board (SASB)

United Nations Principles for Responsible Banking (UN PRB)

United Nations Principles for Responsible Investment (UN PRI)

Task Force on Climate-related Financial Disclosures (TCFD)

Although not a signatory to the Equator Principles (EP), we support their requirements and include our EP disclosures in our sustainability report.

CLIMATE-RELATED DISCLOSURES

Climate-related disclosures

We believe our climate-related disclosures as at the end of March 2022 are in compliance with LR9.5.6R(8) and consistent with the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations and Recommended Disclosures (as defined in Appendix 1 of the Financial Conduct Authority Listing Rules) and summarised in our TCFD report available on our website. For more information on the TCFD Recommendations, refer to page 148 in the annexures.

We believe that the widest and most positive influence we can have, is for our businesses to use their specialist skills in advisory, lending and investing to support our clients and stakeholders to move as quickly and smoothly as possible towards a zero-carbon economy.

1 Maintaining carbon neutral status within our global operations	2 Financing a resilient economy and partnering with our clients	3 Managing and steering our portfolios towards a net-zero world	4 Continuing our participation in advocacy and collaboration
Highlights <p>We are incorporating environmental values into our culture and decision making</p> <p>We have maintained carbon neutral status for the fourth consecutive year</p> <p>Direct operational carbon footprint increased by 14% compared to March 2021 but remains 28% lower compared to pre-COVID-19 (31 March 2020)</p> <p>100% of our operations are indirectly sourcing energy from renewables through the purchase of renewable energy certificates.</p>	Highlights <p>We updated our sustainable finance framework that aligns with the SDGs</p> <p>During the past year some initiatives included:</p> <ul style="list-style-type: none"> Investec Bank plc closed a \$600 million sustainability-linked syndicated term loan Investec Bank Limited closed a \$600 million sustainability-linked syndicated term loan Investec Bank Limited issued a green bond raising R1 billion under our DMTN bond programme Investec Wealth & Investment launched a Global Sustainable Equity Fund Offering sustainability-linked loans to our clients and advising clients on sustainability and ESG matters. 	Highlights <p>We are monitoring and managing our exposures to fossil fuels and other high-emitting sectors</p> <p>We have measured our financed emissions within our material lending and investing activities</p> <p>We have set strategies to steer our portfolios towards net-zero by 2050 or sooner</p> <p>We have set short-, medium- and long-term targets to monitor our progress.</p>	Highlights <p>We continue to participate in various industry memberships</p> <p>Joined the Net-Zero Banking Alliance (NZBA)</p> <p>Investec Wealth & Investment joined Climate Action 100+</p> <p>Participated in PCAF and involved in the PCAF working groups in both South Africa and the UK</p> <p>Wealth & Investment UK joined the Cambridge Institute for Sustainable Leadership – Investment Platform.</p>

CLIMATE CHANGE FRAMEWORK

Climate change framework: Transitioning to a zero-carbon economy

Governance

Board of Directors	Board-appointed committees	Executive responsibility	Management responsibility	Publicly available policies and statements
At the highest governance level, the Board has the ultimate responsibility to monitor how well the Group is operating as a responsible organisation. This includes considerations around climate-related risks and opportunities when reviewing the Group strategy.	The Board is supported by various Board-appointed committees with each committee contributing in their specialised capacity to climate- and environmental-related risks and opportunities. These include: <ul style="list-style-type: none"> DLC SEC DLC BRCC DLC Audit Committee DLC Remuneration Committee. 	For climate-related risks and opportunities, our CE, Fani Titi, takes ultimate executive responsibility for all climate-related and sustainability (including ESG) matters. The CE is supported by the: <ul style="list-style-type: none"> Group ESG Executive Committee that reports relevant ESG matters to the DLC SEC and Group Executive Risk Committee (ERC) Executive responsibility within the Specialist Bank Executive responsibility within Wealth & Investment. 	Specialist Bank: Management participates in the various executive forums, which is then discussed at various executive committees Wealth & Investment Sustainable Investment Forum: Coordinate the integration of the climate-related and sustainability (including ESG) matters in our Wealth & Investment business across various jurisdictions.	<ul style="list-style-type: none"> Environmental policy and climate change statement Fossil fuel policy Operational resilience statement.

 Refer to page 114 in this report for our governance framework. The Investec Group's 2022 climate-related financial disclosures report is available on our website.

Strategy

We see climate change as both a business opportunity and a risk, and therefore our strategy is based on the following:

- Supporting the Paris Climate Agreement and acknowledging the urgency of climate change
- Minimising our direct negative carbon impacts and committing to ongoing carbon neutrality
- Investing in products, services and businesses that help accelerate the transition.
- Supporting our clients as they transition their business operations and offering
- Engaging with stakeholders to inform our climate strategy as it evolves
- Actively participating in industry discussions to ensure an aligned and comprehensive approach.

Risk management

Compliance and screening <ul style="list-style-type: none"> We identify climate risks by integrating ESG considerations into our day-to-day operations Business opportunities <ul style="list-style-type: none"> We use our specialist skills in advisory, lending and investing to support clients' sustainability ambitions We have expertise and focus on financing infrastructure solutions that promote renewable and clean energy, and green buildings Through our approach to the SDGs, we can accelerate sustainable finance that supports a low-carbon transition. 	Environmental management <ul style="list-style-type: none"> We have an environmental management system to manage and limit our direct carbon impact Risk management <ul style="list-style-type: none"> We see climate risk as a material risk associated with rapidly changing weather events (physical risk) or market shifts as a result of regulatory and policy changes (transitional risk), or the risk from climate change breaches of underlying legal frameworks (litigation risk).
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Measurement

- We have committed to ongoing carbon neutrality in our direct operations
- We follow the recommendations set out by the TCFDs and the regulatory guidance in our two core jurisdictions.
- We disclose our full energy lending portfolio including fossil fuel exposures across the Group
- We include non-financial and ESG related targets within executive remuneration.



For more information, refer to the Investec Group's 2022 sustainability report and the Investec Group's 2022 climate-related financial disclosures report.

Governance



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CHAIR'S INTRODUCTION

Reaping the rewards of strategic execution

Having assumed the role of Chair in August 2021, I am pleased to report on how the Board has discharged its responsibilities during the year. On behalf of the Board, I would like to offer my sincere thanks to Perry Crosthwaite for his astute leadership and guidance during his tenure on the Board, particularly as Chair during a significant period of transition for the Group.

The Board remains focused on all aspects of good governance and stakeholder engagement, which are fundamental to the successful delivery of our strategy. In addition, we spent considerable time on a number of specific issues, including succession planning and my transition to Chair.

Strategy

The Board has continued to oversee and monitor progress on the Group's strategy. We have made significant strides in our journey to simplify and focus the business and are now reaping the benefits of strategic execution. We are making progress towards our medium-term targets, supported by strong financial performance across our client franchises and a disciplined approach to capital allocation and risk management. Our heightened focus now shifts from preservation in a time of crisis, to the pursuit of disciplined growth and competitive positioning in our chosen markets. Read more on the Group's strategy on pages 24 and 25.

Stakeholder engagement

The Board recognises the importance of establishing and maintaining good relationships with all stakeholders. We work hard to understand the particular needs of each and determine the most effective way to engage with them. Read more in our section 172(1) statement on pages 28 to 35.

Culture

The Board played an active role with management to assess our culture, in light of the nuances presented by a post-pandemic hybrid working model. Our values-led culture remains valid and appropriate, with changes to certain routines and norms that were previously established in the office. Read more on our culture and purpose on page 5.

Belonging, Inclusion and Diversity

We recognise the importance and benefits of diversity and strive to foster a culture that is supportive and inclusive of different perspectives and experiences. Read more on page 96.

Climate change

Sustainability is a key focus for the Group. The Board is conscious of the impact of climate change on our business and how the Group's activities affect the environment, and is proud of the progressive actions that have been taken to address these issues. At the 2021 annual general meeting (AGM), we were pleased to receive shareholder support for the Group's commitment to disclose additional information to help stakeholders to understand the steps the Group is taking to reduce its Scope 3 emissions, in line with the goals of the Paris Agreement. Read more on our approach to ESG in the Investec Group's 2022 sustainability report.

Succession planning

Succession planning is a key component of good governance. It ensures that there is an appropriate mix of skills, knowledge, experience and diversity on the Board and at senior manager level. Read more on page 96 of the Investec Group's 2022 risk and governance report.

FY2022 focus areas

- Advance the Group's strategy to pursue disciplined growth
- Oversee the succession plan for the Board
- Monitor the Group's journey to our medium-term targets
- Oversee the continued evolution of the Group's values-led culture.

Board and committee changes

There have been a number of changes to the Board and its committees during the year.

- Nicky Newton-King joined the Board in May 2021 as an independent Non-Executive Director. Nicky was also appointed as a member of the DLC Board Risk and Capital Committee (BRCC) and DLC Social and Ethics Committee (SEC)
- Jasandra Nyker joined the Board in May 2021 as an independent Non-Executive Director. Jasandra was also appointed as a member of the DLC BRCC and DLC SEC

- Brian Stevenson, the Non-Executive Chair of Investec Bank plc, joined the Board in June 2021 as an independent Non-Executive Director. Brian was also appointed a member of the DLC BRCC and DLC Nominations and Directors' Affairs Committee (Nomdac)
- Charles Jacobs stepped down from the Board in June 2021. The Board is immensely grateful to Charles for his dedication and outstanding contribution to the Group
- Lord Malloch-Brown retired from the Board and as Chair of the DLC SEC at the AGM in August 2021, with Khumo Shuenyane succeeding him as Chair of the DLC SEC. The Board offers its sincere thanks to Lord Malloch-Brown for his exemplary service and commitment to the Group
- Perry Crosthwaite retired as Chair of the Board and the DLC Nomdac at the AGM in August 2021. I succeeded Perry as Chair of the Board and the DLC Nomdac, with Henrietta Baldock succeeding me as Chair of the DLC Remuneration Committee.

Since 31 March 2022, we have also announced the following changes.

- Vanessa Olver, a Non-Executive Director of Investec Bank Limited, joined the Board in May 2022 as an independent Non-Executive Director. Vanessa was also appointed as a member of the DLC Audit Committee and DLC BRCC
- David Friedland will not stand for re-election at the 2022 AGM, and will accordingly step down from the Board in August 2022. The Board is immensely grateful to David for his dedication and outstanding contribution to the Group.

Board effectiveness

Each year the Board undertakes a formal evaluation of its performance. This year's review was facilitated by an independent third party, Fidelio Partners. Read more on page 124.

Corporate governance

The Group's statements of compliance with the UK Corporate Governance Code 2018 and King IV™ Code can be found on pages 112 and 113.



Philip Hourquebie
Chair
22 June 2022

DIRECTOR BIOGRAPHIES

Who we are

Director biographies

Biographies of our directors as at 31 March 2022 are outlined on the following pages, including their relevant skills and experience, key external appointments and any appointments to Board committees.

Committee membership key

B	DLC BRCC
N	DLC Nomdac
R	DLC Remuneration Committee
A	DLC Audit Committee
S	DLC SEC
■	Denotes Committee Chair

Philip Hourquebie

Chair



Age: 68



Nationality:

Qualifications: BAcc, BCom (Hons), CA (SA)

Date of appointment: August 2017 (Board), August 2021 (Chair)

Relevant skills and experience:

Philip has substantial international and advisory experience, gained through a long career at Ernst & Young, where he held various positions, including Managing Partner for the Africa and later, Central and South East Europe regions. This career experience, in conjunction with his time as Chair of the South African Institute of Chartered Accountants, brings deep finance, strategic, leadership and operational experience.

External appointments: Aveng Limited and Investec Property Fund Limited

Zarina Bassa

Senior Independent Director



Age: 58



Nationality:

Qualifications: BAcc, DipAcc, CA (SA)

Date of appointment: November 2014 (Board), April 2018 (SID)

Relevant skills and experience:

Zarina's previous appointments include partner of Ernst & Young, Executive Director of Absa Bank and head of Absa Private Bank, Chair of the South African Public Accountants' and Auditors' Board and the South African Auditing Standards Board. She has also been a member of the Accounting Standard Board, and a Non-Executive Director of the Financial Services Board, the South African Institute of Chartered Accountants, Kumba Iron Ore Limited, Sun International Limited, Mercedes South Africa, Vodacom South Africa Proprietary Limited, YeboYethu Limited and Woolworths Holdings Limited. This background affords significant audit and risk experience, and financial, leadership, banking, and regulatory reporting skills.

External appointments: JSE Limited, Mediclinic International plc and Oceana Group Limited

Henrietta Baldock

Independent Non-Executive Director



Age: 51



Nationality:

Qualifications: BSc (Hons)

Date of appointment: August 2019

Relevant skills and experience:

Henrietta has extensive knowledge of the financial services sector, through her 25 years' experience in investment banking, most recently as Chair of the European Financial Institutions team at Bank of America Merrill Lynch, where she advised many boards in the sector on a number of significant transactions. Henrietta is also a director of Hydro Industries Limited and the Roehampton Club. In 2021, she was appointed Chair of Investec Wealth & Investment (UK). Henrietta's industry experience demonstrates her valuable strategic and transformation advisory skills.

External appointments: Legal and General Assurance Society Limited and Legal and General Group plc

David Friedland

Independent Non-Executive Director



Age: 68



Nationality:

Qualifications: BCom, CA (SA)

Date of appointment: March 2013

Relevant skills and experience:

David's previous appointments include International Partner of Arthur Andersen and Partner of KPMG, where he was Head of Audit and Risk, and the lead audit Partner for several listed companies. Through this experience and his Non-Executive Board activities, he brings extensive risk and audit experience, and regulatory reporting skills.

External appointments: The Foschini Group Limited and Pick n Pay Stores Limited

DIRECTOR BIOGRAPHIES

CONTINUED

Stephen Koseff

Non-Executive Director



Age: 70

Nationality:



Qualifications: BComm, CA (SA), MBA, H Dip BDP, Hon DCom

Date of appointment: September 2020

Relevant skills and experience:

Stephen is the former CEO of the Group. He was with Investec for 39 years in various capacities and the Group CEO from 1996 to 2018. He is a former Board member of Business Leadership South Africa and the Financial Markets Advisory Board, former Chair of the South African Banking Association and Independent Bankers Association, and former director of the JSE Limited. Stephen is Chair of Innovation Africa SA NPC and Co-Chair of the Youth Employment Service (YES). His significant experience with Investec makes him an excellent source of knowledge for the Board, as does his experience of stakeholder engagement. Stephen also brings strong commercial, finance, risk and industry expertise to the Board.

External appointments: Bid Corporation Limited, Bud Group (Pty) Limited, IEP Group (Pty) Ltd, ArrowPoint Capital, and Irongate Funds Management Limited

Nicola Newton-King

Independent Non-Executive Director



Age: 55

Nationality:



Qualifications: BA, LLB, LLM

Date of appointment: May 2021

Relevant skills and experience:

Nicky is a lawyer by training. She was an Executive with the JSE for 23 years, and the CEO from 2012 to 2019. In her tenure at the JSE, Nicky was responsible for the repositioning of the JSE as a modern securities exchange with deep global business and technology relationships and a highly transformed workforce. She also positioned the JSE as a thought leader amongst global exchanges, global multi-lateral organisations and ESG protagonists around ESG and the key role that responsible business leadership can and should play in building equitable societies. Nicky remains involved in a number of initiatives focused on education and social cohesion. This background affords her significant regulatory and business expertise, and knowledge of ESG matters.

External appointments: None

Jasandra Nyker

Independent Non-Executive Director



Age: 49

Nationality:



Qualifications: BSc, MBA

Date of appointment: May 2021

Relevant skills and experience:

Jasandra is the CEO of Nala Renewables, a renewable energy company focused on investing and developing solar PV, onshore wind and power storage projects globally. Prior to this, she was Managing Director at Denham Capital Management, where she oversaw investments in renewable power projects in Latin America, South East Asia and Africa. Jasandra was also formerly CEO of BioTherm Energy, an African Independent Power Producer, which she built into a leading pan-African investment platform focused on the development of wind and solar assets. This background demonstrates her extensive knowledge of and experience in building businesses, private equity investing and energy transition.

External appointments: Emira Property Fund Limited

Khumo Shuenyane

Independent Non-Executive Director



Age: 51

Nationality:



Qualifications: BEcon, CA (England and Wales)

Date of appointment: August 2014

Relevant skills and experience:

Khumo's previous experience includes audit manager at Arthur Andersen, almost a decade at Investec in corporate finance and principal investments, Head of Mergers and Acquisitions at MTN Group Limited and partner at Delta Partners Group. In 2018, he was appointed Chair of Investec Bank Limited. Khumo brings strong industry experience to the Board, as well as exemplary knowledge of investment banking, telecoms, media and technology issues.

External appointments: Ninety One Limited, Ninety One plc, Investec Property Fund Limited and Vodacom Group Limited

Philisiwe Sibiya

Independent Non-Executive Director



Age: 45

Nationality:



Qualifications: BAcc, DIP Acc, CA (SA)

Date of appointment: August 2019

Relevant skills and experience:

Philisiwe is the founder and CEO of the Shingai Group. She was also involved in the telecommunications and media sector for 15 years, with 12 years spent at MTN Group where she held various roles including as Group Finance Executive of MTN Group, CFO of MTN South Africa and the CEO of MTN Cameroon. Prior to this she was with Arthur Andersen. Philisiwe has strong commercial and finance experience, further supporting the Board with her audit and risk management skills.

External appointments: AECI Limited, Goldfields Limited and Shingai Group (Pty) Ltd

Brian Stevenson

Independent Non-Executive Director



Age: 68

Nationality:



Qualifications: MBA, ACIB, FCBI

Date of appointment: May 2021

Relevant skills and experience:

Brian is the Chair of Investec Bank plc. He has substantial strategic, governance and financial services experience having held a number of senior executive roles, including previously serving as CEO and Chair of Royal Bank of Scotland's global transaction services division, as well as various Non-Executive positions including Agricultural Bank of China (UK) Limited and Deutsche Bank Nederland NV, including as Chair of audit and risk committees. Brian is an advisory Board member of the Lysis Group and a Board mentor for Critical Eye.

External appointments: Westpac Europe Limited

DIRECTOR BIOGRAPHIES

CONTINUED

Fani Titi

Chief Executive



Age: 59

Nationality:



Qualifications: BSc Hons (cum laude), MA, MBA

Date of appointment: January 2004 (Board), November 2011 (Chair), May 2018 (Chief Executive)

Relevant skills and experience:

Fani was the founding member of the Kagiso Trust Investments Limited, and later cofounded and led the public offering of Kagiso Media Limited. He was subsequently the founding Executive Chair of the Tiso Group, which later merged with Kagiso Trust Investments Limited, to form Kagiso Tiso Holdings. He has served on a number of boards and joined the Secretary General of the United Nations CEO Alliance on Global Investors for Sustainable Development (GISD). Fani brings strong banking and commercial expertise to the Board.

External appointments: None

Nishlan Samujh

Group Finance Director / CFO



Age: 48

Nationality:



Qualifications: BAcc, Dip Acc, CA (SA), HDip Tax (SA)

Date of appointment: April 2019

Relevant skills and experience:

Nishlan started his career at KPMG Inc. He joined Investec in 2000 as a technical accountant in the financial reporting team. In 2010 he took on the full responsibility for the finance function in South Africa, which later developed into the Global Head of Finance. This background affords significant financial expertise, and regulatory reporting skills.

External appointments: None

Richard Wainwright

Executive Director

Age: 59

Nationality:



Qualifications: BCom (Hons), CTA, CA (SA)

Date of appointment: September 2020

Relevant skills and experience:

Richard has been with Investec since 1995 in various capacities, and the CEO of Investec Bank Limited since 2016, responsible for our operations in South Africa. Richard started the structured products and project finance divisions in 2003 in the Group's corporate and institutional banking division. He brings investment banking, tax, risk and industry expertise to the Board.

External appointments: Banking Association of South Africa (BASA)

Ciaran Whelan

Executive Director

Age: 58

Nationality:



Qualifications: FCA (Irish), HDip Tax (SA)

Date of appointment: April 2020

Relevant skills and experience:

Ciaran joined Investec in 1988. He has had varied experience within the organisation, including Chief Executive of Investec Bank Australia Limited and the Global Head of Investec Private Bank. Ciaran was appointed as CEO of Investec Wealth & Investment (UK) and Managing Director of Investec plc in 2020. Ciaran brings hands-on experience in strategy and managing business risks to the Board.

External appointments: None

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

The UK Corporate Governance Code 2018 (the code) applied to the Group for the financial year ended 31 March 2022. The Board confirms that the Group has complied with the principles, the application of which are evidenced throughout

this report. The table below is designed to help shareholders evaluate how this has been achieved. The Board also considers that compliance has been achieved with the provisions throughout the year.

Board leadership and company purpose

- A. An effective entrepreneurial Board, which is collectively responsible for the long-term sustainable success of the Group, generating value for shareholders and contributing to the wider society (read more on page 118).
- B. Purpose, values and strategy are aligned with culture, which is promoted by the Board (read more on page 5).
- C. Resources allow the Group to meet its objectives and measure performance. A framework of controls enables assessment and management of risk (read more on pages 77 and 78).
- D. Engagement with the Group's stakeholders is effective and encourages their participation (read more on pages 28 to 35).
- E. Workforce policies and practices are consistent with the Group's purpose and values, and overseen by the Board (read more on page 123). The workforce is able to raise matters of concern, with the responsibility for whistleblowing arrangements being assigned to the subsidiary Audit Committees of the Group, in accordance with their regulatory obligations.

Division of responsibilities

- F. The Chair has overall responsibility for the leadership of the Board and for ensuring its effectiveness in all aspects of its operations (read more on page 115).
- G. The Board comprises an appropriate combination of Non-Executive and Executive Directors (read more on pages 118 to 120).
- H. Non-Executive Directors are advised of time commitments prior to appointment. The time commitments of the directors are considered by the Board on appointment, and annually thereafter. External appointments, which may affect existing time commitments, must be agreed with the Chair, and prior approval must be obtained before taking on any new external appointments.
- I. The company secretaries and the correct policies, processes, information, time and resources support the functioning of the Board.

Composition, succession and evaluation

- J. There is a procedure for Board appointments and succession plans for Board and senior management which recognises merit and promotes diversity (read more on page 96 of the Investec Group's 2022 risk and governance report).
- K. There is a combination of skills, experience and knowledge across the Board and the Board committees. Independence, tenure and membership are regularly considered (read more on pages 118 to 120).
- L. The annual effectiveness review of the Board and the individual directors considers overall composition, diversity, effectiveness and contribution (read more on page 124).

Audit, risks and internal controls

- M. Policies and procedures have been established to ensure the independence and effectiveness of the internal and external audit functions. The Board satisfies itself of the integrity of the Group's financial and narrative statements (read more on pages 99 to 109 of the Investec Group's 2022 risk and governance report).
- N. The Board presents a fair, balanced and understandable assessment of the Group's position and prospects (read more on page 105 of the Investec Group's 2022 risk and governance report).
- O. Procedures are in place to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the Group is willing to take in order to achieve its long-term strategic objectives (read more on pages 110 to 114 of the Investec Group's 2022 risk and governance report).

Remuneration

- P. The Group is committed to offering all employees a reward package that is competitive, performance-driven and fair. Our policies are designed to support the Group's strategy and to promote its long-term sustainable success, with executive remuneration aligned to our purpose, values and strategic delivery (read more on pages 136 to 138).
- Q. A transparent and formal procedure is used to develop policy and agree executive and senior management remuneration (read more on pages 136 to 138).
- R. The remuneration policy seeks to ensure all remuneration decisions made by directors, fully consider the wider circumstances as appropriate, including, but not limited to, individual performance (read more on pages 136 to 138).

COMPLIANCE WITH THE KING IV CODE

The King IV™ Corporate Governance Code (King IV™ Code) applied to the Group for the financial year ended 31 March 2022. The Board confirms that the Group has complied with the principles, the application of which are evidenced

throughout this report. The table below is designed to help shareholders evaluate how this has been achieved. The Board considers compliance has been achieved throughout the year.

Leadership, Ethics and Corporate Citizenship

- | | |
|--|--|
| <p>A. Investec's values are embodied in a written statement of values, which serves as our code of ethics. The Becoming Acquainted with Investec (BAWI) policy is the overarching reference which governs or guides management in implementing Investec's overall core values, ethics and standards.</p> | <p>B. Regarding application of these principles refer to the Corporate governance report and the DLC Nomdac report as contained in this report, and the 2022 Group sustainability report (read more on pages 34 to 35 and pages 108 to 133 of this report and pages 95 to 96 of the Investec Group's 2022 risk and governance report).</p> |
|--|--|

Strategy, Performance and Reporting

- C. This report covers all our activities across the various geographies in which we operate and has been structured to provide stakeholders with relevant financial and non-financial information (read more on pages 5 to 9).

Governance Structures and Delegation

- | | |
|--|---|
| <p>D. The Board sets the tone from the top in the way it conducts itself and oversees the structures and the framework for corporate governance. The Board Charter details the Board's role, matters specifically reserved for the Board, delegation to the Chief Executive, membership requirements and procedural conduct at Board meetings, amongst other matters.</p> <p>E. The composition of the Board and its committees are in line with King IV and there is a clear balance of power to ensure that no individual has undue decision-making powers.</p> <p>F. Specific matters reserved for decision-making by the Board are disclosed in the Board Charter. The terms of reference of the various Board committees are in place and are covered by the formal Board evaluation process. The meeting schedule for Boards and committees is confirmed more than a year in advance and several Board members serve on more than one committee to ensure collaboration. Independent chairs and members sit on all committees. The DLC Nomdac reviews the knowledge, skills, experience and capacity of all committee members on an ongoing basis.</p> | <p>G. The Board continues to be committed to regularly evaluating its own effectiveness and that of its committees. To this end, the Board undertakes an annual evaluation of its performance and that of its committees and individual directors, and is independently lead by an external specialist every third year.</p> <p>H. The Board appoints the Chief Executive and has specifically authorised him to have the necessary powers and mandate to manage the Group and conduct the affairs of the Group in his discretion and as he deems fit, save for matters reserved for the Board.</p> |
|--|---|

Governance Functional Areas

- | | |
|--|--|
| <p>I. The Board assumes responsibility through the Information and Technology Management Charter (Charter) and the Technology Governance framework. This includes, at an executive level, the DLC IT Risk and Governance Committee, and enables the setting of direction for technology and information. A set of IT and Information Risk policies are defined for the Group. The Board delegates responsibility to management as defined in the Charter and monitors progress through the DLC IT Risk and Governance Committee.</p> <p>J. The Board ensures that the Group complies with applicable laws and regulations, as well as adopted non-binding rules, codes and standards. The Group has identified the laws, codes and standards that impact its operations.</p> | <p>K. The DLC Audit Committee is the delegated governing body which meets at least four times a year, together with the Investec Limited and Investec plc Audit Committees which meet at least four times per year. It includes representatives from external audit, internal audit, compliance, and operational risk. A detailed report covering the Group in each of the above mentioned representatives' respective areas of speciality is tabled at each meeting.</p> <p>L. The directors' remuneration report sets out our remuneration policies and implementation thereof.</p> <p>M. Refer to DLC Audit Committee report as contained on pages 99 to 109 of the Investec Group's 2022 risk and governance report.</p> |
|--|--|

Stakeholder Relationships

- N. This report covers the period 1 April 2021 to 31 March 2022 and includes material issues up to the date of Board approval on 22 June 2022. The report covers all our activities across the various geographies in which we operate and has been structured to provide stakeholders with relevant financial and non-financial information.

GOVERNANCE FRAMEWORK

Investec operates under a DLC structure and considers the corporate governance principles and regulations of both the UK and South Africa before adopting the appropriate standard for the Group, and complies with the requirements in both jurisdictions.

From a legal perspective, the DLC comprises:

- Investec plc – a public company incorporated in the UK and listed on the London Stock Exchange (LSE), with secondary listings on the Johannesburg Stock Exchange (JSE) and A2X
- Investec Limited – a public company incorporated in South Africa and listed on the JSE, with secondary listings on A2X, the Namibia Stock Exchange (NSX) and the Botswana Stock Exchange (BSE).

The Boards of Investec plc and Investec Limited are identical in terms of their composition and Board meetings are held jointly. The committee structure has been derived from the requirements of the UK Corporate Governance Code and the King IV™ Code, as well as the activities of the Group.

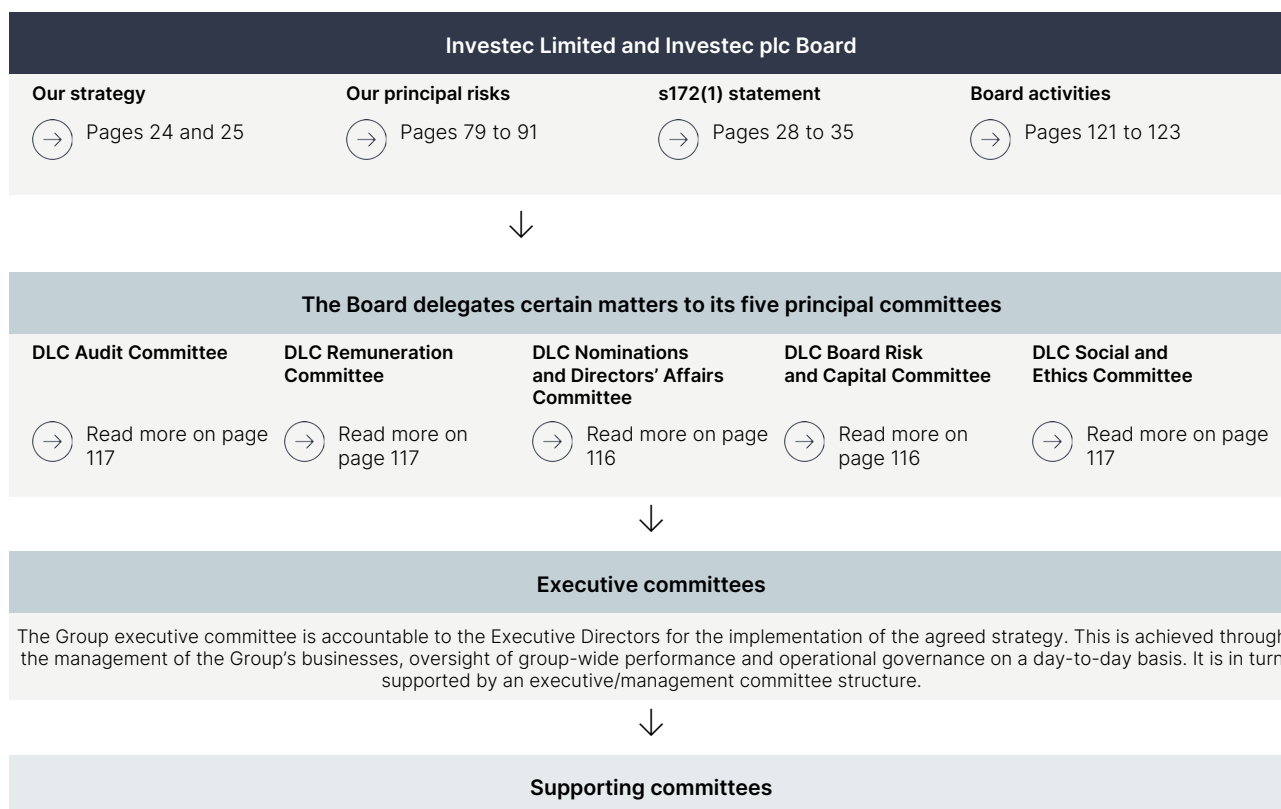
Our governance activities are aligned with, and we accordingly comply with, the South African Companies Act, No 71 of 2008, as amended (the South African Companies Act), the JSE Listings Requirements, the King IV™ Code, the South African Banks Act 94 of 1990 (South African Banks Act), the Investec Limited Memorandum of Incorporation, the UK Companies Act 2006 (UK Companies Act), the listing rules of the Financial Conduct Authority (FCA), the UK Corporate Governance Code 2018 and the Investec plc Articles of Association.

The Boards of Investec Bank plc and Investec Bank Limited, the UK and South African regulated banking subsidiaries of the Group respectively, and the Boards of Investec Wealth & Investment (UK) and Investec Wealth & Investment (SA), the Group's wealth subsidiaries, are responsible for the statutory matters and corporate governance for the respective entities. They ensure compliance with the applicable legislation and governance requirements of the jurisdictions within which they operate.

The subsidiary Boards and Board committees report to the Board and the respective Board committees of the Group. Interconnectivity between the respective Board committees is further supported by the membership or attendance of the Chair of the Group committee at the respective subsidiary committees.

A key focus for the Board in the year ahead, will be the increased interconnectivity between the Group Board and the Boards of our Specialist Banking and Wealth & Investment businesses and the enhanced symmetry of key governance processes. This will further strengthen and unify our Group governance structure, and also support the Group's One Investec strategy.

The governance framework from a Group perspective is detailed below:



BOARD AND EXECUTIVE ROLES

The key governance roles and responsibilities of the Board are outlined below:

Chair

- Leads the effective operation and governance of the Board
- Sets agendas which support efficient and balanced decision-making
- Ensures effective Board relationships and a culture that supports constructive discussion, challenge and debate
- Leads the development of and monitors the effective implementation of policies and procedures for the induction, training and professional development of all Board members
- Oversees the evaluation of the performance of the Board collectively, Non-Executive Board members individually and contributes to the evaluation of the performance of the Executive Directors
- Ensures that the Board sets the tone from the top, in regard to culture
- Serves as the primary interface with regulators and other stakeholders on behalf of the Board.

Chief Executive

- Leads and manages the Group within the authorities delegated by the Board
- Proposes and directs the delivery of strategy as agreed by the Board
- Develops and recommends business plans, policies, strategies and objectives for consideration by the Board, taking into consideration business, economic and political trends that may affect the operations of the Group
- Ensure the Group's culture is embedded and perpetuated across the organisation
- Develops and supports the growth of all the Group's businesses
- Monitors and manages the day-to-day operational requirements and administration of the Group.

Finance Director / CFO

- Leads and manages the Group finance functions
- Provides the Board with updates on the Group's financial performance
- Provides strategic and financial guidance to ensure that the Group's financial objectives and commitments are met
- Oversees the financial management of the Group including financial planning, capital, cash flow and management reporting
- Develops all necessary policies and procedures to ensure the sound financial management and control of the Group's business.

Senior Independent Director

- Acts as a sounding board for the Chair
- Leads the Board in the assessment of the effectiveness of the Chair
- Acts as a trusted intermediary for Non-executive Directors, if required, to assist them in challenging and contributing effectively to the Board
- Addresses any concerns of shareholders and other stakeholders that are unable to be resolved through normal channels, or if contact through these channels is deemed inappropriate.

Non-Executive Director

- Brings unique perspectives to the boardroom to facilitate constructive dialogue on proposals
- Constructively challenges and contributes to assist in developing the Group's strategy
- Monitors the performance of management against agreed strategic goals
- Oversees the effectiveness of internal controls and the integrity of financial reporting
- Reviews succession planning for the Board and management
- Oversees the risk management framework
- Oversees the remuneration of the Executive Directors and the Group's employees.

Company Secretary

- Maintains the flow of information to the Board and its committees and ensures compliance with Board procedures
- Ensures and keeps the Board updated on corporate governance developments
- Facilitates a programme for the induction and ongoing development of directors
- Provides advice, services and support to all directors as and when required.

SUMMARY BOARD COMMITTEES

Summary of Board committees

The following pages provide a summary of the mandate, composition (as at 31 March 2022) and key matters considered in the year by the Board committees. Further details may be found in the Investec Group's 2022 risk and governance report, and remuneration report.

DLC Board Risk and Capital Committee

Chair

David Friedland

Members

Henrietta Baldock
Zarina Bassa
Fani Titi
Philip Hourquebie
Stephen Koseff
Nicky Newton-King
Jasandra Nyker
Nishlan Samujh
Khumo Shuenyane
Philisiwe Sibiya
Brian Stevenson

Number of meetings

5

Mandate

The Committee is mandated by the Board to have oversight of the risk management framework of the Group and its subsidiaries and to assist the Board in its responsibilities to ensure that the Group maintains effective systems and process for the management and control of risk and capital exposures. The Committee's responsibilities extend across all the Group's activities.

Key matters dealt with in the year

- IT Controls and cyber risk received a renewed focus due to an increase in cyber crime as a result of the impact of COVID-19
- The Committee continued to review and challenge management actions to address the risks arising from the impact of COVID-19
- Reporting on climate related and sustainability (including ESG) risks was enhanced and greater emphasis was placed on sustainability disclosures.



Read more on pages 110 to 114 of the Investec Group's 2022 risk and governance report.

DLC Nominations and Directors' Affairs Committee

Chair

Philip Hourquebie

Members

Henrietta Baldock
Zarina Bassa
David Friedland
Khumo Shuenyane
Brian Stevenson

Number of meetings

5

Mandate

The Committee is mandated by the Board to have oversight of and give assurance to the Board on matters relating to governance and, in particular, the composition of the Boards and Board committees of the Group.

Key matters dealt with in the year

- Supported the transition of Philip Hourquebie as Chair of the Board
- Considered the succession plans for the Board and senior management
- Oversaw the recruitment and appointment of Vanessa Olver
- Considered the annual effectiveness review, and the actions arising from the previous externally facilitated review



Read more on pages 95 and 96 of the Investec Group's 2022 risk and governance report.

SUMMARY OF BOARD COMMITTEES

CONTINUED

DLC Remuneration Committee

Chair

Henrietta Baldock

Members

Zarina Bassa
Philip Hourquebie

Number of meetings

8

Mandate

The Committee is mandated by the Board to provide effective oversight of the Group's remuneration processes and arrangements. The Committee formulates remuneration policy and practices that support the Group's strategy, and promote long-term sustainable success, reward fairly, with a clear link to corporate and individual performance.

Key matters dealt with in the year

- Engaged with key shareholders to develop the revised Directors' Remuneration Policy that was approved at the AGM in August 2021
- Developed a robust approach to the assessment of the non-financial measures for the short-term incentive and long-term incentive, particularly relating to the ESG measures



Read more in the Investec Group's 2022 remuneration report.

DLC Audit Committee

Chair

Zarina Bassa

Members

Philisiwe Sibiba
David Friedland

Number of meetings

7 *

Mandate

The DLC Audit Committee is mandated by the Board to perform the statutory duties of an Audit Committee as per the UK and SA legislation, in respect of the consolidated financial report and accounts for the DLC Group.

Key matters dealt with in the year

- Monitored the continued impact of COVID-19 and the indirect impact of the Russian invasion of Ukraine on the global economy and businesses across all industries, especially valuations and ECL
- Challenged the level of ECL, model methodology and assumptions applied to calculate the ECL provisions held by the Group
- Considered Fair Value Level 3 instruments and the resulting IFRS 13 Fair Value Measurement (IFRS 13) disclosure
- Considered potential legal and uncertain tax matters with a view to ensuring appropriate accounting treatment in the financial statements.



Read more on pages 99 to 109 of the Investec Group's 2022 risk and governance report.

* Three Audit Quality meetings were held in addition to the 7 regular meetings noted

DLC Social and Ethics

Chair

Khumo Shuenyane

Members

Moni Mannings
Morris Mthombeni
Nicky Newton-King
Jasandra Nyker
Fani Titi

Number of meetings

4

Mandate

The Committee is mandated by the Board to have oversight of and to report on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships for the Group.

Key matters dealt with in the year

- Monitored the well-being of all Investec employees, given the continued effects of the pandemic
- Supported the advancement of the Group's belonging, inclusion and diversity initiatives
- Monitored the Group's climate-related targets and progress in respect of these targets



Read more on pages 97 and 98 of the Investec Group's 2022 risk and governance report.

BOARD COMPOSITION

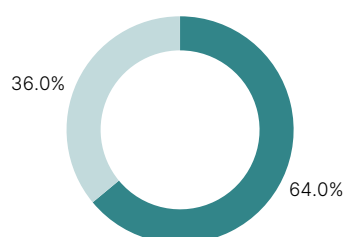
An experienced and diverse team

We have designed the composition of the Board to ensure that we have the appropriate mix of knowledge, skills, experience, independence and diversity to provide the range of perspectives, insights and challenge needed to support good decision-making in order to support the delivery of the Group's strategic objectives.

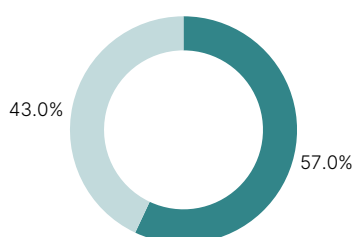
We consider the collective skills and experience of the directors when assessing the overall composition and suitability of the Board. The current collective skills and sector experience of the Board include: banking, finance, investment management, governance, regulatory, risk, strategic thinking and sustainability. The key skills and experience of specific directors are detailed in their respective biographies on pages 109 to 111.

Our Board (as at 31 March 2022)

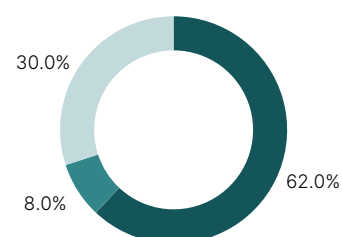
Gender diversity



Ethnic diversity

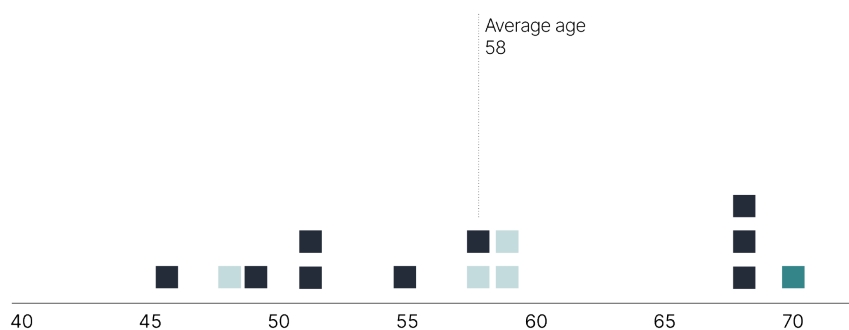


Independence (excluding the Chair)

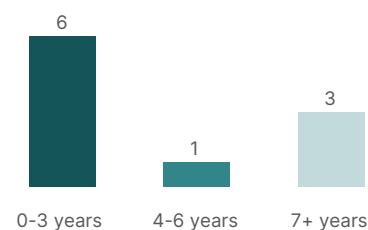


Age

years



Non-Executive Director tenure



Independent Non-Executive Directors	
Non-Executive Directors	
Executive Directors	

BOARD COMPOSITION

CONTINUED

Board composition

Membership

At the date of this annual report, the Board comprised four Executive directors and eleven Non-Executive Directors, including the Chair.

The changes to the composition of the Board during the year, following the year-end, and forthcoming, are as detailed on page 108.

The names of the directors during the year, and the dates of their appointments are set out on page 120.

Further information regarding the DLC Nomdac's responsibilities in respect of succession planning can be found on page 96 of the Investec Group's 2022 risk and governance report.

Independence

The Board considers the guidance set out in the UK Corporate Governance Code, the King IV™ Code, and directive 4/2018 as issued by the South African Prudential Authority, when considering the independence of members of the Board.

Throughout the year ended 31 March 2022, the Board was compliant with the UK Corporate Governance Code and the King IV™ Code, in that the majority of the Board, excluding the Chair, comprised independent Non-Executive Directors.

The Board considers all relevant circumstances, in ensuring that the directors demonstrate independence of character and judgement, and provide challenge to the Executive Board members in the boardroom.

The Board believes that it functions effectively and that the Non-Executive Directors are independent of management and promote the interests of stakeholders.

The Board is of the view that the Chair, Philip Hourquebie, was independent on appointment. Prior to becoming Chair, Philip was an independent Non-Executive Director and Chair of the DLC Remuneration Committee.

The Board's deliberation on the independence of the Non-Executive Directors included the consideration of the following relationships and associations in regards to specific directors:

- Stephen Koseff was a former CEO of the Group. Given the independence guidance provided in the UK Corporate Governance Code and the King IV™ Code and noting that Stephen stepped down as an Executive Director in August 2019, the Board concluded that Stephen could not be considered independent

- The Board, noting that David Friedland had served on the Board for nine years in March 2022, and would accordingly not meet the definition of independence under the South African Prudential Authority's Directive 4/2018, obtained permission from the South African Prudential Authority for David to remain as Chair of DLC BRCC until the 2022 AGM. The Board concluded that David remained independent.

Tenure

The Board also considers tenure when examining independence, and when discussing the composition of the Board as a whole. The Board is mindful that there needs to be a balance resulting from the benefits brought by new independent directors, versus retaining individuals with an understanding of Investec's unique culture.

The Board does not believe that the tenure of any of the identified independent Non-Executive Directors standing for election or re-election at the AGM in August 2022 interferes with their independence of judgement or their ability to act in the Group's best interest.

Board diversity

The Board places great emphasis on ensuring that its membership reflects diversity in its broadest sense. Consideration is given to the combination of demographics, skills, experience, race, ethnicity, religion, age, gender, educational and professional background and other relevant personal attributes. The aim is to provide the range of perspectives, insights and challenge needed to support good decision-making by the Board.

New appointments are made on merit, taking into account the specific skills, experience, independence and knowledge needed to ensure a well-rounded Board and the diverse benefits each candidate can bring to the overall Board composition.

Mindful of the recommendation of the Hampton-Alexander Review, the Board set a target of 33% female representation on the Board.

As at 31 March 2022, we had achieved 36% female representation, whilst as at the date of this report, there is a 40% female representation. Following the AGM in August 2022, there will be a 43% female representation.

The Board will be reviewing the Board Governance and Diversity Policy, and updating the diversity targets, to reflect the FCA policy statement and final rules on diversity on boards and executive committees.

The gender balance of those in senior management and their direct reports, and further information on the Group's broader approach to inclusion and diversity can be found in the 2022 Group sustainability report.

Cognisant of the recommendations of the Parker Review and in accordance with the requirements of the South African Financial Sector Code, the Board set two further internal objectives:

- A minimum of 25% of the Board members who are ordinarily resident in South Africa should be black women
- A minimum of 50% of the Board members who are ordinarily resident in South Africa should be black people.

As at 31 March 2022, and following the AGM in August 2022:

- There were / are six board members who are persons of colour (as defined by the Parker Review)
- 22% of the Board members ordinarily resident in South Africa who are black women
- 56% of the Board members ordinarily resident in South Africa who are black people.

The Board will therefore aim over time to reflect these goals, with diversity a key consideration for the Board when planning for succession and deliberating on potential Board appointments.

BOARD COMPOSITION

CONTINUED

Board composition (as at 31 March 2022)

Members	Independent	Board member since	Investec plc (9 meetings in the year) ⁵		Investec Limited (9 meetings in the year) ⁵	
			Attended	Eligible to attend	Attended	Eligible to attend
Philip Hourquebie (Chair) ¹	On appointment	14 Aug 2017	9	9	9	9
Fani Titi (Chief Executive)	Executive	30 Jan 2004	9	9	9	9
Henrietta Baldock	Yes	9 Aug 2019	9	9	9	9
Zarina Bassa	Yes	1 Nov 2014	9	9	9	9
Perry Crosthwaite ²	On appointment	18 Jun 2010	3	3	2	2
David Friedland	Yes	1 Mar 2013	9	9	9	9
Charles Jacobs ³	Yes	8 Aug 2014	1	1	1	1
Stephen Koseff	No	17 Sep 2020	9	9	9	9
Lord Malloch-Brown ⁴	Yes	8 Aug 2014	1	3	1	2
Nicky Newton-King	Yes	21 May 2021	6	6	7	7
Jasandra Nyker	Yes	21 May 2021	6	6	7	7
Nishlan Samujh	Executive	1 Apr 2019	9	9	9	9
Philisiwe Sibiya	Yes	9 Aug 2019	9	9	9	9
Khumo Shuenyane	Yes	8 Aug 2014	9	9	9	9
Brian Stevenson	Yes	22 Jun 2021	6	6	7	7
Richard Wainwright	Executive	17 Sep 2020	9	9	9	9
Ciaran Whelan	Executive	1 Apr 2020	9	9	9	9

1. Philip Hourquebie was appointed as Chair on 5 August 2021.

2. Perry Crosthwaite stepped down from the Board on 5 August 2021.

3. Charles Jacobs stepped down from the Board on 30 June 2021.

4. Unable to attend due to another business commitment. Where a director is unable to attend a meeting, they receive papers in advance and have the opportunity to provide comments to the Chair. Lord Malloch-Brown stepped down from the board on 5 August 2021.

5. During the year, there were six meetings of the Board, two Board strategy sessions, a separate Investec plc Board meeting and a separate Investec Limited Board meeting.

Summary of Board activities

	20 May	22 Jul ¹	22 Sep ²	17 Nov	08 Dec ³	10 Feb	16 Mar	17 Mar ³
Strategy	●	●	●	●	●	●	●	●
Financial	●	●	●	●	●	●	●	●
Operating context	●	●			●		●	●
Risk and assurance	●	●	●	●		●	●	
People strategy, leadership and succession	●	●	●			●	●	●
Remuneration	●	●				●		
Corporate governance and reporting	●		●	●		●		
Shareholders and key stakeholders	●	●	●	●	●	●	●	●
Culture, purpose and values		●						
Sustainability		●		●				

1. An Investec Group Board and separate Investec Limited Board meeting were held.

2. An Investec group board and separate Investec plc board meeting were held.

3. Board strategy session.

BOARD ACTIVITIES

What we did in 2021/22

2021

May

- Agreed that regulatory approval be sought for the appointment of Philip Hourquebie as Chair
- Agreed that regulatory approval be sought for the appointment of Brian Stevenson as a Non-Executive Director
- Approved the appointments of Nicky Newton-King and Jasandra Nyker as Non-executive Directors
- Considered the composition of the Board and the Board committees
- Assessed the independence of the Non-Executive Directors
- Reviewed and approved the going concern and the viability statement
- Received a detailed update from the DLC Audit Committee in respect of the going concern considerations and matters raised by assurance providers
- Considered uncertain tax and other legal matters
- Assessed the performance of the UK structured products book
- Approved the financial results for the year ended 31 March 2021
- Recommended a final dividend
- Discussed the EPS guidance to be given to the market
- Discussed and recommended the re-appointment of the external auditors.

July

- Received an update on the Group's response to the social unrest experienced in South Africa
- Received an update on the Group's performance and operating environment
- Deliberated on the wellbeing of employees, given the backdrop the of the pandemic and the social unrest in South Africa, with consideration also given to the future of work
- Debated the potential distribution of a portion of the Group's shareholding in Ninety One
- Considered capital planning proposals for Investec Limited
- Discussed feedback from shareholder roadshows
- Approved the Investec Limited Recovery and Resolution Plan
- Approved the Investec plc ICAAP, ILAAP and CFRP
- Approved changes to the Investec plc risk appetite
- Reviewed a detailed presentation on workforce engagement, including key themes and actions.

September

- Received an update on the Group's performance and operating environment
- Discussed progress against the Group's key strategic initiatives
- Approved the pre-close briefing statement
- Discussed the EPS guidance to be given to the market
- Approved the Investec Limited ICAAP
- Approved the Board Suitability Policy
- Considered the composition of the Board and the Board committees
- Considered the AGM results.

November

- Received a detailed update from the DLC Audit Committee in respect of the going concern considerations and matters raised by assurance providers
- Considered uncertain tax and other legal matters
- Approved the financial results for the half year ended 30 September 2021
- Approved an interim dividend
- Approved the updated EPS guidance
- Concluded that it was satisfied that the solvency and liquidity test for Investec Limited had been applied
- Debated the potential distribution of a portion of the Group's shareholding in Ninety One
- Received an update on the recruitment process for the Chair of the DLC BRCC
- Received an overview of the key outcomes of the COP26 conference.

BOARD ACTIVITIES

CONTINUED

2021/22

December (Board strategy session only)

- Discussed progress against the Group's strategic objectives
- Reviewed the Group's key strategic initiatives
- Analysed an update on the Group's financial outlook
- Considered proposals with regard to the strategies for the Group's principal operating subsidiaries
- Discussed shareholder and stakeholder matters.

February

- Received an update on the Group's performance and operating environment
- Considered an update received on reward and talent
- Deliberated on the Group's valuation, including consideration of the valuation methodology used
- Received an update on the Private Client strategy
- Debated the potential distribution of a portion of the Group's shareholding in Ninety One
- Considered an update on the strategy formulation process
- Approved the Investec Limited, Investec plc, Investec Bank Limited and Investec Bank plc risk appetite and policies.

2022

March

- Received an update on the Group's performance and operating environment
- Discussed progress against the Group's key strategic initiatives
- Reviewed the Group's key strategic initiatives
- Analysed an update on the Group's financial outlook
- Considered proposals with regard to the strategies for the Group's principal operating subsidiaries
- Discussed shareholder and stakeholder matters
- Approved the 2022/23 budget and operating plan
- Approved the pre-close briefing statement
- Discussed the EPS guidance to be given to the market
- Discussed the outcome of the annual Board effectiveness review and agreed actions arising from it.

March (Board strategy session only)

- Discussed progress against the Group's strategic objectives
- Reviewed the Group's key strategic initiatives
- Analysed an update on the Group's financial outlook
- Considered proposals in regards to the strategies for the Group's principal operating subsidiaries
- Discussed shareholder and stakeholder matters.

BOARD ACTIVITIES CONTINUED

How the Board engages with our people

Our people are at the heart of our business. We aim to be an organisation that values all of its people for their contributions and celebrates who they are.

The recognition that our colleagues are vital to the delivery of the Group's strategy is reflected by the Board's extensive engagement with employees across our geographies.

The Board has supported the adoption of appropriate arrangements for engaging with the Group's workforce in its respective geographies.

The Board will continue to monitor these arrangements to ensure that they remain effective and continue to give a meaningful understanding of the views of the workforce and to encourage dialogue between the Board and our people.

How we engage

The Group has established a comprehensive workforce engagement programme, administered by our People and Organisation consulting teams. This programme includes various mechanisms to monitor, and evaluate how people experience our culture, as well as their alignment and adherence to our system of values. These include:

- Listening posts: Regular focus groups to take the pulse of our culture and climate, including an understanding of the lived experience of all employees
- Team culture reviews: Where needed, we conduct in-depth culture reviews in teams or business units to assess the distinctive beliefs, behaviours and practices of Investec against how they are perceived by our employees
- Organisation climate reviews: Identify how an individual, specific team, department or division is functioning against the cultural norms and requirements
- Dialogue sessions: Sessions with colleagues from across the globe to discuss a specific topic
- BID forums: Bring leaders and representatives of the workforce together to discuss and co-create solutions and strategies in relation to belonging, inclusion and diversity

- Executive communication and team check-in sessions: We frequently host Group, international, regional and division-specific sessions where employees have an opportunity to hear from and engage with the executive
- Town halls: Provide an opportunity to share information about our strategy, growth plans, performance and results, changes to the economic and regulatory environment, and to celebrate successes, with a large audience

These engagement activities are further supported by comprehensive wellbeing programmes, belonging, inclusion and diversity focused initiatives, and social events.

What matters to our people

The key matters identified by employees were similar across our geographies. These included:

- The transition to hybrid working, with a particular focus on flexible working conditions and expectations around the future of work
- Belonging, Inclusion and Diversity, with a continued focus on building an inclusive working environment, improving representation with respect to gender and ethnicity, particularly at a senior level and within decision-making bodies, and enhancing opportunities for progression
- Fair remuneration, especially given the backdrop of rising inflation
- Wellbeing.

How we consider

Given the different requirements in South Africa and the UK, the Board has developed an appropriate reporting framework to enable it to consider the arrangements for workforce engagement across our geographies.

As detailed in last year's annual report, and in accordance with the UK Corporate Governance Code, the Board appointed a designated Non-Executive Director responsible for workforce engagement for the UK Group entity, Investec plc, and supported the appointment of the same for the principal UK subsidiaries, Investec Bank plc and Investec Wealth & Investment (UK).

Following his appointment as Chair, it was agreed that Philip Hourquebie would stand down as the designated Non-Executive Director for workforce engagement, and that Henrietta Baldock, Chair of the DLC Remuneration Committee and Chair of Investec Wealth & Investment (UK) be appointed in his place.

Moni Mannings, Senior Independent Director of Investec Bank plc and Chair of the IBP Remuneration Committee, and Cath Thorpe, Chair of the IW&I Remuneration Committee, act as the designated Non-Executive Directors for workforce engagement for the UK Banking and Wealth & Investment businesses respectively.

They meet on a quarterly basis, to consider a workforce engagement report, comprising a summary of the Board and Management's employee engagement activity, the key issues raised by employees, and the actions undertaken to address those issues.

The key items from these reports, and details of the workforce engagement activity that has taken place for all our workforce across the Group, including the common issues, are provided to the Board on a six monthly basis. Management also provide an update at each Board meeting, as to the key matters of note in respect of our people.

The themes identified through our workforce engagement activities are invaluable in informing Board decisions and discussions.

FY2022 highlights

- Adoption of a hybrid working model
- Enhanced communication of Executive remuneration to our employees
- Attract exceptional and diverse talent across the business through our early career and graduate strategy.

BOARD EFFECTIVENESS

Board effectiveness

The Board's annual effectiveness review, which is facilitated externally at least once every three years, provides an opportunity for the Board to reflect, and to consider ways of identifying greater efficiencies, maximising strengths and highlighting potential areas of further development, to enable the Board to continue to enhance its own performance.

Progress against 2020 Board effectiveness review

As reported last year, the 2020 review was an internal evaluation. Overall, the Board, the Board committees and each of the directors were found to be effective. The review highlighted certain areas of focus that would further improve effectiveness. These were considered by the Board, and an action plan was agreed. The Board action plan for 2021/2022 included:

- Enhancing the role that the Board plays in respect of culture
- Increasing the level of diversity on the Board
- Supporting greater strategic and forward-looking discussion
- Increasing the focus given to succession planning.

Whilst the Board has made good progress against some of these recommendations, given the significant changes to the Board in the past year, certain of the recommendations will be carried forward.

The Board continues to promote our purpose and to oversee the Group's unique values-led culture. Given the transformation to the Group in recent years, the Board recognises that it must continue to actively engage with our businesses, to guide and influence culture where it needs to.

As indicated earlier in this report, the Board has appointed four Non-Executive Directors. Following these appointments, the Board is pleased to note that it has achieved a 40% female representation, as at the date of the annual report. The Board places great emphasis on ensuring that its membership reflects diversity in its broadest sense, and will continue to focus on ensuring that it meets the diversity objectives that it has set.

The Board held two Board strategy sessions in the year, as the Group advances its strategy to pursue disciplined growth.

Succession planning has and will continue to be a key focus area for the Board, with particular consideration given to planned Board retirements and the talent pipeline for senior managers.

2021 Board effectiveness review

The 2021 evaluation of the Board, Board committees and individual directors was externally facilitated, as required by the UK Corporate Governance Code.

Further to a selection process, led by the DLC Nomdac, in which a number of potential providers were considered, Fidelio Partners, an independent, external corporate governance advisory firm was chosen to facilitate the review.

Fidelio Partners were also appointed to undertake an independent external evaluation of the effectiveness of the Boards of each of Investec Bank plc, Investec Bank Limited and Investec Wealth & Investment (UK).

A key theme for the review, was how the current governance framework was working at both a DLC level and a subsidiary level.

Below, we outline the various stages of the 2021 internal review.

Stage 1

Fidelio Partners held in-depth one-on-one meetings with each of the directors, selected senior managers and the company secretaries.

Stage 2

Fidelio Partners prepared a quantitative survey, in which the directors provided feedback on the key competencies and overall performance of the Board.

Stage 3

Fidelio Partners reviewed and analysed Board and Board committee materials, including papers and terms of reference.

Stage 4

Drawing upon best practice within the sector, and their understanding and insight of stakeholder expectations, Fidelio Partners determined their key findings and recommendations.

This final report was presented to the Board in March 2022, following its consideration by the DLC Nomdac.

A thorough review and discussion took place, with actions agreed for implementation and monitoring.

Board review insights

The review identified that the Board and the individual directors were performing effectively.

The review highlighted, in particular, the strength of Investec's culture, and the active contribution of the Board in the promotion of our culture and the adoption of the Group's new purpose. It also recognised the extensive expertise of the Board, which was further supported by the skills of the directors serving on the subsidiary Boards.

From a development perspective, the review highlighted certain areas of focus that would further improve the effectiveness of the Board:

- There was considered to be scope to further enhance the efficiency of the Group's governance framework
- The review encouraged an increased level of communication between the Group and the Group's principal subsidiaries

These were considered by the Board and an appropriate action plan agreed.

Board action plan

The Board action plan for 2022/23 includes:

- Reviewing the Group's governance structure
- Enhancing the working relationship between the Group and the Group's principal subsidiaries
- Supporting greater strategic and forward-looking discussion
- Increasing the level of diversity on the Board when considering the succession plan.

Committees

The Board committees were also reviewed and were considered to function well in terms of their effectiveness, decision-making and the rigorous manner in which they addressed any issues brought to their attention.

DIRECTORS' REPORT

The directors' report for the year ended 31 March 2022 comprises pages 125 to 133 of this report, together with the sections of the annual report incorporated by reference.

The directors' report deals with the requirements of the combined consolidated Investec Group, comprising the legal entities Investec plc and Investec Limited.

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 1 to 105, as the Board considers them to be of strategic importance. Specifically, these are:

- Future business developments (throughout the strategic report)
- Risk management on pages 77 and 78
- Information on how the directors have had regard to the Group's stakeholders, and the effect of that regard, on pages 28 to 35.

The strategic report and the directors' report together form the management report for the purposes of Disclosure Guidance and Transparency Rules (DTR) 4.1.8R.

Information relating to the use of financial instruments by the Company can be found on pages 34 to 35 of the Investec Group's 2022 annual financial statements and is incorporated by reference.

Information relating to the Group's carbon footprint and Greenhouse Gas (GHG) emissions may be found on page 102 and are incorporated here by reference.

Additional information for shareholders of Investec plc is detailed in schedule A to the directors' report on pages 132 and 133.

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 directors' biographies are provided on pages 109 to 111.

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
Departures		
Charles Jacobs	Non-Executive Director	30 June 2021
Lord Malloch-Brown	Non-Executive Director	5 August 2021
Perry Crosthwaite	Chair	5 August 2021
Appointments		
Nicky Newton-King	Non-Executive Director	21 May 2021
Jasandra Nyker	Non-Executive Director	21 May 2021
Brian Stevenson	Non-Executive Director	22 June 2021
Vanessa Olver	Non-Executive Director	18 May 2022

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.

Company Secretaries

The Company Secretary of Investec plc is David Miller and the Company Secretary of Investec Limited is Niki van Wyk.

The Company Secretaries are professionally qualified and have gained experience over many years. Their performance is evaluated by Board members during the annual board evaluation process. They are 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 Secretaries, whose appointment and removal are a board matter.

In compliance with the UK Corporate Governance Code, the UK Companies Act, the King IV™ Code, the South African Companies Act and the JSE Listings Requirements, the Board has considered and is satisfied that each of the Company Secretaries is competent, and has the relevant qualifications and experience.

Debt Officer

Laurence Adams currently serves as the Debt Officer of Investec Limited with effect from 27 November 2020. In compliance with the JSE Listings Requirements, the Board of Investec Limited has considered and is satisfied with the competence, qualifications and experience of the Debt Officer.

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 secretaries consult 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



The directors' shareholdings and options to acquire shares are detailed in the Investec Group's 2022 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 in writing 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

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Directors' and officers' liability insurance

The Group maintains directors' and officers' liability insurance which provides appropriate cover for 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 the other 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 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 and the Memorandum of Incorporation of Investec Limited, 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 2021 AGM. Shareholders will be asked to renew this authority at the 2022 AGM.

Contracts



Details of contracts with directors can be found on pages 18 and 19 of the Investec Group's 2022 remuneration report.

Authorised and issued share capital

Investec plc and Investec Limited
Details of the share capital are set out on pages 121 to 123 of the Investec Group's annual financial statements in note 44.

Investec plc

Investec plc did not issue any ordinary shares during the financial year ended 31 March 2022.

Investec plc did not repurchase any of its ordinary shares during the financial year ended 31 March 2022.

At 31 March 2022, Investec plc held 48 997 877 shares in treasury (2021: 41 576 257). The maximum number of shares held in treasury by Investec plc during the period under review was 49 677 266 shares.

Investec Limited

Investec Limited repurchased 8 496 839 ordinary shares during the financial year ended 31 March 2022, representing 2.66% of the issued share capital. The ordinary shares remaining in issue following these repurchases amounts to 310 407 870.

At 31 March 2022 Investec Limited held 52 277 446 shares in treasury (2021: 48 832 795). The maximum number of shares held in treasury by Investec Limited during the period under review was 54 427 984 shares.

Investec Limited repurchased 1 537 823 non-redeemable non-cumulative non-participating preference shares, representing 5% of the issued share capital. Repurchases of the preference shares were pursuant to, and in accordance with, the general authority granted to Investec Limited by its shareholders at the AGM held on 5 August 2021 and approved by the South African Prudential Authority. The preference shares remaining in issue following these repurchases amounts to 29 218 638 shares.

Ordinary dividends

Investec plc

An interim dividend of 11.0p per ordinary share (2020: 5.5p) was paid on 22 December 2021, as follows:

- 11.0p per ordinary share to non-South African resident shareholders registered on 10 December 2021
- To South African resident shareholders registered on 10 December 2021, through a dividend paid by Investec plc of 1.0p and through Investec Limited on the SA DAS share, equivalent to 10.0p per ordinary share.

The directors have proposed a final dividend to shareholders registered on 22 July 2022, of 14.0p (2021: 7.5p) per ordinary share, subject to the approval of the members of Investec plc at the AGM which is scheduled to take place on 4 August 2022. If approved, this will be paid on 08 August 2022, as follows:

- 14.0p per ordinary share to non-South African resident shareholders registered on 22 July 2022
- To South African resident shareholders registered on 22 July 2022, through a dividend paid by Investec Limited on the SA DAS share, equivalent to 14.0p per ordinary share.

Investec Limited

An interim dividend of 230 cents per ordinary share (2020: 122 cents) was declared to shareholders registered on 10 December 2021 and was paid on 22 December 2021.

The directors have proposed a final dividend to shareholders registered on 22 July 2022, of 279 cents (2021: 150 cents) per ordinary share, subject to the approval of the members of Investec Limited at the AGM which is scheduled to take place on 4 August 2022. If approved, this will be paid on 8 August 2022.

Preference dividends

Investec plc

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

Preference dividend number 31 for the period 1 April 2021 to 30 September 2021, amounting to 5.51508p per share, was declared to members holding preference shares registered on 03 December 2021 and was paid on 13 December 2021.

Preference dividend number 32 for the period 1 October 2021 to 31 March 2022, amounting to 6.41369p per share, was declared to members holding preference shares registered on 10 June 2022 and was paid on 20 June 2022.

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

Preference dividend number 21 for the period 1 April 2021 to 30 September 2021, amounting to 333.41097 cents per share, was declared to members holding Rand-denominated non-redeemable, non-cumulative, non-participating preference shares registered on 10 December 2021 and was paid on 13 December 2021.

DIRECTORS' REPORT

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Preference dividend number 22 for the period 1 October 2021 to 31 March 2022, amounting to 344.99315 cents per share, was declared to members holding preference shares registered on 10 June 2022 and was paid on 13 June 2022.

Investec Limited

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

Preference dividend number 34 for the period 1 April 2021 to 30 September 2021, amounting to 272.94074 cents per share, was declared to shareholders holding preference shares registered on 10 December 2021 and was paid on 13 December 2021.

Preference dividend number 35 for the period 1 October 2021 to 31 March 2022, amounting to 282.26249 cents per share, was declared to shareholders holding preference shares registered on 10 June 2022 and was paid on 13 June 2022.

Redeemable cumulative preference shares

Dividends amounting to R15 388 595 (2021: R17 448 522) were paid on the redeemable cumulative preference shares.

Viability statement

In accordance with the UK Corporate Governance Code, in addition to providing a going concern statement (disclosed on page 129), 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), taking into account the current position of the Group, the Board's assessment of the Group's prospects and the principal risks it faces. Following confirmation by the DLC BRCC (comprising a majority of Non-Executive Directors, which includes certain members of the Audit Committees), the Audit Committees 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 8 to 22 of the Investec Group's 2022 risk and governance report.

Through its various sub-committees, notably the Audit Committees, the DLC BRCC and the capital committees, the Board regularly carries out a robust assessment of these risks and their potential impact on the performance, liquidity, solvency and operational resilience of the Group. The activities of these Board sub-committees and the issues considered by them are

described in the Group's 2022 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 frameworks for Investec plc and Investec Limited. The risk appetite frameworks set broad parameters relating to the Board's expectations around performance, business stability and risk 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. To manage the Group's risk appetite, there are a number of detailed policy statements 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 a non-executive Audit Committee Chair.

The Board believes that the risk management systems and processes, supported by the conclusions of the Internal Audit function, are adequate to support the Group's strategy and allow the Group to operate within its risk appetite framework. 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 South African Prudential Authority (South African PA), 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. 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, greater than those required by the regulators; 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. Each banking entity within the Group is required to be fully self-funded. The Group currently has £17.2 billion in cash and near cash assets, representing 42.8% 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 14% to 17%, and a leverage ratio in excess of 6% for each of its banking entities.

The parameters used in the capital and liquidity 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.

As the Group's banking entities are regulated separately and ring-fenced from one another, different stress scenarios apply across the respective banking entities and jurisdictions.

Investec Limited:

- Base case: Economic growth lifts to 3% by the end of the period – sufficient global and domestic monetary and other policy supports to growth and financial markets occur and risk sentiment is neutral to positive. Expropriation of private sector property is limited and does not have a negative impact on the

DIRECTORS' REPORT

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economy or on market sentiment. South Africa remains in the BB category rating bracket – fiscal consolidation (debt to GDP stabilisation) occurs. Civil and political unrest wanes. Inflation is impacted by the normal course of weather patterns via food price inflation and extreme rand strength, with modest transition to renewable energy and a slow move away from fossil fuel usage. Measures to alleviate the impact of climate change on the economy are modestly implemented.

- **Lite down case:** The international environment (including risk sentiment) is that of the base case. There is very limited expropriation of private commercial sector property without compensation, with a negative impact on the economy. Business confidence is depressed, there is rand weakness, significant load shedding, civil and political unrest, weak investment growth and recession. There is high domestic inflation on unfavourable weather conditions and severe rand weakness, little transition to renewable energy, and greater pressure on government finances from disaster relief from unfavourable weather conditions driven by climate change. Debt projections initially fail to stabilise, South Africa falls into single B credit ratings from all three agencies for local and foreign currency, and fiscal consolidation ultimately occurs, preventing ratings falling into the C grades.
- **Severe down case:** There is a lengthy global recession (more than two quarters), and a global financial crisis – with temporarily insufficient monetary and other policy support domestically and globally. There is limited expropriation of private sector property, widespread services load shedding, strike action and civil unrest. South Africa's economy goes into a depression and there is unprecedented rand weakness. The government borrows from increasingly wider sources as it sinks deeper into a debt trap. South Africa is rated single B from all three key agencies, with further rating downgrades eventually into CCC grade and the risk of moving towards default. Very high domestic inflation builds on very unfavourable weather conditions, as well as severe rand weakness. There is failure to achieve the transition to renewable energy as well as to sufficient measures to alleviate the impact of climate change on the economy.

Investec plc:

- **Base case:** The base case narrative envisages that UK economic activity continues to recover in line with other advanced markets, as social restrictions are lifted and pent-up demand fuels a rebound in consumer spending. Inflation is expected to rise sharply over the near-term, but begins to come down as upward influences dissipate over time. In light of this, major central banks tighten monetary policy gradually, with the Bank of England (BoE) raising the Bank rate to 1.5% in Q1 2023 and reducing its Quantitative Easing holdings. COVID-19 remains a risk, but vaccination programs prove effective in preventing the need for further restrictions.
- **Inflation:** In the inflation scenario, the current rise in inflation proves to be more sustained and at elevated levels. Principally this is driven by developments in the labour market. As such, central banks respond by raising interest rates more aggressively, with the UK Bank rate rising to a peak of 4% from the current setting of 1.25%. Markets correct sharply on the restrictive central bank policy, tightening financial conditions and weak economic activity. The resultant shock to UK GDP is 4.2% (peak-to-trough), with a recession across advanced markets in 2023.
- **Synchronised global economic downturn:** This is a hypothetical scenario, designed to encapsulate a variety of tail risks. It involves a severe global economic downturn and a sharp repricing of all asset classes, particularly those witnessing the most elevated valuations. Major equity indices see falls of between 30-40% and higher yield bond markets witness a sell off, with corporate credit spreads widening. Residential and commercial real estate are also severely affected. Whilst the start of the shock occurs in year one, there are lasting headwinds resulting in slow economic and asset price recoveries. Monetary policy is loosened, with the BoE cutting the Bank rate and conducting Quantitative Easing (although on a more limited scale than during the pandemic given the already large holdings of bonds). Inflation falls below 1% as the economy contracts and energy prices fall. UK GDP experiences a shock of around 5% (peak to trough).

The Group also typically incorporates the South African PA biennial and the BoE regulatory scenario into its capital processes. The South African PA scenarios were run in June 2021 and the

results were included in the financial stability review that was published by the South African PA in November 2021. The BoE will return to its annual cyclical scenario (ACS) stress testing framework in 2022, following two years of COVID-19 crisis-related stress testing. However, in light of uncertainty related to the Russian invasion of Ukraine, and in order to help lenders focus on managing the ongoing financial markets disruption associated with the invasion, there is a delay to the launch of the 2022 ACS, with revised timelines to be communicated by BoE in 2Q22.

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 capital and liquidity 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 would cause the Group business model to fail. Reverse stress scenarios are developed thematically and their impact is assessed in qualitative and quantitative terms with respect to regulatory capital and liquidity threshold conditions, 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 mitigation 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 management and stress testing processes.

In addition, Investec plc performs climate scenario analysis 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 firm. The BoE's '2021 Climate Biennial Exploratory Scenario' has been used as the framework for scenario analysis, with initial focus on climate transition risk, and physical risks prioritised for the second half of 2022. To date, findings indicate that short-term transition risk is low and Investec plc has sufficient capital and liquidity to continue as a going concern and meet regulatory capital and liquidity requirements.

DIRECTORS' REPORT

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Investec Bank Limited completed the climate stress scenario of the 2021 SARB Common Scenario Stress Test (CSST). The SARB climate risk scenario captured a severe drought and was translated into an impact on economic variables. Under this scenario it was demonstrated that Investec Limited has sufficient capital and liquidity to continue as a going concern and meet regulatory minimum capital and liquidity requirements.

Furthermore, the Group is required to have a recovery plan for both Investec Limited and Investec plc as well as a resolution pack for Investec plc. The purpose of the recovery plans are to 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.

The Group also maintains an operational resilience framework for building organisational resilience to respond effectively to operationally disruptive events. This not only ensures continuity of business but also safeguards the interests of key stakeholders, as well as our reputation, brand and value-creating activities.

The capital and liquidity plans, stress scenarios, recovery plans, resolution pack and the risk appetite statement are reviewed at least annually. 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; 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 early in the year.

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 Investec will continue to operate and meet its liabilities as they fall due over the next three years. The Board has used a three-year assessment period as this is

aligned to the Group's medium-term capital plans which incorporate profitability, liquidity, 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 2025.

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 5 to 72, which show a strategic and financial overview of the business
- Pages 8 to 22 of the Investec Group's 2022 risk and governance report, which provide detail on the principal and emerging risks the Group faces
- Pages 77 to 78, which provide information on the overall Group's risk appetite
- Pages 23 to 24 of the Investec Group's 2022 risk and governance report, which provide an overview of the Group's approach to risk management, and the processes in place to assist the Group in mitigating its principal risks
- Page 78 of this report, and pages 26, 58 to 61, and 87 of the Investec Group's 2022 risk and governance report which highlight information on the Group's various stress testing processes
- Pages 64 to 69 of the Investec Group's 2022 risk and governance report which specifically focus on the Group's philosophy and approach to liquidity management
- Page 83 of the Investec Group's 2022 risk and governance report which provides detail on the recovery and resolution planning for Investec plc and Investec Limited
- Pages 84 to 87 of the Investec Group's 2022 risk and governance report 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 22 June 2022. There could be a number of risks and uncertainties arising from (but not limited to) domestic and global economic and business conditions 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.

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 on pages 5 to 14, pages 17 to 21, pages 24 to 42 and pages 79 to 91. 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 Group, as a whole, have adequate resources to continue in operational existence for the 12 months from the date the financial statements are authorised for issue. Therefore, the directors consider it appropriate to adopt the going concern basis of accounting in preparing the accompanying consolidated financial statements.

Audit Committees

The Audit Committees comprising independent Non-Executive Directors meet regularly with senior management, the external auditors, operational risk, internal audit, compliance and the finance division to consider the integrity of financial reporting, the 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 Committees are set out on pages 99 to 109 of the Investec Group's 2022 risk and governance report.

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 Group'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 Group'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.

DIRECTORS' REPORT

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Ernst & Young LLP have indicated their willingness to continue in office as auditors of Investec plc and Ernst & Young Inc. and KPMG Inc. have indicated their willingness to continue in office as joint auditors of Investec Limited.

The Board having satisfied itself as to their independence and effectiveness, has proposed a resolution to re-appoint them as auditors at the AGM scheduled to take place on 4 August 2022.

Following a comprehensive tender process, PricewaterhouseCoopers (PwC) Inc. was nominated as one of the new joint external auditors for Investec Limited for the financial year starting 1 April 2023. A formal transition process will commence during 2022, whereby PwC Inc. will observe the full audit cycle performed by the incumbent joint external auditors. The formal shadow period will commence from 1 April 2022 for the year ending 31 March 2023.

Major shareholders



The largest shareholders of Investec plc and Investec Limited are shown on page 143.

Special resolutions

Investec plc

At the AGM held on 5 August 2021, special resolutions were passed in terms of which:

- 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.

Investec Limited

At the AGM held on 5 August 2021, the following special resolutions were passed in terms of which:

- A renewable authority was granted to Investec Limited and any of its subsidiaries to acquire its own ordinary shares in terms of the provisions of the South African Companies Act No. 71 of 2008, as amended (the South African Companies Act)
- A renewable authority was granted to Investec Limited and any of its subsidiaries to acquire its own preference shares in terms of the provisions of the South African Companies Act

- A renewable authority was granted to Investec Limited to provide financial assistance in order to comply with the provisions of Sections 44 and 45 of the South African Companies Act
- A renewable authority was granted to Investec Limited to approve the directors' remuneration in order to comply with the provisions of Sections 65(11)(h), 66(8) and 66(9) of the South African Companies Act.

AGM update statement

At the AGM on 5 August 2021, resolution 15 (approval of the DLC directors' remuneration report for the year ended 31 March 2021), resolution 23 (re-appointment of Ernst & Young (EY) Inc. as joint auditors of Investec Limited), resolution 24 (re-appointment of KPMG Inc. as joint auditors of Investec Limited) and resolution 38 (political donations), passed with a less than 80% majority.

The Board recognises that effective communication is integral to building stakeholder value and is committed to providing meaningful, transparent, timely and accurate financial and non-financial information to our stakeholders. In addition to formal, written communication, executive management and Non-Executive Board members continue to engage with our shareholders on a regular basis.

Commenting on the less than 80% vote received for the Group's remuneration report

We consulted with shareholders in early 2021 to obtain their input on our new three year remuneration policy. We further engaged with shareholders during July 2021 to discuss the Group's final remuneration policy and the 2021 remuneration outcomes. The Board was pleased to receive strong support for the new Group's remuneration policy, at 86.17%. We anticipate that the material increase in support for our new remuneration policy at the AGM will translate into an increased level of votes in favour of our future remuneration reports.

We will continue with the annual programme of engagement with our shareholders with a view to ensuring that future remuneration policies and resultant outcomes are reflective of business performance and the experience of our stakeholders while balancing this with an increasingly competitive labour market.

Refer to pages 12 to 20 of the Investec Group's 2022 remuneration report for a summary of the remuneration policy.

Commenting on the less than 80% vote received for the re-appointments of EY Inc. and KPMG Inc. as joint auditors of Investec Limited

As required by the South African Prudential Authority, Investec Limited has to appoint joint external auditors. EY Inc. and KPMG Inc. are the current joint auditors of Investec Limited.

The DLC Audit Committee considered the implications of the Mandatory Audit Firm Rotation (MAFR) rule as issued by the Independent Regulatory Board for Auditors (IRBA), the requirements of the South African Companies Act No. 71 of 2008, as amended, and the state of the audit profession in South Africa including reputational or apparent audit failure perceptions. The views expressed by shareholders have been a key consideration balanced with the implications of having joint auditors and the risks inherent to an audit transition.

Based on this assessment, following a comprehensive tender process, PwC Inc. was nominated as one of the new joint external auditors of Investec Limited for the financial year starting 1 April 2023.

The appointment of PwC Inc. in a shadow capacity, for the 2022 financial year, will be recommended to shareholders at the AGM to be held in August 2022. A formal transition process will commence during 2022, whereby PwC Inc. will shadow the full audit cycle performed by the incumbent joint external auditors.

A competitive tender process for the second rotation will commence during the 2023 financial year, to appoint the second incoming audit firm to perform the audit for the financial year starting 1 April 2025, in accordance with the MAFR rules as published by the IRBA. It is intended that the second incoming joint audit firm will replace Ernst & Young Inc. as one of the joint external auditors of Investec Limited.

Refer to pages 108 and 109 of the Investec Group's 2022 risk and governance report for further details with regard to the DLC Audit Committee's review of the external auditors, and the MAFR process.

DIRECTORS' REPORT

CONTINUED

Commenting on the less than 80% vote received for authority to make political donations and to incur political expenditure

As stated in the notices to the AGMs, Investec plc does not give any money for political purposes in the UK nor does it make any donations to UK political organisations or incur UK political expenditure. However, the definitions of political donations and political expenditure used in the UK Companies Act 2006 (UK Companies Act) are very wide. In line with UK market practice, the authority is therefore requested only as a precautionary measure to ensure that Investec plc and any company which is or becomes a subsidiary of Investec plc does not inadvertently breach the relevant provisions of the UK Companies Act.

Diversity and employees

We have various processes to encourage debate and dialogue around valuing diversity and difference. Emerging and established leaders are invited to participate in discussions with the executive leadership around all issues related to talent management and diversity. The Investec Group policy is to adopt an open management style, thereby encouraging informal consultation at all levels about aspects of the Group's operations, and to incentivise employees to take an interest in the Group's performance by means of employee share schemes.



Further information is provided in the Investec Group's 2022 sustainability report.

Empowerment and transformation

The Group endeavours to prevent and/or eliminate any form of discrimination based on gender, race, ethnicity, religion, age, disability, nationality or sexual preferences. People with disabilities are an essential part of a diverse talent pool and are always considered, with every effort made to accommodate and facilitate an accessible environment. In the event of employees becoming disabled while in our employ, we are committed to ensuring their continued employment to the extent that this is possible. We have various processes to encourage debate and dialogue around valuing diversity and differences. Emerging and established leaders are invited to participate in discussions with the executive leadership around all issues related to talent management and diversity.

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 2022 (2021: Nil).

Subsidiary and associated companies



Details of principal subsidiary and associated companies are reflected on pages 137 to 142 of the Investec Group's 2022 annual financial statements.

Uncertain tax and other legal matters

The Board considered legal and uncertain tax matters with a view to ensuring appropriate accounting treatment in the financial statements. Refer to note 53 on page 131 of the annual financial statements.

Events after the reporting date

On 31 May 2022, a distribution of 138.4 million Ninety One shares (representing a 15% shareholding in Ninety One DLC) was successfully completed. The total value of the distribution of the 15% shareholding was £315.3 million. Considering the equity accounted carrying value of the 25% investment in Ninety One at 31 March 2022 of £382.6 million and the total market value of the 25% stake as at 30 May 2022 of £527.8 million, a gain of approximately £145.2 million (pre-tax) would be recognised in profit and loss as a result of the distribution. This gain will be adjusted by the equity accounted earnings between 1 April 2022 and 30 May 2022 when that information is available. The remaining shareholding in Ninety One will be accounted for at fair value through other comprehensive income from 31 May 2022.

The distribution was classified as a non-adjusting event after the reporting date as defined by IAS 10 Events after the Reporting Period.

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

Philip Hourquebie
Chair
22 June 2022

Fani Titi
Chief Executive
22 June 2022

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 2022 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, 318 904 709 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.

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 are the beneficial owners of the shares, but not the registered owners, the participants are not entitled to exercise any voting rights until the shares are released to the participants. Under the Company's employee trust, the trustee does not vote in respect of unallocated shares.

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.

SCHEDULE A TO THE DIRECTORS' REPORT

CONTINUED

A number of the Company's employee share plans include restrictions on transfer of shares while the shares are subject to the plans, in particular, the share incentive plan.

Plc preference shares

The following are the rights and privileges which attach to the 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.

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 Pound 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:

- Variation of the rights attaching to the shares or
- 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.

Remuneration



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ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR

Annual statement from the Remuneration Committee chair

Henrietta Baldock
22 June 2022

	Eligible to attend	Attended
Henrietta Baldock (Chair)	8	8
Philip Hourquebie	8	8
Zarina Bassa	8	8

Key achievements in FY 2022

- Engaged with key shareholders to develop the revised Directors' Remuneration Policy that was approved at the AGM in August 2021
- Developed a robust approach to the assessment of the non-financial measures for the short-term incentive and long-term incentive, particularly relating to the ESG measures

Areas of focus in FY 2023

- Continuing to ensure that the remuneration structures throughout the Group align with our strategy and appropriately incentivise long term performance
- Continue to engage with our key stakeholders including shareholders and our employees
- Continuing to set stretching and appropriate Executive Director targets

In this section

- Performance in the year
- Remuneration overview for the year
- Executive director outcomes
- Exercise of discretion
- Malus and clawback
- Group-wide employee remuneration
- Directors' Remuneration Policy
- Proposed amendment
- Compliance and governance statement
- Response to shareholder feedback
- Non-executive director fees
- Looking ahead
- Approvals

Dear shareholders

On behalf of the Board and as Chair of the Remuneration Committee, I am pleased to introduce the Directors' Remuneration Report for the year. We are thankful for the constructive engagement we had with our shareholders and executives during the year.

Performance in the year

The Group continued to successfully navigate the social, economic and geopolitical challenges that have characterised the past two years, and has made significant progress against the strategic goals outlined at the 2019 Capital Markets Day. Our focused approach delivered a strong rebound, with adjusted operating profit increasing by 82% to £687 million.

Revenue performance was strong as underlying franchises effectively supported our clients, with costs well contained.

Full details of our performance in the year can be found in the section 'Our Performance' in the Integrated Report.

Remuneration overview for the year

In August 2021 shareholders approved a revised Directors' Remuneration Policy that we believe is aligned with our strategy to simplify and focus the business for growth, through five strategic objectives:

- Capital discipline;
- Growth initiatives;
- Improved cost management;
- Digitalisation; and
- Greater connectivity.

Key features of the policy included:

- on-target Short-term Incentive (STI) at 100% of fixed remuneration and 50% of maximum opportunity, in line with ISS guidance
- standard Long-term Incentive (LTI) grant reduced from 100% to 80% of fixed remuneration
- delivering all variable remuneration in shares; and
- the introduction of Profit Before Tax as a measure in the STI and Relative Total Shareholder Return as a measure in the LTI.

The 2022 Chief Executive remuneration single figure increased by 130.3% from 2021 for three key reasons:

- Overall financial performance of the Group, including adjusted operating profit that increased by 82% to £687 million
- This is the first year that an LTI award has vested to the current Chief Executive; this vested at 100.8% of on-target number of shares and 74.7% of maximum opportunity which equates to £1,651,000
- The share price has increased 23% over the performance period, contributing £308,000 of the increase.

The Remuneration Committee believes that the Executive Directors have performed very well and the remuneration outcomes are reflective of the overall financial and non-financial performance for the one and three year performance periods.

Executive Director outcomes STI 2022

Group Profit Before Tax (PBT) and Group RoE outcomes both exceeded the stretch targets set.

The group Cost to Income Ratio and the Group Cost Growth metric both exceeded on-target but did not achieve the stretch targets set. This resulted in overall achievement of the Group financial metrics at 189.5% of on-target amount and 94.7% of maximum opportunity.

The committee assessed achievement against the non-financial objectives at stretch level for culture and values, on-target level for ESG related measures and in between on-target and stretch for the strategic objectives, with the exception of Ciaran Whelan for whom the committee assessed achievement against the strategic measures at stretch. This resulted in the overall achievement of non-financial elements at 150.0% of on-target amount and 75.0% of maximum opportunity for Fani Titi, Nishlan Samujh and Richard Wainwright, and overall achievement of 175.0% of on-target amount and 87.5% of maximum opportunity on the non-financial measures for Ciaran Whelan.

The overall STI achievement was 181.6% of on-target amount and 90.8% of maximum opportunity for Fani Titi and Nishlan Samujh. Due to the regulatory

ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR

CONTINUED

cap, their STI was capped at 167.9% of fixed remuneration.

Richard Wainwright and Ciaran Whelan had a portion of their financial metrics based on their primary business areas, being the entire Southern Africa business and Wealth & Investment UK respectively.

PBT achievement for the Southern African business was in excess of stretch while RoE, the Cost to Income Ratio and the Cost Growth metric were all in excess of on-target but did not achieve stretch. This resulted in overall achievement of the financial metrics at 189.5% of on-target amount and 94.7% of maximum opportunity. The overall STI vested at 170.3% of on-target amount and 85.1% of maximum opportunity for Richard Wainwright. This was capped at 167.9% of fixed remuneration.

Achievement against PBT, the Cost to Income Ratio and the Cost Growth metric for the UK Wealth & Investment business were all in excess of on-target but did not achieve stretch. The RoE underpin of 25% was also met. This resulted in overall achievement of the financial metrics for the UK Wealth & Investment business at 146.7% of on-target amount and 73.3% of maximum opportunity. The overall short-term incentive vested at 169.5% of on-target amount and 84.7% of maximum opportunity for Ciaran Whelan. This was capped at 167.9% of fixed remuneration.

For full details of the financial and non-financial performance measures and outcomes refer to the Investec Group Remuneration Report that is published separately.

LTI 2019 – 2022

The growth in tangible net asset value over the three year period was 56.6%, above the stretch target of 45.0%. As outlined in volume 1 of the 2020 Integrated Annual report the average return on risk-weighted assets (RoRWA) was split into two periods; pre- and post-demergers of Ninety One. The pre-demergers RoRWA was below threshold and the post-demergers RoRWA was above threshold but below on-target. The committee assessed culture and values at stretch and franchise development, employee relationships, governance and regulatory relationships were all in excess of on-target but did not achieve stretch.

Achievements against both financial and non-financial measures resulted in the 2019 long-term incentive vesting at 100.8% of on-target number of shares and 74.7% of maximum opportunity. For full details of the financial and non-

financial performance measures and outcomes refer to the Investec Group Remuneration Report that is published separately.

Exercise of discretion

The committee considered exercising its discretion in relation to the remuneration levels and vesting but was comfortable that the remuneration outcomes were aligned with performance and therefore did not exercise its discretion in this regard. The committee did exercise a minor discretion in electing to not reduce the capped remuneration equally between the STI and LTI, as allowed for in the Policy, following feedback from shareholders that it would be better to not reduce the weighting of the LTI. Therefore, all of the reduction in remuneration due to the regulatory cap was from the STI.

Malus and clawback

The committee duly and carefully considered, against pre-established criteria, whether malus and/or clawback should be applied to any unvested or vested variable remuneration awards, respectively. The committee considered significant losses, write-downs and risk events during the year, if any, and considered whether due governance and process had been adhered to. None of the malus and clawback thresholds were triggered and no application of these mechanisms was made.

Group-wide employee remuneration

Our remuneration approach is designed to foster a high performance culture that enables an entrepreneurial spirit as well as a strong sense of ownership. We reward our people for the contribution that they make through payment of a fixed package, variable performance bonus, and ownership through a share incentive scheme. We strive to provide a working environment that stimulates extraordinary performance within our risk appetite and prudential limits so that Executive Directors and employees may be positive contributors to clients, our communities and the Group.

The fixed pay comprises salary, role based allowances in certain circumstances, and benefits.

The fixed pay is generally aligned with local market practice. The general employee pension contribution is funded by the company in addition to the salary and allowances. For the Executive Directors, the pension contribution is deducted from the fixed pay. Therefore on a net basis the Executive Directors are not in a preferential position in relation to pension contributions when compared to the general employee population.

All employees are generally eligible for an annual bonus and/or short-term incentive based on a mix of financial and non-financial measures. Non-financial performance is more heavily weighted for non-revenue generating employees when determining their bonus.

In principle, all employees are eligible for long-term share incentives; this is designed to give our people a sense of ownership, so they feel invested in the organisation.

Directors' Remuneration Policy

The current Directors' Remuneration Policy was approved by Investec shareholders at the AGM held on 5 August 2021. The Committee believes that the Policy remains fit for purpose, is aligned with the strategy of the Group and the interests of shareholders, and provides appropriate levels of reward for the Executive Directors. The Committee wishes to make one amendment to the Policy, as explained in more detail below. To comply with UK company law, shareholder approval for this amendment is required. Accordingly, a resolution amending the Policy will be included on the agenda for the AGM to be held on 4 August 2022.

Proposed amendment

The existing Remuneration Policy provides for the Executive Directors to receive fixed remuneration, payable in cash, up to levels as agreed by the Committee. The cost of any benefits provided to the Executive Directors, and the value of any pension/provident contributions made, is deducted from fixed pay. In practice, therefore, the agreed level of fixed remuneration covers annual salary, benefits and pension.

Benefits currently provided to the Executive Directors include life, disability and personal accident insurance and medical cover. In light of continued concerns around the personal security of senior businesspeople in South Africa, the Committee has agreed to make available an additional benefit to the Executive Directors entitling them to enhanced personal security services in South Africa. This is currently a taxable benefit in South Africa and the annual cost for each Executive Director, including the income tax due on the benefit, is expected to be in the region of £100,000. Such a benefit is standard for senior executives of large South African companies and the Committee has agreed that it should be available to Investec's Executive Directors in light of the risks to which they are unfortunately exposed when travelling within the country.

ANNUAL STATEMENT FROM THE REMUNERATION COMMITTEE CHAIR
CONTINUED

As noted above, under the Remuneration Policy the cost of this additional benefit must be deducted from fixed pay. The Committee wishes to amend the Policy such that the cost of this specific benefit is not deducted

from fixed pay. The rationale for this approach is that these security services are viewed as necessary for the enhanced protection of senior executives, and the Committee does not believe it is fair or appropriate for the

Executive Directors' fixed pay to effectively be reduced through the provision of a benefit which is considered essential.

The amendment to the Policy would involve changes to the Directors' Policy table, as set out below. The amendments are underlined.

Purpose and link to strategy	Operation	Maximum value and performance targets	Proposed changes from current Policy
Benefits	<u>Other than in respect of benefits related to personal security whilst in South Africa</u> , the cost of any benefits provided are deducted from fixed pay. Benefits are benchmarked against relevant comparator groups ¹ . Executive Directors may elect to sacrifice a portion of their annual gross remuneration in exchange for benefits such as travel allowances and medical aid	Benefits include: life, disability and personal accident insurance; medical cover; and other benefits, <u>including personal security measures (and any income taxes due)</u> , as dictated by competitive local market practices There is no maximum value but the value of benefits provided will generally be in line with market comparators	<u>The cost of any benefits (grossed up for any income taxes due on the benefit) provided which are linked to personal security will not be deducted from fixed pay</u>

1. Peer group companies include Absa Group, Brewin Dolphin, Close Brothers Group, FirstRand, Julius Baer, Nedbank Group, Quilter, Rathbones Group, Standard Bank Group and Virgin Money.

Subject to shareholders approving the amendment to the Policy at the AGM, the cost of the enhanced personal security will not be deducted from fixed remuneration.

There are no other changes to the Directors' Remuneration Policy.

Compliance and governance statement

The Investec Group Remuneration Report, published separately, complies with the provisions of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the UK Corporate Governance Code, the UK Companies Act 2006, the Rules of the UK Listing Authority, the UK Financial Conduct Authority rules, the PRA and FCA Remuneration Code, the South African King IV Code of Corporate Practice and Conduct, the South African Companies Act 2008, the JSE Limited Listings Requirements and the South African Notice on the Governance and Risk Management Framework for Insurers, 2014.

The report also contains Pillar III disclosure as mandated by the UK's PRA.

Response to shareholder feedback

We undertook extensive consultation with our key shareholders in 2021, focusing on our new proposed remuneration policy, which was approved at the 2021 AGM. We received positive and constructive feedback. We incorporated changes as a result of this feedback.

These changes aimed to align reward more closely with business performance and adherence to our strategy. We were pleased to receive votes in favour of the remuneration policy of 86%.

We look forward to consulting further in the run up to the AGM, as we normally do.

Non-Executive Director fees

The fee structure for Non-Executive Directors has been reviewed, for proposed 2023 fees refer to the Investec Group Remuneration Report that is published separately.

Looking ahead

Our proposed approach to executive remuneration is designed to incentivise exceptional long term performance from our executives, adherence to our strategy and ensure that all stakeholders, including shareholders and executives, are rewarded appropriately.

We are committed to ensuring that we have remuneration structures that support the Group's strategy and align with all stakeholder interests (as appropriate), allowing the Group to deliver strong performance.

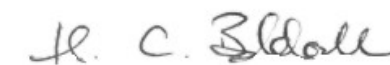
Approvals

We are seeking shareholder approval at the 2022 annual general meeting for:

- An amendment to the Directors' Remuneration Policy, as outlined in 'Details of the proposed amendment' above (binding vote per the UK regulations)
- A non-binding vote (per the King IV Code and JSE Listings requirements) on our Directors' Remuneration Policy
- Our Non-executive Directors' remuneration
- Our Directors' Remuneration Report for the year ended 31 March 2022

For further information refer to the Investec Group Remuneration Report that is published separately

Signed on behalf of the Board



Henrietta Baldock
Chair, DLC Remuneration Committee
22 June 2022

Annexures



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OUR CREDIT RATINGS

In terms of our DLC structure, creditors are ring-fenced to either Investec Limited or Investec plc as there are no cross-guarantees between the companies. Capital and liquidity are prohibited from flowing between the two entities and thus capital and liquidity are not fungible. As a result, the rating

agencies have assigned separate ratings to the significant banking entities within the group, namely Investec Bank plc (IBP) and Investec Bank Limited (IBL). Rating agencies have also assigned ratings to the holding companies, namely, Investec plc and Investec Limited. In South Africa, adjustments in

the sovereign rating lead to an automatic adjustment in the ratings of the major banks in the country, as it is generally accepted that a bank cannot have a higher rating than the sovereign of the country in which it operates. Our ratings at 22 June 2022 were as follows:

Rating agency	Investec Limited	IBL A subsidiary of Investec Limited	Investec plc	IBP A subsidiary of Investec plc
Fitch				
Long-term ratings				
Foreign currency	BB-	BB-		BBB+
National	AA+(zaf)	AA+(zaf)		
Short-term ratings				
Foreign currency	B	B		F2
National	F1+(zaf)	F1+(zaf)		
Outlook	Stable	Stable		Stable
Moody's				
Long-term ratings				
Foreign currency		Ba2	Baa1	A1
National		Aa1.za		
Short-term ratings				
Foreign currency		NP	P-2	P-1
National		P-1.(za)		
Outlook		Stable	Stable	Stable
S&P				
Long-term ratings				
Foreign currency		BB-		
National		za.AA		
Short-term ratings				
Foreign currency		B		
National		za.A-1+		
Outlook		Positive		
Global Credit Ratings				
Long-term ratings				
International scale, local currency		BB		BBB+
National scale		AA(za)		
Short-term ratings				
International scale, local currency		B		A2
National scale		A1+(ZA)		
Outlook (International scale)		Negative		
Outlook (National scale)		Stable		Stable



Further information on our credit ratings may be found on our website.

SHAREHOLDER ANALYSIS

Investec ordinary shares

As at 31 March 2022, Investec plc and Investec Limited had 696.1 million and 310.4 million ordinary shares in issue respectively.

Spread of ordinary shareholders as at 31 March 2022**Investec plc ordinary shares in issue**

Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
15 945	1 – 500	58.1%	2 371 418	0.3%
4 239	501 – 1 000	15.5%	3 193 823	0.5%
4 895	1 001 – 5 000	17.8%	10 863 963	1.6%
780	5 001 – 10 000	2.8%	5 687 355	0.8%
828	10 001 – 50 000	3.0%	18 635 961	2.7%
206	50 001 – 100 000	0.8%	14 597 966	2.1%
549	100 001 and over	2.0%	640 732 132	92.0%
27 442		100.0%	696 082 618	100.0%

Investec Limited ordinary shares in issue

Number of shareholders	Holdings	% of total shareholders	Number of shares in issue	% of issued share capital
8 776	1 – 500	65.5%	827 525	0.3%
1 319	501 – 1 000	9.8%	1 003 859	0.3%
1 949	1 001 – 5 000	14.6%	4 424 207	1.5%
441	5 001 – 10 000	3.3%	3 228 326	1.0%
534	10 001 – 50 000	4.0%	12 529 670	4.0%
138	50 001 – 100 000	1.0%	9 935 644	3.2%
243	100 001 and over	1.8%	278 458 639	89.7%
13 400		100.0%	310 407 870	100.0%

Geographical holding by beneficial ordinary shareholder as at 31 March 2022**Investec plc**

■ South Africa	52.0%
■ UK	22.8%
■ USA and Canada	15.0%
■ Rest of Europe	4.9%
■ Other countries and unknown	5.3%

Investec Limited

■ South Africa	66.5%
■ UK	2.8%
■ USA and Canada	14.3%
■ Rest of Europe	5.4%
■ Other countries and unknown	11.0%

SHAREHOLDER ANALYSIS

CONTINUED

Largest ordinary shareholders as at 31 March 2022

In accordance with the terms provided for in Section 793 of the UK Companies Act, 2006 and Section 56 of the South African Companies Act, 2008, the group has conducted investigations into the registered holders of its ordinary shares (including nominee and asset management companies) and the results are as disclosed below.

Investec plc

Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	78 056 948	11.2%
2. M&G Investments (UK & ZA)	76 081 326	10.9%
3. BlackRock Inc (EU, US & UK)	32 650 262	4.7%
4. The Vanguard Group, Inc (US, UK & AUS)	30 569 393	4.4%
5. Investec Staff Share Scheme (UK & ZA)	29 302 251	4.2%
6. Ninety One (ZA)	26 902 702	3.9%
7. Allan Gray (ZA)	26 513 728	3.8%
8. BrightSphere Investment Group (US & UK)	26 362 156	3.8%
9. Old Mutual Investment Group (ZA)	20 113 596	2.9%
10. T Rowe Price Associates (UK & US)	13 817 308	2.0%
Cumulative total	360 369 670	51.8%

The top 10 shareholders account for 51.8% of the total shareholding in Investec plc. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

Investec Limited

Shareholder analysis by manager group	Number of shares	% holding
1. Public Investment Corporation (ZA)	45 916 573	14.8%
2. Investec Staff Share Scheme (UK & ZA)	26 103 097	8.4%
3. Allan Gray (ZA)	19 013 412	6.1%
4. Old Mutual Investment Group (ZA)	16 211 644	5.2%
5. Sanlam Group (ZA)	13 931 951	4.5%
6. The Vanguard Group, Inc (US)	10 044 144	3.2%
7. M&G Investments (ZA)	7 894 142	2.5%
8. Swedbank Robur (EU)	7 688 918	2.5%
9. Truffle Asset Management (ZA)	6 928 476	2.2%
10. BlackRock Inc (US & UK & AUS)	6 826 150	2.2%
Cumulative total	160 558 507	51.6%

The top 10 shareholders account for 51.6% of the total shareholding in Investec Limited. This information is based on a threshold of 20 000 shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

Shareholder classification as at 31 March 2022

	Number of Investec plc shares	% holding	Number of Investec Limited shares	% holding
Public*	661 820 824	95.1%	282 718 736	91.1%
Non-public	34 261 794	4.9%	27 689 134	8.9%
Non-executive directors of Investec plc/Investec	3 483 329	0.5%	221 235	0.1%
Executive directors of Investec plc/Investec Limited	1 476 214	0.2%	1 364 802	0.4%
Investec staff share schemes	29 302 251	4.2%	26 103 097	8.4%
Total	696 082 618	100.0%	310 407 870	100.0%

* As per the JSE Listings Requirements.

SHAREHOLDER ANALYSIS

CONTINUED

Share statistics

For the year ended	31 March 2022	31 March 2021
Price earnings ratio ¹	9.1	7.6
Dividend payout ratio (%)	45.4	45.0
Dividend yield (%)	5.0	5.9
Earnings yield (%) ¹	10.9	13.2

Investec plc

For the year ended	31 March 2022	31 March 2021
Daily average volumes of shares traded ('000)	1 605	2 802
Closing market price per share (Pound Sterling)	5.03	2.19
Number of ordinary shares in issue (million)	696.1	696.1
Market capitalisation (£'million) ²	3 255	1 433

Investec Limited

For the year ended	31 March 2022	31 March 2021
Daily average volumes of shares traded ('000)	1 242	2 089
Closing market price per share (Rands)	97.51	43.27
Number of ordinary shares in issue (million)	310.4	318.9
Market capitalisation (R'million) ²	88 268	40 007
Market capitalisation (£'million) ²	4 553	2 025

1. Calculations are based on the adjusted earnings per share and the closing share price.
2. This calculation of market capitalisation excludes the Group's treasury shares. For the market capitalisation of Investec plc, the LSE only includes the shares in issue for Investec plc, as Investec Limited is not incorporated in the UK. For the market capitalisation of Investec Limited, the JSE has agreed to use the total number of shares in issue for the combined Group, comprising Investec plc and Investec Limited.

SHAREHOLDER ANALYSIS

CONTINUED

Investec preference shares

Investec plc and Investec Limited have issued preference shares.

Spread of preference shareholders as at 31 March 2022

Investec plc preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
48	1 – 500	17.8%	7 830	0.3%
22	501 – 1 000	8.2%	16 888	0.6%
126	1 001 – 5 000	46.8%	260 494	9.5%
28	5 001 – 10 000	10.4%	216 350	7.8%
33	10 001 – 50 000	12.3%	757 493	27.5%
7	50 001 – 100 000	2.6%	498 790	18.1%
5	100 001 and over	1.9%	996 742	36.2%
269		100.0%	2 754 587	100.0%

Investec plc (Rand-denominated) perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
28	1 – 500	40.0%	4 530	3.4%
14	501 – 1 000	20.0%	11 156	8.5%
20	1 001 – 5 000	28.6%	50 290	38.3%
5	5 001 – 10 000	7.1%	28 471	21.7%
3	10 001 – 50 000	4.3%	37 000	28.1%
—	50 001 – 100 000	—%	—	—%
—	100 001 and over	—%	—	—%
70		100.0%	131 447	100.0%

Investec Limited perpetual preference shareholders

Number of shareholders	Holdings	% of total shareholders	Number of preference shares in issue	% of issued preference share capital
859	1 – 500	17.6%	210 179	0.7%
906	501 – 1 000	18.5%	756 213	2.6%
2 115	1 001 – 5 000	43.3%	5 178 204	17.7%
491	5 001 – 10 000	10.1%	3 573 431	12.2%
476	10 001 – 50 000	9.7%	9 306 957	31.9%
38	50 001 – 100 000	0.8%	2 695 580	9.2%
—	100 001 and over	—%	7 498 074	25.7%
4 885		100.0%	29 218 638	100.0%

Largest preference shareholders as at 31 March 2022

Shareholders holding beneficial interests in excess of 5.0% of the issued preference shares are as follows:

Investec plc perpetual preference shares

Rock (Nominees) Limited 19.9%

Investec plc (Rand-denominated) perpetual preference shares

Private individual 9.9%

Private individual 9.9%

Private individual 8.4%

Private individual 5.1%

Investec Limited perpetual preference shares

There were no shareholders holding beneficial interests in excess of 5.0% of the issued preference shares in Investec Limited as at 31 March 2022.

SUSTAINABILITY RATINGS AND RANKINGS

Our social and environmental impact

Our commitment to sustainability recognises the interconnected nature of our business, the economy, the environment and society. We live in, not off, society. Our vision is to create and preserve sustained long-term wealth and help our clients grow their businesses. This cannot be done in isolation of our responsibility to the world around us.

Ratings and rankings in the sustainability indices



Top 15% in the global financial services sector of the CSA (Corporate Sustainability Assessment) Dow Jones



Top 30 in the FTSE/JSE Responsible Investment Index



FTSE4Good

Included in the FTSE4Good Index



Included in the STOXX Emerging Markets 1500 ESG-X and the STOXX Emerging Markets Total Market Mid ESG-X



Top 1% scoring AAA in the financial services sector in the MSCI Global Sustainability Index



Maintained a B rating against an industry average of B



Top 13% of globally assessed companies in the Global Sustainability Index



Top 20% of diversified finance services
Rated Prime - absolute best in class

Awards

Top 10 best workplaces to grow your career in South Africa according to LinkedIn's annual Top Companies list

Inaugural GTR Industry Achievement Award 2022 for co-chairing production of ICC White Paper on Sustainability in Export Finance

GTR Best Deals Award 2022 for first ever Sustainable Export Credit (Ghana Western Rail)

GTR Best Deals Award 2022 for first ever Social Export Credit in Healthcare (Ghana Western Regional Hospitals)

The ACWA Power Redstone CSP project awarded IJGlobal Africa Renewable Deal of the Year in 2022

Winner of the award for Best Support for SMEs at the 2021 Credit Strategy Lending Awards

SUSTAINABILITY RATINGS AND RANKINGS CONTINUED

Integrating sustainability into business strategy

Creating enduring worth, living in, not off, society.

Sustainability principles

1

Creating **long-term value** for all our stakeholders: contributing to the SDGs

2

Do no harm through ethical conduct and ESG screening; committed to the 10 principles of the UN Global Compact

3

Committed to a **clean carbon transition** by achieving carbon neutral status in all our operations

4

Providing **profitable, impactful and sustainable** products and services and launched innovative sustainability linked offerings

5

Maximising impact through a focus on the SDGs: Financed more than £348 million towards student accommodation in South Africa, the UK and Europe

Our sustainability framework is based on the UN SDGs

Our two core SDG priorities



Addressing climate and inequality issues is fundamental to the success of our business.

Our secondary SDG priorities



Our sustainability framework is based on:

- **Living sustainably** within our operations, through our policies, processes, risk practices and reporting
- **Partnering with clients** and offering sustainability products and services particularly in water, renewables, infrastructure, job creation, clean cities and education
- **Aligning our community initiatives** to our SDG priorities to maximise impact in education, entrepreneurship and the environment.

Advocacy and industry participation

- **Active participation** in UNGC, UN GISD, UN PRI, UNEP FI, BASA, PCAF and others
- **Working with industry** in the UK and South Africa to ensure policy coherence
- Using the strength of our brand to **educate and promote sustainable thinking**.

OVERVIEW – CLIMATE-RELATED DISCLOSURES

Climate-related disclosures overview

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 2022, we have made progress in our disclosures on all four pillars of the TCFD recommendations.

Please refer to the Investec Group's 2022 climate-related financial disclosures report for further detail.

Governance (governance around climate-related risks and opportunities)

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

- Board monitoring and oversight of climate-related risks and opportunities is supported by clear roles and responsibilities for the Board and Board appointed Committees. The Board met nine times where climate-related and sustainability (including ESG) matters were presented in written format at every meeting
- Climate measurements are incorporated within executive remuneration and performance structures. Our executive remuneration framework is based on 5 sustainability ratings that show a broader impact across all three areas of E, S and G
- The Boards of Investec Group's principal subsidiaries exercised oversight of key climate-related risks and opportunities through regular risk reporting and management updates
- The Board is also supported by Board-appointed committees including the DLC SEC, DLC BRCC, DLC Audit Committee and the DLC Remuneration Committee.

Future priorities:

- Further development and upskilling on climate-related matters for Board members and members of Board-appointed Committees
- Review and assess the integration of sustainability and climate-related matters into business strategy
- Monitor the progress in terms of the Group's net-zero ambition and the related Scope 3 strategy and targets
- Monitor the progress to strengthen the Group's climate-related and sustainability disclosures, including the TCFDs, and the Group's reporting on our priorities and progress in terms of the SDGs.

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

- The Chief Executive, Fani Titi, takes ultimate executive responsibility for all climate-related and sustainability (including ESG) matters. He is also a member of the UN GISD, an alliance with representation from 30 leading corporates and financial institutions across the world
- The Chief Executive is informed of climate-related risks and opportunities through the Global Head of Sustainability, the Group ESG Executive Committee and the DLC SEC. As a member of the DLC SEC, the CE gets informed of climate-related matters. He also receives written feedback through the Board reports. The Global Head of Sustainability reports directly to the CE, providing verbal feedback at least once a month
- The Chief Executive is supported by the Group ESG Executive Committee to coordinate climate-related and sustainability (including ESG) efforts across geographies and businesses from both a strategy and policy perspective.

Future priorities:

- Strengthen the integration of sustainability into business strategy
- Encourage the roll out of climate-related product offerings
- Monitor the steering of the Group's strategy around our net-zero ambitions
- Monitor and strengthen the Group's climate-related and sustainability disclosures, including the TCFDs, and report on our priorities in terms of the SDGs
- Reviewing and aligning a global modern slavery statement and biodiversity statement.

Strategy (the actual and potential impacts of climate-related risks and opportunities on Investec Group's businesses, strategy and financial planning)

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

Investec Group's climate ambition, tabled at the August 2021 AGM was supported with 99.9% support. This resolution authorised and direct the Investec Group and the directors to commit to disclose the following within our TCFD report for the year ended 31 March 2022:

- The baseline of Investec Group's Scope 3 financed emissions
- The Group's strategy to reduce its Scope 3 financed emissions
- The Group's short-, medium- and long-term targets to reach net-zero emissions and align with the Paris goals, based on a geographic approach that is guided by (but not limited to) the net-zero trajectories of our two core jurisdictions, being South Africa and the UK.

Future priorities:

- Further enhance capabilities associated with climate-related risks and opportunities measurement.

OVERVIEW – CLIMATE-RELATED DISCLOSURES

CONTINUED

Strategy (the actual and potential impacts of climate-related risks and opportunities on Investec Group's businesses, strategy and financial planning)

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

Our sustainability principles include:

- Positively contribute to the Sustainable Development Goals
- Operating responsibly and ethically and within the planetary boundaries
- Partnering with our clients and philanthropy partners to maximise positive impact
- Providing profitable, impactful and sustainable, products and services
- Actively advocating for industry alignment and best practice.

This is supported by:

- Our minimal coal exposure of 0.10% (March 2021: 0.17%) as a % of gross core loans and advances
- Investec plc committed to zero coal exposure in the next three to five years
- Investec Limited's commitment to have zero appetite for funding export coal
- Harnessing climate-related opportunities through the SDGs and supported our clients through sustainability linked products.

Future priorities:

- Further engagement with our clients to assist them in their net-zero carbon ambitions
- Continue providing innovative climate-related product offerings
- Review and assess the integration of climate-related matters into business strategy.

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

During 2021:

- Investec Bank Limited completed the climate stress scenario of the 2021 SARB Common Scenario Stress Test (CSST) concluding that Investec Limited has sufficient capital and liquidity to continue as a going concern and meet regulatory minimum capital and liquidity requirements
- Investec plc, performed climate scenario analysis in line with the requirements stipulated by Supervisory Statement SS3/19 concluding that short term transition risk is low and Investec plc has sufficient capital and liquidity to continue as a going concern and meet regulatory capital and liquidity requirements.

Future priorities:

- Monitor the progress in terms of the Group's net-zero carbon ambition
- Continue to strengthen the Group's climate-related and sustainability disclosures.

Risk management (how Investec Group identifies, assesses, and manages climate-related risks)

Our processes for identifying and assessing climate-related risks

- Climate risk was incorporated into Investec Group's principal risk in 2018
- Investec supports international best practices regarding the responsibility of the financial sector in financing and investing transactions. Social, environmental, and ethical risk considerations are implicit in our values, culture and code of conduct, and are applied as part of our risk framework
- Our approach to managing the risks from climate change is continually evolving as we improve our understanding of this complex and interconnected risk
- We are also aware of the enormity of the challenge with many improved tools and resources becoming available as this area of risk evolves.

Future priorities:

- Continue to increase our focus on climate-related and sustainability (including ESG) risks and enhancement in identifying and assessing these risks.

OVERVIEW – CLIMATE-RELATED DISCLOSURES

CONTINUED

Risk management (how Investec Group identifies, assesses, and manages climate-related risks)

Our processes for managing climate-related risks

Climate change is seen as both a business opportunity and a risk. Therefore, our strategy is informed by the following climate change considerations:

- Support the Paris Agreement goals and acknowledge the urgency of climate change
- Minimise our direct negative carbon impacts and commit to ongoing carbon neutrality
- Invest in products, services and businesses that accelerate the transition
- Support our clients as they transition their business operations and offerings
- Engage with stakeholders to inform our climate strategy as it evolves
- Actively participate in industry discussions to ensure an aligned and comprehensive approach.

Future priorities:

- Implement automated ESG screening, measurement and reporting within our South African operations
- Leverage our robust sustainability positioning to launch more innovative climate-related and sustainability loans and bonds
- Harness the expertise in our various businesses to accelerate sustainable finance that supports a zero-carbon transition
- Maximise impact by partnering with our clients, investors and various stakeholders to support a more resilient and inclusive world
- Continue innovation in new product development to benefit our clients and broader society: focusing on affordable and clean energy, industry innovation and infrastructure towards a net-zero world.

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

- Credit risk - real estate: We reviewed physical risks within our real estate portfolio and mortgages in the Investec Limited and Investec plc portfolio
- Operational risk: We reviewed our exposure to physical risk within Investec Limited and Investec plc operations
- Litigation / liability: Reviewed our legal documentation to include ESG and climate-related terms and conditions.

Future priorities:

- Review developments with regards to climate-related disclosure guidance in specific recommendations by the International Sustainability Standards Board (ISSB) and the Financial Reporting Council (FRC)
- Enhanced focus on reporting on climate-related risks.

Metrics and targets (the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material)

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

Metrics used to assess climate-related risks:

- Reviewed sectors that are exposed to transition risk
- Reviewed our real estate portfolio in Investec plc and Investec Limited for physical risk which includes precipitation and increased temperatures
- Calculated our operational footprint
- Calculated our financed emissions within our material asset classes.

Future priorities:

- Engage with stakeholders to get feedback on how we can improve our measurement and methodologies used.

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

- Maintained carbon neutrality in our direct emissions for the fourth financial year as part of our commitment to ongoing carbon neutrality in our Scope 1, Scope 2 and operational Scope 3 emissions
- Measured and reported on our material scope 3 financed emissions. Refer to page 102 for the SECR disclosures.

Future priorities:

- Continue to monitor progress on the Group's net-zero carbon ambitions.

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

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

- Investec plc committed to zero coal exposure in the next three to five years
- Investec Limited's commitment to have zero appetite for funding export coal
- Harnessing climate-related opportunities through the SDGs and supported our clients through sustainability linked products
- Assist our clients in their net-zero ambitions
- Continue our efforts in financing climate solutions
- Embedding climate into our culture and decision-making.

Future priorities:

- Continue to assess climate scenarios in line with industry recommendations.

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 external auditors performed a review of the pro-forma financial information and the opinion is available for inspection at the registered office of Investec upon request.

Adjusted earnings attributable to ordinary shareholders Earnings attributable to shareholders adjusted to remove goodwill, acquired intangibles, strategic actions, and earnings attributable to perpetual preference shareholders and Other Additional Tier 1 security holders



Refer to page 81 of the Investec Group's 2022 annual financial statements for the reconciliation of earnings attributable to shareholders to adjusted earnings attributable to ordinary shareholders.

Adjusted earnings per share Adjusted earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year



Refer to page 81 of the Investec Group's 2022 annual financial statements for calculation.

Adjusted operating profit Refer to the calculation in the table below:

£'000	31 March 2022	31 March 2021
Operating profit before goodwill, acquired intangibles and strategic actions	727 579	377 110
Loss/(Profit) attributable to other non-controlling interests	(40 170)	472
Adjusted operating profit	687 409	377 582

Adjusted operating profit per employee Adjusted operating profit divided by average total employees including permanent and temporary employees

Annuity income Net interest income plus net annuity fees and commissions



Refer to pages 69 to 71 of the Investec Group's 2022 annual financial statements.

Core loans The table below describes the differences between 'loans and advances to customers' as per the balance sheet and gross core loans





£'million	UK and Other		Southern Africa		Total group	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Loans and advances to customers per the balance sheet	14 426	12 336	15 135	13 705	29 561	26 041
Add: own originated loans and advances to customers per the balance sheet	—	—	376	402	376	402
Add: ECL held against FVOCI loans reported on the balance sheet within reserves	(3)	(5)	—	—	(3)	(5)
Net core loans	14 423	12 331	15 511	14 107	29 934	26 438
of which subject to ECL*	13 814	11 819	15 431	14 030	29 245	25 849
Net core loans at amortised cost and FVOCI	13 814	11 819	14 431	12 935	28 245	24 754
Net fixed rate loans designated at FVPL (on which ECL is calculated for management purposes)^	—	—	1 000	1 095	1 000	1 095
of which FVPL (excluding fixed rate loans above)	609	512	80	77	689	589
Add: ECL	134	170	140	134	274	304
Gross core loans	14 557	12 501	15 651	14 241	30 208	26 742
of which subject to ECL*	13 948	11 989	15 571	14 164	29 519	26 153
of which FVPL (excluding fixed rate loans above)	609	512	80	77	689	589

^ Fixed rate loans which have passed the solely payments of principal and interest test (SPPI) and are held in a business model to collect contractual cash flows but have been designated at FVPL to eliminate accounting mismatches (interest rate risk is being economically hedged). The underlying loans have been fair valued and management performs an ECL calculation in order to obtain a reasonable estimate of the credit risk component. The portfolio is managed on the same basis as gross core loans measured at amortised cost. The drawn (£1.0 billion) exposure falls predominantly into Stage 1 (consistent throughout the period) (31 March 2021: £1.1 billion). The ECL on the portfolio is £3.9 million (31 March 2021: £5.2 million).

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

ALTERNATIVE PERFORMANCE MEASURES

CONTINUED

Core loans to equity ratio	Net core loans divided by total shareholders' equity per the balance sheet		
Cost to income ratio	Refer to calculation in the table below:		
£'000	31 March 2022	31 March 2021	
Operating costs (A)	1 233 948	1 164 513	
Total operating income before expected credit losses	1 990 355	1 641 061	
Loss/(Profit) attributable to other non-controlling interests	(40 170)	472	
Total (B)	1 950 185	1 641 533	
Cost to income ratio (A/B)	63.3%	70.9%	
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		
Dividend payout ratio	Ordinary dividend per share divided by adjusted earnings per share		
Gearing ratio	Total assets excluding assurance assets divided by total equity		
Loans and advances to customers as a % of customer deposits	Loans and advances to customers as a percentage of customer accounts (deposits)		
Net tangible asset value per share	Tangible ordinary shareholders' equity (which excludes goodwill and other acquired intangible assets) divided by the number of shares in issue		
	 Refer to calculation on page 59 of the Investec Group's 2022 year-end results booklet.		
Net interest margin	Interest income net of interest expense, divided by average interest-earning assets		
	 Refer to calculation on pages 69 to 70 of the Investec Group's 2022 annual financial statements.		
Return on average assets	Adjusted earnings attributable to ordinary shareholders divided by average total assets excluding assurance assets		
Return on average ordinary shareholders' equity (ROE)	Adjusted earnings attributable to ordinary shareholders divided by average ordinary shareholders' equity		
	 Refer to calculation on pages 60 to 63 of the Investec Group's 2022 year-end results booklet.		
Return on average tangible ordinary shareholders' equity	Adjusted earnings attributable to ordinary shareholders divided by average tangible ordinary shareholders' equity		
	 Refer to calculation on pages 60 to 63 of the Investec Group's 2022 year-end results booklet.		
Return on risk-weighted assets	Adjusted earnings attributable to ordinary shareholders divided by average risk-weighted assets, where risk-weighted assets is calculated as the sum of risk-weighted assets for Investec plc and Investec Limited (converted into Pound Sterling)		
Staff compensation to operating income ratio	All staff compensation costs expressed as a percentage of operating income before ECL (net of operating profits or losses attributable to other non-controlling interests)		

Profit Forecast

The following matters highlighted in the CFO report contain forward-looking statements:

- The cost to income ratio to be within the Group target of <63% notwithstanding inflationary pressures.
- Normalisation of expected credit loss impairment charges and consequent credit loss ratio increase towards the Group's revised through-the-cycle (TTC) range of 25-35bps, with South Africa's TTC range calibrated between 20bps and 30bps, and the UK between 30bps and 40bps.
- Improvement in ROE towards the 12-16% Group target range, which we expect to achieve by FY2024. This will be aided by capital management initiatives.

The basis of preparation of this statement and the assumptions upon which it was based are set out below. This statement is subject to various risks and uncertainties and other factors – these factors may cause the Group's actual future results, performance or achievements in the markets in which it operates to differ from those expressed in this Profit Forecast.

Any forward-looking statements made are based on the knowledge of the Group at 22 June 2022.

This forward-looking statement represents a profit forecast under the Listing Rules. The Profit Forecast relates to the year ending 31 March 2023.

ALTERNATIVE PERFORMANCE MEASURES

CONTINUED

The financial information on which the Profit Forecast was based is the responsibility of the Directors of the Group and has not been reviewed and reported on by the Group's auditors.

Basis of preparation

The Profit Forecast has been properly compiled using the assumptions stated below, and on a basis consistent with the accounting policies adopted in the Group's 31 March 2022 unaudited preliminary financial statements, which are in accordance with IFRS.

Assumptions

The Profit Forecast has been prepared on the basis of the following assumptions during the forecast period:

Factors outside the influence or control of the Investec Board:

- There will be no material change in the political and/or economic environment that would materially affect the Investec Group.
- There will be no material change in legislation or regulation impacting on the Investec Group's operations or its accounting policies.
- There will be no business disruption that will have a significant impact on the Investec Group's operations, whether for the economic effects of increased geopolitical tensions or otherwise.
- The Rand/Pound Sterling and US Dollar/Pound Sterling exchange rates and the tax rates remain materially unchanged from the prevailing rates detailed above.
- There will be no material changes in the structure of the markets, client demand or the competitive environment.
- There will be no material change to the facts and circumstances relating to legal proceedings and uncertain tax matters.

Estimates and judgements

In preparation of the Profit Forecast, the Group makes estimations and applies judgement that could affect the reported amount of assets and liabilities within the reporting period. Key areas in which judgement is applied include:

- Valuation of unlisted investments primarily in the private equity, direct investments portfolios and embedded derivatives. Key valuation inputs are based on the most relevant observable market inputs, adjusted where necessary for factors that specifically apply to the individual investments and recognising market volatility.
- The determination of ECL against assets that are carried at amortised cost and ECL relating to debt instruments at fair value through other comprehensive income (FVOCI) involves the assessment of future cash flows which is judgmental in nature.
- Valuation of investment properties is performed by capitalising the budget net income of the property at the market related yield applicable at the time.
- The Group's income tax charge and balance sheet provision are judgmental 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 recognises in its 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. The carrying amount of this provision is often dependent on the timetable and progress of discussions and negotiations with the relevant tax authorities, arbitration processes 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.
- Where appropriate, the Group has utilised expert external advice as well as experience of similar situations elsewhere in making any such provisions. Determination of interest income and interest expense using the effective interest rate method involves judgement in determining the timing and extent of future cash flows.

GLOSSARY

A2X	A2X Markets stock exchange (South Africa)	ECL	Expected credit losses
AFS	Available for sale	EDT	Entrepreneurship Development Trust
AGM	Annual general meeting	EE	Employment equity
AI	Artificial Intelligence	EP	Equator Principles
AIRB	Advanced Internal Ratings-Based	EPS	Earnings per share
ALCO	Asset and Liability Committee	ERRP	Economic Reconstruction and Recovery Plan
AOP	Adjusted operating profit	ERV	Expected rental value
AT1	Additional Tier 1	ESG	Environmental, social and governance
BaaS	Banking-as-a-Service	EU	European Union
BASA	Banking Association of South Africa	EQAR	Engagement Quality Assurance Review
BBLS	Bounce Back Loan Scheme	FCA	Financial Conduct Authority
BCBS	Basel Committee of Banking Supervision	FIRB	Foundation Internal Ratings Based
BID	Belonging, Inclusion and Diversity	FRC	Financial Reporting Council
BIS	Bank for International Settlements	FTA	Foreign Trade Agreement
BoE	Bank of England	FSB	Financial Services Board
BOM	Bank of Mauritius	FSC	Financial Sector Code
BRCC	Board Risk and Capital Committee	FSCS	Financial Services Compensation Scheme
BSE	Botswana Stock Exchange	FUM	Funds under management
CA	Chartered Accountant	FVOCI	Fair value through other comprehensive income
CAM	Combined Assurance Matrix	FVPL	Fair value through profit and loss
CBILS	Coronavirus Business Interruption Loan Scheme	GBV	Gender-based violence
CDO	Collateralised debt obligation	GCCE	Gross credit and counterparty exposure
CEO	Chief Executive	GDP	Gross Domestic Product
CET1	Common Equity Tier 1	GDPR	General Data Protection Plan
CFO	Chief Financial Officer	GHG	Greenhouse Gas
CLBILS	Coronavirus Large Business Interruption Loan Scheme	HNW	High net worth
CLF	Committed liquidity facility	HR	Human resources
CLO	Collateralised loan obligation	IAM	Investec Asset Management
CLR	Credit loss ratio	IAPF	Investec Australia Property Fund
CMD	Capital Markets Day	IASB	International Accounting Standards Board
COO	Chief Operating Officer	IAS	International Accounting Standards
COVID	Corona Virus Disease	IBL	Investec Bank Limited
CPI	Consumer Price Index	IBL BRCC	IBL Board Risk and Capital Committee
CPR	Conditional prepayment rate	IBL ERC	IBL Executive Risk Committee
CRDIV (BASEL III)	Capital Requirements Directive IV	IBM	Investec Bank Mauritius
CRO	Chief Risk Officer	IBP	Investec Bank plc
CSI	Corporate Social Investment	IBP BRCC	IBP Board Risk and Capital Committee
CSR	Corporate Social Responsibility	IBP ERC	IBP Executive Risk Committee
CVA	Credit value adjustment	ICAAP	Internal Capital Adequacy Assessment Process
DCF	Discounted cash flow	IFRIC	International Financial Reporting Interpretations Committee
DLC	Dual listed company	IFRS	International Financial Reporting Standard
DLC BRCC	DLC Board Risk and Capital Committee	IFWG	Intergovernmental Fintech Working Group
DLC Nomdac	DLC Nominations and Directors Affairs Committee	IIA	Institute of Internal Auditors
DLC Remco	DLC Remuneration Committee	IIF	Institute of International Finance
DLC SEC	DLC Social and Ethics Committee	ILAAP	Internal Liquidity Adequacy Assessment Process
DMRE	Department of Mineral Resources and Energy	IPF	Investec Property Fund
EAD	Exposure at default	IPRE	Income Producing Real Estate
EBA	European Banking Authority	IRBA	International Regulatory Board for Auditors
EBITDA	Earnings before interest, taxes, depreciation and amortisation	ISAs (UK)	International Standards on Auditing (UK)
ECB	European Central Bank	IT	Information technology
		IWT	Illegal wildlife trade
		IW&I	Investec Wealth & Investment
		JSE	Johannesburg Stock Exchange
		L&D	Learning and development

GLOSSARY

CONTINUED

LCR	Liquidity Coverage Ratio	SA	South Africa
LGD	Loss given default	SAMLIT	South African Anti-Money Laundering Integrated Task Force
LHS	Left hand side		
LIBOR	London Inter-Bank Offered Rate	SARS	South African Revenue Service
LSE	London Stock Exchange	SDGs	Sustainable Development Goals
LTi	Long-term incentive	SICR	Significant increase in credit risk
MAFR	Mandatory Audit Firm Rotation	SID	Senior independent director
MD	Managing Director	SIDSSA	Sustainable Infrastructure Development Symposium South Africa
MiFID	Markets in Financial Instruments Directive		
MLRO	Money Laundering Reporting Officer	SME	Small and Medium-sized Enterprises
MW	Megawatt	SMMEs	Small, Medium & Micro Enterprises
NAV	Net asset value	South African PA	South African Prudential Authority (previously known as the Banking Supervision Division of the South African Reserve Bank)
NBFI	Non-Banking Financial Institution		
NCI	Non-controlling interests	SOE	State-Owned Enterprise
NGO	Non-governmental organisation	SPPI	Solely payments of principal and interest
NIR	Non-interest revenue	STI	Short-term incentive
NPO	Non-profit organisation	TAS	Targeted Attack Simulation
NSFR	Net Stable Funding Ratio	TCFD	Task Force on Climate-related Financial Disclosures
NSX	Namibian Stock Exchange	tCO ₂ e	Tonnes of CO ₂ emissions
OCI	Other comprehensive income	TDI	Tolerance and Diversity Institute
OTC	Over the counter	TNAV	Tangible net asset value
PBT	Profit before tax	TSR	Total shareholder return
PCAF	Partnership for Carbon Accounting Financials	UK	United Kingdom
PD	Probability of default	UKLA	United Kingdom Listing Authority
PPE	Personal Protective Equipment	UN	United Nations
PRA	Prudential Regulation Authority	UN GISD	United Nations Global Investment for Sustainable Development
REIT	Real Estate Investment Trust		
RHS	Right hand side	UNEP FI	United Nations Environment Programme Finance Initiative
RLS	Recovery Loan Scheme		
RMIPPP	Risk Mitigation Independent Power Producer Procurement Programme	UNGC	United Nations Global Compact
		UNPRB	United Nations Principles for Responsible Banking
ROE	Return on equity	UNPRI	United Nations Principles for Responsible Investment
RORWA	Return on risk-weighted assets	US	United States
ROTE	Return on tangible equity	W&I	Wealth & Investment
ROU	Right of use asset	WACC	Weighted average cost of capital
RPI	Retail Price Index	WANOS	Weighted average number of shares in issue
RRP	Recovery Resolution Plan	YES	Youth Employment Service
S&P	Standard & Poor's		

DEFINITIONS

Cash and near cash

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

Diluted earnings per share

Diluted earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders of Investec plc and Investec Limited, adjusted for the effects of dilutive ordinary potential shares, by the weighted average number of shares in issue during the period plus the weighted average number of ordinary shares that would be issued on conversion of the dilutive ordinary potential shares during the year.

Refer to page 81 of the Investec Group's 2022 annual financial statements for the calculation of diluted earnings per share.

Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to the ordinary shareholders in Investec plc and Investec Limited by the weighted average number of ordinary shares in issue during the year.

Refer to page 81 of the Investec Group's 2022 annual financial statements for the calculation of earnings per share.

Effective operational tax rate

Tax on profit on ordinary activities (excluding non-operating items) divided by operating profit before goodwill and acquired intangibles and excluding share of post-taxation profit of associates and joint venture holdings.

Funds under management

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

Headline earnings per share

Headline earnings is calculated in accordance with the JSE listing requirements and in terms of circular 1/2019 issued by the South African Institute of Chartered Accountants. Headline earnings per share calculated by dividing the Group's headline earnings by the average number of shares which it had in issue during the accounting period.

Refer to page 81 of the Investec Group's 2022 annual financial statements for the calculation of headline earnings per share.

Interest-bearing liabilities

Deposits by banks, debt securities in issue, repurchase agreements and cash collateral on securities lent, customer accounts (deposits), subordinated liabilities, liabilities arising on securitisation of own originated loans and advances, and finance lease liabilities. Refer to page 69 of the Investec Group's 2022 annual financial statements for calculation.

Interest-earning assets

Cash and near cash, bank debt securities, sovereign debt securities, core loans, other debt securities, other loans and advances, other securitised assets, and finance lease receivables. Refer to page 69 of the Investec Group's 2022 annual financial statements for calculation.

Legacy business in the UK Specialist Bank ('Legacy')

Legacy, as separately disclosed from 2014 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.

Market capitalisation

Total number of shares in issue (including Investec plc and Investec Limited) excluding treasury shares, multiplied by the closing share price of Investec plc on the London Stock Exchange.

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 2014 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, the demerger of the asset management business and the 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 56 of the Investec Group's 2022 risk and governance report for detail.

Subject to ECL

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

Total Group

Total Group represents the Group's results including the results of discontinued operations in the prior period.

Weighted number of ordinary shares in issue

The number of ordinary shares in issue at the beginning of the year increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the income of the Group less treasury shares. Refer to calculation on page 81 of the Investec Group's 2022 annual financial statements.

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Registration number 3633621

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Registration number 1925/002833/06

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Directorate as at 22 June 2022**Executive directors**

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 Nishlan Samujh (Group Finance Director)
 Richard Wainwright (Executive Director)
 Ciaran Whelan (Executive Director)

Non-Executive directors

Philip Hourquebie (Chair)
 Zarina Bassa (Senior Independent Director)
 Henrietta Baldock
 David Friedland
 Stephen Koseff
 Nicky Newton-King
 Jasandra Nyker
 Vanessa Olver
 Philisiwe Sibiya
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